Additional Disclosures

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Disclosures

This section highlights important information in relation to handling or executing Foreign Exchange transactions that may be instructed by you and should be read as a supplement to the Order Execution Policy.

Foreign Exchange

FX Stop Loss Orders

You may place stop loss (or in the opposite direction Take Profit) FX orders with Standard Chartered Bank (SCB). These types of contingent order which trigger a buy or sell order for a specified notional amount, when a reference price reaches or passes a pre-defined trigger level, are collectively termed "SLOs".

SCB handles SLOs on a principal to principal basis and therefore does not segregate the management of SLOs from its core market making operations. Further SCB may engage in risk management transactional activity which may be executed close to a Stop Loss trigger level, and that transactional activity may impact the reference price and result in a Stop Loss being triggered. This risk management may also include '*pre-hedging*' in anticipation of an SLO nearing the trigger level.

We shall assume that you agree to transact SLOs on this basis unless we hear from you to the contrary.

Reference Time Orders Disclosure ("RTO")

From time to time you may request Standard Chartered Bank ("SCB") to execute an order at a specified time in the future, which is not to be transacted against a particular recognised benchmark "fix". An example of this order would be "Sell 50M EURUSD at 12pm UK time today". This order will not be transacted against any official benchmark price.

The order will be treated as if you have placed the order with SCB at the Reference Time and as such execution of your order will begin at the Reference Time. The order will be managed at the full discretion of SCB as an at best order, taking into account market characteristics and liquidity at and after the specific time unless explicitly instructed otherwise.

We will not attempt to match the rate at that time, and in no way is the execution of your order an attempt to match a "snapshot" or official benchmark of the rate at that moment in time. Should you wish to execute against a specified price in time, then your request should be made to execute an Against Fix Order ("AFO") against a benchmark such as WMR, BFIX, TKFE etc.

Financial Markets

Against Fix Orders ("AFO")

AFOs arise in situations where you place an explicit instruction, ahead of the actual publication of a reference price, to execute your transaction at a price which is to be determined by reference to a particular benchmark price, or an agreed spread above or below it. The benchmark will be determined in accordance with the rules and procedures applicable to the benchmark administrator. SCB does not actively solicit Against Fix Orders, but where you have specifically requested us to transact on this basis, we will do so.

Where the benchmark is based on actual transactional activity, please note that in order to give effect to your order SCB may trade in the market before, during and/or after the window period during which that benchmark is calculated. This transactional activity may have an influence on the eventual published benchmark price.

Where the benchmark is based on survey submissions, if SCB is a member of the panel of benchmark submitters, SCB will make such submissions in accordance with any applicable rules and procedures which govern such submissions, including any hierarchy of determining factors to substantiate submissions. Such hierarchy may require data from our own concluded transactions to take precedence over other factors.

We shall assume that you agree to transact Against Fix Orders on this basis unless we hear from you to the contrary.

Binary Options

You may transact binary options, also referred to as barrier or digital options, with Standard Chartered Bank (SCB). These options are a category of option that are either activated or cancelled when a pre-determined reference price level is reached at a specified date or time (or during a specified date or time range). Binary options can be standalone options contracts or can be embedded in other options or structured products.

SCB handles binary options on a principal to principal basis and therefore does not segregate the management of binary options from its core market making activities. Furthermore SCB may engage in risk management transactional activity which may be executed close to a binary option trigger level, and that transactional activity may impact the reference price and influence whether the binary option is triggered. This risk management may also include 'pre-hedging' in anticipation of a binary option nearing the trigger level.

We shall assume that you agree to transact binary options on this basis unless we hear from you to the contrary.

Disclosures - SCB Pre Deal Checks

This section highlights the pre deal checks that we conduct for Professional Client under the MiFID categorisation rules and should be read as a supplement to the Order Execution Policy.

Pre Deal Price Validation Checks

Electronic communications infrastructure can be subject to latency. The following controls help ensure that SCB's clients only transact on a current (and not an old) price:

Time to Live

- Each quote that a client receives is subject to this check, which will ensure that a client is not able to trade on an old price.

- The client trade request is declined if there has been an excessive period of time passed since an updated quote has been sent

Verification of Deals

These controls are performed when we receive a client trade request, and are designed to protect the bank and client against excessive market movement:

Quote Validation

Checks are in place to ensure that the price being traded upon (and the amount) was the price and amount actually quoted

- When a client requests a price, their requested volume will be sent along with their request

- When the quote is made to a client it will be assigned a unique identifier and the volume will be associated with this identifier

- When the client requests to trade the message will refer to the identifier and this can be checked to ensure it matches the system record

- Where this check produces a false result the attempted client transaction is rejected

Price Sanity

A symmetrical check which is used to protect against the prudential risks that both SCB and its clients face in relation to adverse price movements in the market

- Rejects a trade request if there has been a variance in excess of a pre-defined threshold in the price between the time at which the client's request was priced and when the order was received for processing.

- This check is calculated using a quantitative, pre-defined tolerance which will protect against variances and prevent the execution of transactions where the variance exceeds the thresholds.

- Where SCB is the buyer and the client price calculated on receipt is either below or above the client's requested price plus / minus any equal tolerances set, the trade request will be rejected

- Where SCB is the seller and the client price calculated on receipt is either above or below the client's requested price plus / minus any equal tolerances set, the trade request will be rejected

Additional Checks

Client trade requests are subject to various other checks, including but not limited to:

<u>Validation / Compliance Checks</u>

These ensure that the client is correctly authorised to trade the requested product on the specified account

<u>Credit Checks</u>

These limit the maximum credit exposure between the bank and the client to limits determined by the bank

<u>Risk Checks</u>

To limit the risk of rapid build ups of risk, e.g. by limiting rate of new orders and throughout