



Conditions of Foreign  
Exchange Derivatives  
Service Provision  
ABN AMRO through  
Franx

*Version 2.0*



# Conditions of Foreign Exchange Derivatives Service Provision ABN AMRO through Franx

## Reading guide

These Conditions of Foreign Exchange Derivatives Services Provision ABN AMRO through Franx apply to the services of Franx in arranging Foreign Exchange Derivative Transactions and to the conclusion of Foreign Exchange Derivative Transactions with ABN AMRO.

## Applicability to services of Franx and ABN AMRO

It contains an important part of the agreements that apply between you, Franx and ABN AMRO when making use of the Foreign Exchange Derivatives Service Provision and when entering into Foreign Exchange Derivative Transactions. You can find what you can expect from us and what we expect from you. Other agreements can be found in the Foreign Exchange Derivatives Service Provision Agreement and the Regulation Safeguarding Collateral Foundation.

## The role of Franx

Franx receives your orders and passes them on to ABN AMRO. Franx does this as a tied agent of ABN AMRO. You give your orders to Franx through the Platform. If you have entered into a Foreign Exchange Derivative Transactions, Franx confirms this to you via the Platform on behalf of ABN AMRO. Below you can read which conditions apply to this role and service of Franx.

## The role of ABN AMRO

ABN AMRO is your counterparty under the Foreign Exchange Derivative Transactions. This means that when you receive a payment under a transaction, you receive it from ABN AMRO. If you have to pay under a transaction, you pay to ABN AMRO. Where you read below about entering into transactions and making payments or depositing Margin, this applies to your relationship with ABN AMRO and the services provided by ABN AMRO in entering into and settling Foreign Exchange Derivative Transactions.

## You are a client of Franx and ABN AMRO

If you want to enter into a Foreign Exchange Derivative Transactions, you will become a client of Franx and of ABN AMRO. Both ABN AMRO and Franx may request information from you for the provision of these services, for instance in connection with customer acceptance and to assess whether the services are appropriate. We will ensure that you do not have to provide this information more than once. Therefore, Franx and ABN AMRO may share the information you provide to Franx or ABN AMRO. We may both rely on the accuracy and completeness of the information provided to one of us.

## Consistency with other conditions

These Conditions of Foreign Exchange Derivatives Service Provision ABN AMRO through Franx supplement the General Terms and Conditions, the Regulation Safeguarding Payment Funds Foundation, the Base Agreement and the other Conditions referred to therein. These documents and the conditions included therein also apply to Foreign Exchange Derivative Transactions, insofar as they do not deviate from this.

Are you looking for other product information? Please visit our website: [www.franx.com](http://www.franx.com)

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## Section I: General

### I. Glossary

All definitions in the General Terms and Conditions of Franx B.V. shall apply to these CFEDSP accordingly.

- I.1** ABN AMRO: ABN AMRO Bank N.V.
- I.2** AFM: Netherlands Authority for the Financial Markets.
- I.3** Confirmation: the confirmation of a Foreign Exchange Derivative Transaction as entered into with you by ABN AMRO.
- I.4** Safeguarding Collateral Foundation: Stichting Deringelden Franx Collateral
- I.5** EMIR: European Market Infrastructure Regulation - Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories and any delegated regulations and implementing acts pursuant to EMIR, as amended, adapted or supplemented from time to time
- I.6** Franx: Franx B.V.
- I.7** LEI: Legal Entity Identifier - a unique code identifying an entity to be used in EMIR reporting
- I.8** Margin: A monetary sum in euros that is deposited separately into the account of Safeguarding Collateral Foundation and that constitutes collateral for compliance with all your obligations towards ABN AMRO on any basis whatsoever, including on the basis of the Foreign Exchange Derivative Transactions. Margin will be safeguarded by the Safeguarding Collateral Foundation on the basis of the Regulation Safeguarding Collateral Foundation.
- I.9** MiFID II regulations: Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and all Dutch and European regulations implementing or having implemented it.
- I.10** Order Execution Policy Foreign Exchange Derivatives Service Provision ABN AMRO through Franx: The policy in effect at Franx and ABN AMRO governing the manner in which orders from you relating to Foreign Exchange Derivative Transactions are received and transmitted to ABN AMRO and executed by ABN AMRO. This policy is constituted by Franx's best selection policy pursuant to which it forwards Foreign Exchange Derivative Transactions to ABN AMRO and ABN AMRO's Order Execution Policy pursuant to which ABN AMRO executes the orders it receives through Franx.
- I.11** Foreign Exchange Derivatives Service Provision Agreement: the ABN AMRO Foreign Exchange Derivatives Service Provision Agreement through Franx. This is the agreement between you, Franx, ABN AMRO and Safeguarding Collateral Foundation, under which you can enter into Foreign Exchange Derivative Transactions with ABN AMRO and to which these CFEDSP have been declared applicable.
- I.12** Reporting obligation: The reporting obligation as included in EMIR, insofar as applicable to the Foreign Exchange Derivative Transactions.
- I.13** Regulation Safeguarding Collateral Foundation: The Regulation Stichting Deringelden Franx Collateral
- I.14** Relevant Transactions: has the meaning assigned to it in Article 4.3.
- I.15** Forward price: the price of a Foreign Exchange Derivative Transaction, consisting of the spot price and forward points.
- I.16** Execution of a Foreign Exchange Derivative Transaction: the conclusion of a Foreign Exchange Derivative Transaction with you, including the determination of the conditions of the respective Foreign Exchange Derivative Transaction
- I.17** Due date: the day on which the amount payable under the Foreign Exchange Derivative Transaction becomes due and payable.
- I.18** Foreign Exchange Derivatives Service Provision: any services provided to you by Franx in relation to the receipt and transmission of Foreign Exchange Derivative Transactions
- I.19** Foreign Exchange Derivative Transaction: A Foreign Exchange Derivative Transaction is an 'over-the-counter' transaction between you and ABN AMRO. This transaction is in the form of a derivative or a product that contains a derivative or has characteristics of a derivative. Foreign Exchange Derivative Transactions include transactions in the form of FX Forward transactions and FX Swaps. A Foreign Exchange Derivative Transaction is a Transaction within the meaning of the General Terms and Conditions.
- I.20** CFEDSP: These Conditions of Foreign Exchange Derivatives Service Provision ABN AMRO through Franx, which contain, among other things, the conditions for Foreign Exchange Derivative Transactions and for Foreign Exchange Derivatives Services Provision, as amended, adjusted or supplemented from time to time.

## 2. Applicable conditions

- 2.1 The CFEDSP apply to all relations between you, Franx, ABN AMRO and the Safeguarding Collateral Foundation arising from the Foreign Exchange Derivatives Service Provision and Foreign Exchange Derivative Transactions.
- 2.2 The relations referred to in the previous paragraph are also subject to the General Terms and Conditions of Franx B.V., the Regulation Safeguarding Payment Funds Foundation, Regulation Safeguarding Collateral Foundation and all other Conditions, always insofar as they concern your relation with Franx.
- 2.3 Is there something different about the same subject in the various applicable conditions? Then it is possible that these rules contradict each other. In that case, the conditions mentioned below take precedence over the provisions mentioned later:
  1. the Confirmation;
  2. the Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx;
  3. the Regulation Safeguarding Collateral Foundation;
  4. these CFEDSP;
  5. the Regulation Safeguarding Payment Funds Foundation;
  6. the General Terms and Conditions.

## 3. Foreign Exchange Derivatives Service Provision

### 3.1 In what capacity does Franx provide Foreign Exchange Derivatives Service Provision?

Franx has been notified by the AFM as a tied agent of ABN AMRO. In this capacity Franx may receive orders from you with respect to Foreign Exchange Derivative Transactions through its Platform and subsequently transmit them to ABN AMRO for execution. Franx does not execute the Foreign Exchange Derivative Transactions itself. ABN AMRO does so after it accepts your order, received through Franx. ABN AMRO is your counterparty under the Foreign Exchange Derivative Transaction. Franx is not a party to the Foreign Exchange Derivative Transaction, but it ensures that the communication to you about these transactions is centralised. You give Franx an irrevocable power of attorney to perform all actions that are necessary to pass on your order to ABN AMRO and to effectuate the Foreign Exchange Derivative Transactions between you and

ABN AMRO and to derive rights from them. Franx can at the same time represent ABN AMRO, also in case of a conflicting interest.

### 3.2 What is the role of ABN AMRO?

ABN AMRO is the party with whom you enter into Foreign Exchange Derivative Transactions. Payments under these transactions are therefore made from you to ABN AMRO and from ABN AMRO to you. Provisions in this CFEDSP that relate to the content and operation of the Foreign Exchange Derivative Transactions therefore apply primarily to your relationship with ABN AMRO. ABN AMRO is also responsible under supervisory law for the Foreign Exchange Derivatives Service Provision provided by Franx as a tied agent.

## 4. Entering into Foreign Exchange Derivative Transactions

### 4.1 From when will you be bound by a Foreign Exchange Derivative Transaction?

Franx enables you to enter into Foreign Exchange Derivative Transactions with ABN AMRO through the Platform. Franx thereby provides you with Foreign Exchange Derivative Transactions. If you wish to enter into a Foreign Exchange Derivative Transaction with ABN AMRO via the Platform, you conclude this Foreign Exchange Derivative Transaction as follows. Via the Platform, you indicate which Foreign Exchange Derivative Transaction you wish to conclude. Based on this request, you are offered a price for the Foreign Exchange Derivative Transaction on the Platform. This price is based on the trading price provided by ABN AMRO for the relevant transaction. In addition, Franx shows you the fee for the Foreign Exchange Derivatives Service Provision that you accept as part of the total price when entering into the Foreign Exchange Derivative Transaction. On the Platform, you can agree to the offered price and the content of the relevant Foreign Exchange Derivative Transaction by clicking on the "Accept price" or "Accept price" button in your order session on the Platform. Franx will then transmit your order, consisting of your request to enter into a certain Foreign Exchange Derivative Transaction and your acceptance of the price, to ABN AMRO. ABN AMRO then executes your order by entering into the relevant Foreign Exchange Derivative Transaction with you. You are therefore bound by the Foreign Exchange Derivative Transaction with ABN AMRO.

#### **4.2 How is a Foreign Exchange Derivative Transaction confirmed?**

After accepting the price for the Foreign Exchange Derivative Transaction (see article 2.1), Franx displays an overview of the concluded Foreign Exchange Derivative Transaction containing the characteristics and conditions of the Foreign Exchange Derivative Transaction. You must check these for correctness and completeness. After you have checked the transaction details shown on the screen, you must indicate that you have seen and understood the information shown.

You do this by clicking on the "Akkoord" or "Acknowledge" button. During the period that you have not clicked on "Acknowledge" or "Akkoord" (Approved) for the relevant Foreign Exchange Derivative Transaction, you cannot conclude new Foreign Exchange Derivative Transactions with ABN AMRO.

You will receive a Transaction Confirmation. This is available in the transaction overview on the Platform. If you have not contested this Confirmation within five (5) Business Days after the Confirmation has been issued, ABN AMRO may assume that you have agreed with the issued Confirmation. Franx will also record this in its administration. If you contest (part of) the Confirmation validly within five (5) Business Days after the Confirmation has been provided, you will still be bound by the contested part of the Foreign Exchange Derivative Transaction until it is established that your contestation is justified.

#### **4.3 Portfolio Reconciliation**

The procedure explained above is also known as portfolio reconciliation and is mandatory under EMIR in respect of certain Foreign Exchange Derivative Transactions ("Relevant Transactions"). In addition to the above, you will receive details of Relevant Transactions from ABN AMRO: once a quarter if we have entered into more than 100 mutual Relevant Transactions; and once a year if we have entered into 100 or fewer mutual Relevant Transactions.

#### **4.4 Where can you contest a Confirmation?**

If you wish to dispute a Confirmation, you must send the relevant communication to:

**Franx B.V.**  
Hessenbergweg 73  
1101 CX Amsterdam

#### **4.5 What is the maximum confirmation period?**

The maximum period within which Franx makes a Confirmation digitally available is one (1) Business Day after the date on which the Foreign Exchange Derivative Transaction is concluded with ABN AMRO. If a Foreign Exchange Derivative Transaction is entered into after 16.00 hours, one (1) working day shall be added to this.

#### **4.6 Is the Foreign Exchange Derivative Transaction with ABN AMRO valid if Franx does not send a Confirmation?**

If for any reason Franx does not send a Confirmation on behalf of ABN AMRO before the expiration of the Confirmation Period, the Foreign Exchange Derivative Transaction is still validly entered into. If you did not receive a Confirmation immediately after concluding the Foreign Exchange Derivative Transaction with ABN AMRO, you should contact Franx. But also in that case the Foreign Exchange Derivative Transaction is validly entered into.

#### **4.7 How do the various Foreign Exchange Derivative Transactions relate to each other and to other agreements?**

If you enter into more than one Foreign Exchange Derivative Transaction under the Foreign Exchange Derivatives Service Provision Agreement, all these Foreign Exchange Derivative Transactions form a single agreement between you and ABN AMRO. It may happen that you enter into a Foreign Exchange Derivative Transaction in connection with another agreement between you and a supplier or customer of yours. Please note that such a Foreign Exchange Derivative Transaction is always independent of any other agreement you enter into or have entered into. You hereby confirm that you are aware of the fact that if, for example, a right of rescission arises in respect of one agreement, this does not necessarily lead to a right of rescission in respect of the Foreign Exchange Derivative Transaction.

#### **4.8 Take note of product information**

Before entering into a Foreign Exchange Derivative Transaction, you are obliged to take note of the information provided by Franx and ABN AMRO about the features and risks of the Foreign Exchange Derivative Transactions you are considering entering into. This information is included, amongst others, in the Information Sheet Foreign Exchange Derivatives Service Provision ABN AMRO through Franx and the Product Information Sheet FX Forward transactions and FX Swaps, which have been provided to you.



#### 4.9 The obligation to have a LEI.

To be able to enter into Foreign Exchange Derivative Transactions, you need to have a LEI. If you do not have a LEI, Franx and ABN AMRO will refuse an application to enter into a Foreign Exchange Derivative Transaction with you.

#### 4.10 Transaction Reporting

ABN AMRO is obliged to report the details of all Foreign Exchange Derivative Transactions to the supervisory authorities, stating (amongst other things) a reference to identify the Client. This reporting obligation can be a one-off or an ongoing reporting obligation, depending on the nature of the Foreign Exchange Derivative Transaction.

### 5. Customer rating

You are classified by both Franx and ABN AMRO as a retail investor (non-professional investor), as referred to in the MiFID II regulations. Your classification determines the level of protection to which you are entitled.

### 6. Execution-only service - no advice

6.1 The role of Franx and the role of ABN AMRO in entering into the Foreign Exchange Derivative Transaction is limited to execution-only services. Franx executes the receipt and transmission of orders. ABN AMRO executes the orders by entering into Foreign Exchange Derivative Transactions with you. Neither Franx nor ABN AMRO advises you. Foreign Exchange Derivative Transactions are deemed to be entered into on your initiative and not on the advice of Franx or ABN AMRO.

6.2 If you do not have sufficient knowledge and experience with the relevant Foreign Exchange Derivative Transaction and do not consider the risks involved, or at least ABN AMRO and/or Franx are not in a position to assess this or have doubts about this, ABN AMRO and Franx may refuse Foreign Exchange Derivatives Service Provision and Foreign Exchange Derivative Transactions.

### 7. Order Execution Policy

7.1 Franx and ABN AMRO will, when receiving and transmitting your order with respect to Foreign Exchange Derivative Transactions, act in accordance with the Order Execution Policy Foreign Exchange Derivatives Service Provision ABN AMRO through Franx. The policy also describes the way in which

ABN AMRO executes orders for you. In certain cases, Franx and ABN AMRO are not obliged to follow the 'best execution' rules when submitting orders and entering into Foreign Exchange Derivative Transactions in order to obtain the best result for you. This is described in the Order Policy for Foreign Exchange Derivative Service Provision of ABN AMRO through Franx.

7.2 The Order Execution Policy Foreign Exchange Derivatives Service Provision ABN AMRO through Franx is provided to you upon entering into the Foreign Exchange Derivatives Service Provision Agreement. The most recent version of this information is available on the Website. It applies to the Foreign Exchange Derivatives Service Provision.

### 8. Transaction Overview

Franx provides you with an up-to-date overview of the outstanding Foreign Exchange Derivative Transactions with ABN AMRO on the Platform.

### 9. Margin

9.1 You are obliged to provide ABN AMRO with collateral (Margin) when entering into a Foreign Exchange Derivative Transaction and during the term thereof. The Margin will be held by Safeguarding Collateral Foundation on behalf of ABN AMRO. As soon as you enter into a Foreign Exchange Derivative Transaction with ABN AMRO, Franx will transfer or cause to be transferred on your behalf Margin from your Franx payment account to the Safeguarding Collateral Foundation as security for your obligations to ABN AMRO under the Foreign Exchange Derivative Transactions. The same applies to the Margin that you must deposit during the term of the Foreign Exchange Derivative Transaction. The statement of your Franx payment account will show how much Margin you have deposited on behalf of ABN AMRO. In principle, you cannot dispose of the Margin during the term of the Foreign Exchange Derivative Transaction.

9.2 If you do not have enough euros in your Franx checking account to provide the required Margin for a Foreign Exchange Derivative Transaction, you must provide the required amount of Margin within the time limit set by Franx in euros into your Franx payment account, so that Franx can transfer it to the Safeguarding Collateral Foundation.

9.3 If you do not have enough euros in your Franx payment account to cover the required Margin for a Foreign Exchange Derivative Transaction, you will have to pay the Margin. If you do not have sufficient funds in one currency, Franx can exchange the required amount of funds in this other currency

into euros at the WM/Reuters benchmark rate of 16.00 GMT of the day in question, and subsequently transfer the euros as Margin to the Custodian Bank as security for your obligations towards ABN AMRO.

**9.4** Even if you have no available assets in and Franx payment account, you are obliged to provide ABN AMRO with Margin. You are obliged to provide additional security for the fulfilment of your obligations under the Foreign Exchange Derivatives Service Provision Agreement and the Foreign Exchange Derivative Transactions at the first request of ABN AMRO.

**9.5** At the end of the due date of the Foreign Exchange Derivative Transaction, if you have no obligations towards ABN AMRO, the Margin remaining at that time will be returned to the Safeguarding Payment Funds Foundation by the Safeguarding Collateral Foundation. This will be reflected in your Franx payment account. You can then dispose of the funds again.

## 10. Coverage gap

### 10.1 When do you have a funding shortfall?

You have a funding shortfall if:

1. your Margin is lower than the market value of your Foreign Exchange Derivative Transactions and a threshold to be determined by ABN AMRO; and
2. you have insufficient funds in euro in your Franx payment account to provide Margin for a Foreign Exchange Derivative Transaction.

Every Business Day Franx, on behalf of ABN AMRO, calculates and determines whether you have a collateral deficit. Franx does this at the end of the Business Day, based on your spending limit. For this purpose, we look at:

- a) The Margin deposited by you; minus
- b) the last known market value of your Foreign Exchange Derivative Transactions; and
- c) a threshold set by ABN AMRO to prevent insufficient coverage.

The outcome whether you have a cover shortfall will apply until Franx has made a new calculation on the next Business Day.

### 10.2 What does the 2-day procedure involve?

1. Does Franx think you have a coverage shortfall? Then we will warn you. We do this through the Platform and by e-mail.
2. The 2-day procedure starts on the day that is the date on the message with which we warn you about your collateral deficit. So that day is

the first day of the procedure. Even if you read the message later, the first day starts on the date printed on the message.

3. You have one (1) Business Day to clear your coverage shortfall. This one day includes the first day of the procedure. You can clear your collateral deficit by, for example:
  - sell all or part of your Foreign Exchange Derivative Transactions;
  - by depositing funds in euros into your Franx payment account, so that the necessary Margin can be deposited on behalf of ABN AMRO for your Foreign Exchange Derivative Transaction;
  - by exchanging your foreign currency funds in the Franx payment account into a amount of euros equal to the required Margin, so that this can be transferred by Franx to Safeguarding Collateral Foundation on behalf of ABN AMRO.
4. You must ensure that you no longer have a cover shortfall at the beginning of the second Business Day.
5. It is in your interest not to enter into any more Foreign Exchange Derivative Transactions with ABN AMRO during the 2-day procedure. Do you do so anyway? Then we will handle these transactions according to the usual rules for concluding Foreign Exchange Derivative Transactions with ABN AMRO. This means, among other things, that there must be sufficient balance on your Franx payment account to meet any Margin obligation to ABN AMRO for the transaction. If during the 2-day procedure you have a collateral deficit (again), Franx will not warn you about this. During this procedure it is only important whether or not you have a collateral deficit on the second Business Day.
6. Do you still have a collateral deficit at the beginning of the second Business Day? Then Franx will take measures to clear your collateral deficit, including the measure mentioned in article 9.3. Franx may decide which measures it will take. Franx will, as much as possible, take these measures at the end of the second Business Day.
7. Franx shall perform the acts referred to in this article on behalf of ABN AMRO. ABN AMRO may also perform these acts itself or instruct Franx to perform additional acts on its behalf.
8. Furthermore, ABN AMRO may sell all or part of your Foreign Exchange Derivative Transactions if you still have a collateral deficit on the Second Business Day.



## 11. Payment

### 11.1 When are payments credited?

Payments from ABN AMRO to you under your Foreign Exchange Derivative Transaction(s) will be credited to your Franx payment account.

### 11.2 When are payments debited?

Payments from you to ABN AMRO in connection with your Foreign Exchange Derivative Transaction(s) will be debited from your Franx payment account. Franx shall at all times be entitled to make payments to ABN AMRO with the balance in your account. You hereby instruct Franx to make these payments. You are obliged to ensure that sufficient funds are available in your Franx payment account in the relevant currency on the due date to meet the payments.

### 11.3 When do payments take place if the due date is not a Business Day?

If the due date is not a Business Day, payment will be made on the next Business Day. If the next Business Day falls in a new month, payment will be made on the last Business Day before the due date.

### 11.4 Which claims are satisfied by my payments?

When Franx makes a payment from your Franx payment account to ABN AMRO, ABN AMRO uses the sequence described below for the use of your payments. Your payments under Foreign Exchange Derivative Transactions will be used to satisfy successively:

- regular payment obligations in respect of the foreign currency derivative transactions;
- costs;
- compensation for losses and lost profits;
- default interest; and
- compensation in the event of termination.

### 11.5 No fees deducted from payments

You are not allowed to withhold any costs or other amounts from payments you make or have to make to ABN AMRO.

## 12. Pledge

**12.1** You are required to pledge to ABN AMRO the Margin held by Custodian Collateral in connection with your Foreign Exchange Derivative Transactions, and all other present and future claims and other rights you have against Custodian Collateral, as security for all present and future claims and other rights of ABN AMRO against you. You hereby pledge that pledge to ABN AMRO, to the extent necessary in advance.

**12.2** You declare that you are authorised to pledge the claims and rights in question, and that these claims and rights are not encumbered with any restricted rights.

**12.3** You hereby grant ABN AMRO an irrevocable power of attorney to perform all actions that are necessary or desirable to establish the pledge and to derive all rights from it. ABN AMRO may transfer this power of attorney to Franx. ABN AMRO and, if the power of attorney has been transferred to Franx, Franx may act as your counterparty, also in the event of a conflict of interest.

**12.4** You hereby request ABN AMRO, or Franx on behalf of ABN AMRO, to give notice of the pledge referred to in this article.

## 13. Termination

### 13.1 Can you terminate or sell the Foreign Exchange Derivative Transaction on an interim basis?

You cannot terminate a Foreign Exchange Derivative Transaction with ABN AMRO during the term. However, you can close it by entering into a reverse Foreign Exchange Derivative Transaction with ABN AMRO. You then enter into a new, opposite Foreign Exchange Derivative Transaction with ABN AMRO with the same amount and currency, but at a new forward rate. The original Foreign Exchange Derivative Transaction does not formally end, but the same result is achieved. On the value date ABN AMRO nets the original Foreign Exchange Derivative Transaction (at the original forward rate) against the opposite Foreign Exchange Derivative Transaction (at the new forward rate). This may mean that you have to pay ABN AMRO money (if the new forward price is less favourable), or that ABN AMRO pays you money (if the new forward price is more favourable). We explicitly warn you that, depending on the forward exchange rates, you may have to make a payment to ABN AMRO as a result of closing your account.

### 13.2 When can ABN AMRO conclude a reverse Foreign Exchange Derivative Transaction with you?

In addition to the cases in which a Transaction maybe terminated as set out in the CFEDSP, ABN AMRO may immediately enter into a reverse Foreign Exchange Derivative Transaction with you:

1. if, in the opinion of ABN AMRO or Franx, you are conducting a Foreign Exchange Derivative Transaction without (adequately) controlling or hedging a risk (such as an interest rate or currency risk) that makes the Foreign Exchange Derivative Transaction wholly or partially speculative;
2. if a market-distorting circumstance as referred to in Article 17 of these Conditions occurs.

## 14. Grounds for termination ABN AMRO

### 14.1 When can ABN AMRO terminate a Foreign Exchange Derivative Transaction?

ABN AMRO may terminate immediately and prematurely one or more current Foreign Exchange Derivative Transactions, either in whole or in part:

#### General

1. if you fail to meet any payment or delivery obligation under a Foreign Exchange Derivative Transactions, or fail to do so on time or properly;
2. if you fail to fulfil, to fulfil on time or to fulfil properly any obligation arising from the Foreign Exchange Derivatives Service Provision Agreement, a Confirmation, a guarantee to third parties, money lending or financing agreement with ABN AMRO or with a third party;
3. if you fail to meet your obligations to provide (additional) security or collateral in favour of ABN AMRO;
4. if you breach or fail to comply with a statement or guarantee that you have made to ABN AMRO;
5. as to the whole or, in the opinion of ABN AMRO, a significant part of your goods or property rights:
  - foreclosure;
  - a prejudgment attachment has been levied which has not been annulled or lifted within thirty days from the day of the attachment;
  - is alienated or encumbered, expropriated or confiscated, is destroyed or damaged;
6. if all or part of your assets are placed under administration;
7. on the instructions of a regulatory authority or if,

in the opinion of ABN AMRO, entering into or continuing one or more Foreign Exchange Derivative Transactions is in breach of any legislation or regulation applicable to you or ABN AMRO;

8. in the event of the loss, destruction, damage, alteration, destruction or lapse of all or part of the goods or property rights that ABN AMRO uses as security for your obligations;
9. If you have provided ABN AMRO with incorrect information. This also applies where you have withheld information from ABN AMRO which is, or may be, of essential importance to ABN AMRO in view of the conclusion of the Foreign Exchange Derivative Transactions;
10. if you do not accept an amendment to this CFEDSP as described in Article 23.2;
11. an event occurs that is designated in the Foreign Exchange Derivatives Service Provision Agreement, a Confirmation or in another agreement between you and ABN AMRO as an event in which ABN AMRO may terminate a Foreign Exchange Derivative Transactions.

#### Company, partnership or legal entity

If you run a business or are a company, partnership or legal entity, the following additional grounds for termination apply:

12. if you decide to cease your profession or business or to wholly or partly discontinue, sell, rent or dispose of the company or practice;
13. if you move your registered office or centre of main interests abroad;
14. if you are suspended from the exercise of your profession, office or position, or disqualified or dismissed from it;
15. if any authority, licence or registration necessary for the exercise of the profession or business expires or is denied or taken away;
16. where the nature of your profession or business has changed significantly in ABN AMRO's opinion;
17. if you decide to relocate your profession or business to another country;
18. if you act in violation of any law relating to the exercise of your profession or business;
19. if you cease to pursue the current statutory objective or lose legal personality;
20. on dissolution of the partnership contract, entry or exit of one or more partners;
21. in the event of dissolution, liquidation or resolution or apparent intention to dissolve or liquidate;

22. if any of the following changes occur:
  - A change in your legal structure, for example due to a merger, a community of interests with one or more third parties or a legal split;
  - a material change, in ABN AMRO's opinion, in your direct or indirect shareholding or control over the activities of your company or practice; or
  - a fundamental amendment of your articles of association or regulations, in the opinion of ABN AMRO;
23. if, without the prior written or electronic consent of ABN AMRO, you decide or have the apparent intention to:
  - release your shareholders from an obligation to pay up non-paid-up shares; or
  - repurchase your own shares, make repayments on shares or make a distribution from your reserves;
24. if any of the circumstances mentioned in this article occur in respect of a company or firm which is included in your consolidated balance sheet or which controls you, or if that company or firm defaults on an obligation towards ABN AMRO, relating to facilities provided by ABN AMRO or transactions entered into with ABN AMRO.

#### *Multiple debtors*

25. Where any of the circumstances referred to in this article apply to a guarantor, warrantor, joint and several debtor or other third party who has provided security for your obligations to ABN AMRO. This also applies where one of these persons or legal entities fails to perform an obligation under any security in favour of ABN AMRO.

#### **14.2 When do you have to give notice of grounds for termination?**

You are obliged to inform Franx and ABN AMRO immediately in writing or electronically if one of the grounds for termination from article 14.1 occurs or is expected to occur.

#### **14.3 When does ABN AMRO give notice of termination?**

We will notify you as soon as possible if we have exercised our right to terminate one or more Foreign Exchange Derivative Transactions.

#### **14.4 What are the consequences of termination by ABN AMRO?**

ABN AMRO may immediately and prematurely claim everything owed by you in connection with the terminated Foreign Exchange Derivative Transactions, whether or not due and payable or conditional, without any demand or notice of default being required. The amount that you will owe in this case will be calculated as described in article 15.

#### **15. Conflict with supervisor's instructions or with laws or regulations**

ABN AMRO is authorised to suspend or terminate current Foreign Exchange Derivative Transaction with you if their continuation contravenes a regulatory direction or if, in the opinion of ABN AMRO, entering into or continuing one or more Foreign Exchange Derivative Transactions contravenes any law or regulation applicable to you or ABN AMRO.

#### **16. Consideration due at the closing of Foreign Exchange Derivative Transaction**

##### **16.1 What are the costs of terminating a foreign exchange derivative transaction?**

If you want to or have to close a derivatives transaction before its due date, there can be considerable costs involved. The value of a Foreign Exchange Derivative Transaction depends on fluctuations in the forward exchange rate. The forward rate for the opposite Foreign Exchange Derivative Transaction includes costs incurred by ABN AMRO. On the agreed value date, both the initial and the contra legged Foreign Exchange Derivative Transaction are executed as follows:

- First, ABN AMRO executes the original Foreign Exchange Derivative Transaction, at the original forward rate.
- ABN AMRO then executes the opposite Foreign Exchange Derivative Transaction, at the new forward rate.
- ABN AMRO settles these two Foreign Exchange Derivative Transactions with each other. This may mean that you receive money (if the new forward exchange rate is more favourable for you), or that you have to pay ABN AMRO money.

##### **16.2 When do you have to pay ABN AMRO?**

A negative termination amount is due by you from the date specified by ABN AMRO in the specification of the termination amount sent to you by Franx, on behalf of ABN AMRO.

### 16.3 When does ABN AMRO have to pay you?

A positive termination amount will be paid to you by ABN AMRO on the date indicated in the specification of the termination amount sent to you by Franx, on behalf of ABN AMRO.

## 17. Market-distorting circumstance

### 17.1 What are the consequences of market distortions?

If ABN AMRO is of the opinion that a market distorting circumstance exists, then ABN AMRO has the right to take appropriate measures. This includes, for example, terminating a Foreign Exchange Derivative Transaction prematurely.

### 17.2 What are market-disturbing circumstances?

Market-disturbing circumstances are in any case understood to be:

- suspension or limitation of trading in the commodity and/or underlying asset to which the Foreign Exchange Derivative Transaction relates;
- suspension or limitation of payment traffic in a currency involved in the Foreign Exchange Derivative Transaction;
- the expiry, modification or correction of a price source or other source referred to in a Foreign Exchange Derivative Transaction; and
- legislative changes or measures taken by national or supranational governments or agencies that are relevant to the Foreign Exchange Derivative Transaction.

## 18. Safety net and asset separation schemes

### 18.1 What claim do you have should ABN AMRO go bankrupt?

When you enter into a Foreign Exchange Derivative Transaction with ABN AMRO, ABN AMRO acts as your contracting party. In the event of ABN AMRO's bankruptcy, this means that any claims you may have against ABN AMRO as a result of the Foreign Exchange Derivative Transaction will fall into the bankruptcy of ABN AMRO. This may mean that you will not recover all or part of your claim in the event of ABN AMRO's bankruptcy.

### 18.2 Which compensation schemes apply?

ABN AMRO is subject to the investor compensation and deposit guarantee schemes regulated by the Financial Supervision Act (*Wet op*

*het financieel toezicht*) and further detailed in the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees (*Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft*). If the conditions of the aforementioned schemes are met, you may qualify for compensation.

### 18.3 No protection under the Securities Giro Transaction Act

ABN AMRO does not act as an intermediary within the meaning of Section 3b of the Securities Giro Transaction Act (*Wet giraal effectenverkeer*). This means that, in the event of ABN AMRO's bankruptcy, you cannot recover any claims you may have against ABN AMRO from a segregated estate and therefore enjoy no protection under the Securities Giro Transaction Act.

## 19. Interest rate calculation

Unless otherwise agreed for a Foreign Exchange Derivative Transaction, the following basis is used for the interest rate calculation: the actual number of days in the period over which the calculation is made, divided by the actual number of days in the respective year.

## 20. Costs

### 20.1 Which amounts are for your account?

The costs of executing the Foreign Exchange Derivative Transactions and the fee for the Foreign Exchange Derivatives Service Provision are for your account. You are obliged to pay these costs on first request of Franx (if applicable to ABN AMRO). For most Foreign Exchange Derivative Transactions, these costs and fees are included in the agreed transaction price.

## 21. Provision of information and your consent to electronic provision of information

### 21.1 When may we provide information via e-mail, Website or Platform?

You agree that if you provide Franx and/or ABN AMRO with an e-mail address, Franx and ABN AMRO may provide personal information, including periodic statements, transaction confirmations or other personal statements and/or information by e-mail, through the Website or through the Platform.



## 21.2 What information can you always find through the Website?

You agree that ABN AMRO may provide information through the Website that is not addressed to you personally regarding the Foreign Exchange Derivatives Service Provision including (changes to) the Order Execution Policy Foreign Exchange Derivatives Service Provision ABN AMRO through Franx and the policy on conflicts of interest as referred to in article 22. ABN AMRO will ensure that the information is up to date and remains accessible on the Website as long as it is relevant to you.

## 21.3 Written information provision

In deviation from the first and second paragraph of this article, Franx and ABN AMRO shall, upon your request, provide the information on the Foreign Exchange Derivatives Service Provision in writing, if you declare not to have regular access to the internet or other electronic channels.

## 21.4 Information on Changes to Provided Documentation

Franx and ABN AMRO will notify you of material changes to information previously provided to you by ABN AMRO, using the same medium as the one through which that earlier information was provided, except as otherwise provided in this CFEDSP.

## 22. Conflicts of interest

### 22.1 What is Franx's conflict of interest policy?

This is explained in the General Terms and Conditions of Franx B.V. The policy is also applicable to the Foreign Exchange Derivatives Service Provision of Franx.

### 22.2 What is ABN AMRO's policy on conflicts of interest?

ABN AMRO has a policy in place concerning possible conflicts of interest between ABN AMRO and its clients and between different clients of ABN AMRO. A summary of the Conflicts of Interest Policy is available on the Website **and will be provided to you upon request.**

### 22.3 Information on conflicts of interest

If a conflict of interest turns out to be unavoidable, ABN AMRO will inform you of this in writing or electronically, giving details of the conflict of interest and the risks for you. With this information you will be able to make an informed decision as to whether or not to continue with the relevant Foreign Exchange

Derivatives Service Provision.

## 23. Liability of Franx and ABN AMRO

### 23.1 When is Franx liable and when is it not?

This has been laid down in the General Terms and Conditions of Franx B.V. The provisions therein regarding Franx's liability and the limitations thereon shall apply mutatis mutandis to the services of Franx under the Foreign Exchange Derivatives Service Provision Agreement and this CFEDSP.

### 23.2 When is ABN AMRO liable and when is it not?

The provisions regarding the liability of Franx and the limitations thereof in the General Conditions of Franx B.V. shall, with respect to ABN AMRO, apply by analogy to the services of ABN AMRO under the Foreign Exchange Derivatives Service Provision Agreement and this CFEDSP. Furthermore, ABN AMRO shall not be liable for any damage, loss or lost profits arising from the Foreign Exchange Derivatives Service Provision Agreement or the Foreign Exchange Derivative Transaction.

### 23.3 For which cases do you indemnify ABN AMRO?

You indemnify ABN AMRO against all third-party claims against ABN AMRO in connection with the Foreign Exchange Derivatives Service Provision Agreement and/or the Foreign Exchange Derivative Transactions.

## 24. Complaints and Disputes on Relevant Transactions

In addition to the provisions on dispute resolution in the Foreign Exchange Derivatives Service Provision Agreement, the dispute resolution procedure in this article applies to any disputes on the recognition or valuation of Relevant Transactions and on the establishment or exchange of collateral for Relevant Transactions. To comply with the dispute resolution rules under EMIR, the following applies:

1. If, in your reasonable opinion, there is a dispute regarding a Relevant Transaction that is eligible for this dispute resolution procedure, you may notify Franx or ABN AMRO in writing or electronically. In that case, you must describe the dispute in reasonable detail and clearly indicate to which Relevant Transaction the dispute relates. The same procedure applies vice versa if we believe that such a dispute exists;
2. Following such notification, we will consult together with a view to resolving the dispute in a timely manner. This may include exchanging relevant information, or identifying and using other dispute resolution methods that you and we consider appropriate in a particular case; and



3. If a dispute cannot be resolved within five (5) Business Days after receipt of the initial notification, you and we shall additionally refer the dispute to staff members within our respective organisations.

For the recording and monitoring of any disputes not resolved within five (5) Working Days, we shall both establish and use a specific internal procedure.

## **25. Amendment of this CFEDSP and the Regulations**

**25.1** Franx and ABN AMRO may amend this CFEDSP and Regulation Safeguarding Collateral Foundation by amending them:

1. technological developments;
2. Changes in the law (e.g. in legislation and regulations);
3. changes in interpretation or application of the law (e.g. as a result of a court ruling, a decision by a complaints or disputes board or a decision/view of a regulatory body or other authority);
4. Changes to our range of products and services or our (work) processes (e.g. modernisation, redesign or streamlining);
5. any other change in circumstances or opinion that gives us a reasonable interest in the change.

**25.2** We may also use this amendment power to charge you for costs related to the changes or developments to which we are adjusting the CFEDSP or the Regulations. We may not use this amendment power for any other changes in rates or charges to your disadvantage.

**25.3** We cannot use this amendment option for changes that, in aggregate, would significantly and unjustifiably upset the balance between your and our rights and obligations to your disadvantage.

**25.4** We will notify you of the change at least one month before its effective date. If you object to the change, you may terminate the ABN AMRO Foreign

Exchange Derivatives Service Provision Agreement through Franx (and thereby the CFEDSP) until the effective date of the change by giving us notice. If you do not use this option, the changes will apply to you from the effective date.

**25.5** If you do not accept the amended Conditions, you cannot enter into any new Foreign Exchange Derivative Transaction from the moment the amended CFEDSP or amended Regulations become applicable to other customers. Your current Foreign Exchange Derivative Transaction will continue under the unchanged conditions. We may charge you for any costs we incur in continuing to provide services to you under the unamended conditions. The foregoing also applies if this article is not included in the amended conditions.