

INFORMATION ABOUT EFG BANK AG, HONG KONG BRANCH FOREIGN EXCHANGE PRODUCTS TERMS OF DEALING

This document sets out the key aspects of the relationship between the Bank and the Client when the Bank transacts in Foreign Exchange (“FX”) products with the Client.

This document (as modified by any subsequent additions or amendments thereto) is in addition to the General Conditions of the Bank (as modified by any subsequent additions or amendments thereto). Unless otherwise defined, words and expressions defined in the General Conditions have the same meaning in this document.

The obligations imposed on the Bank in this document shall be in addition to all Applicable Laws and what is contained in the General Conditions.

The Bank’s FX products trading services

Unless stated otherwise, the Bank participates in the Global FX Market and acts as a principal with the Client.

The Bank strives to offer competitive pricing and best possible execution in handling the Client’s FX products transactions.

Any price quoted would by default be indicative unless otherwise stated or if a firm price is specifically requested by and offered by the Bank to the Client.

Potential Conflicts of Interest

The Bank is part of a large international financial group and acts simultaneously for a large number of different Clients, as well as for the Bank’s own account. As such, conflicts of interest cannot be completely avoided.

The Bank is not able to totally remove potential conflicts of interest, given the structure and functioning of the FX market. This is mainly due to the fact that Clients have varied interests and requirements at any given time. The Bank is constantly active in a high number of transactions related to different Clients and some of the risk management activities will entail building inventories in anticipation of Client demand.

To that extent, with unpredictable frequency, it might occur that the Bank could affect the price of some transactions and execute orders that might trigger stop loss orders for other Clients. The Bank will continue to work in minimising the market impact of transactions, especially when size and liquidity have a potentially larger impact on execution. The relevant employees at the Bank are also trained to comply with potential conflicts of interest and procedures are in place to minimise risks as well as to supervise activities.

Order execution and pricing

Unless otherwise agreed, the Bank will quote Clients all-in prices, whether indicative or firm, and these will embed any margin or markup that the Bank deems appropriate for managing the risk and covering any charge for the operation of the FX products business. Such margins are not inclusive of any markup arrangements that may be specific to any Client.

The markup determination will take into account any factors fulfilling the Bank's internal requirements on appropriate returns based on balance sheet usage and capital allocation as well as other factors such as liquidity, size of the transaction, risk limits usage, sales infrastructure and effort and credit charges. Other factors like technological or specific commercial reasons may additionally be considered and could have an effect on markup and overall pricing.

Execution factors

Market price is not the only execution factor that will be taken into account. The Bank will consider the following execution factors when executing FX products transactions: execution venue, price, all costs associated with the execution of the order, likelihood of full execution, settlement, scope, type of the order and any other condition of the market as determined by the Bank to be relevant to the execution of a transaction, such as the concentration/credit limit issues with the counterparty.

A variety of criteria will be taken into account, on a case by case basis, in assessing the above factors. Criteria for such assessment include, inter alia, the characteristics of each individual transaction as for instance the Client's preferences, market conditions, and point in time of the transaction and the size of the trade. In general, the most important execution factor for Clients will be the execution price. However, in more illiquid markets, the primary execution factors may vary and therefore the likelihood of execution will become the primary execution factor.

Order/quote handling

While acting as principal in connection with a Client's order, the Bank is exposed to multiple risks, such as market and credit risk. Clients can send orders to the Bank using the various channels as agreed between the Bank and the Client. Subject to any express agreement to the contrary, the Bank is entitled to exercise its discretion in determining whether to accept the order and whether it will fill the order in whole or in part.

Factors affecting pricing of FX products

The execution price for FX products is affected by several factors that includes but is not limited to market liquidity and timing, style of execution (e.g. voice, algorithm), capital allocation, funding expenses, counterparty credit charges, operational costs and fees paid to third party execution venues.

As such, it is possible that the Bank may offer different prices to different clients for the same or substantially similar types of transaction based on the said factors.