

OPTIMAL CURRENCY FRAMEWORK TERMS AND CONDITIONS FOR PRIVATE CUSTOMERS

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1 ABOUT US

1.1 We are Optimal Currency Limited (referred to in this document as "we" or "us"). We are a private limited company registered in the UK (United Kingdom) our company number is 11627191. Our head office is at Market House, Market Square, Aylesbury, Buckinghamshire, HP20 1TN and our registered address is at 5 Yeomans Court, Ware Road, Hertford, Hertfordshire, SG13 7HJ. Our website address is www.optimalcurrency.co.uk. Our website has full contact details and a contact form. We are a payment institution authorised and regulated by the Financial Conduct Authority ("FCA") in the UK (Register reference XXXXXXXXXX).

1.2 We provide foreign currency exchange (FX) and Payment Services (the "Services")

1.3 These terms and conditions constitute a framework agreement ("Agreement") between us and you ("You" or "your") and govern your use of the Services as part of our ongoing relationship.

1.4 Capitalised terms in this Agreement, shall have the meaning provided to the relevant term in Clause 13 (Definitions and Interpretations).

2 ABOUT THE SERVICES

2.1 We undertake to provide the Services described below, the main characteristics of which are the conversion of one currency into another where either: you are both the transmitter and receiver of funds or where you nominate a third party to send or receive the funds.

2.2 Account Opening

2.2.1 When you ask us to open an account for you, you must confirm that you have read, understood and agree to these terms and conditions.

2.2.2 After you have asked us to open an account and agreed to these terms we will proceed to take steps to verify your identity. This is so that we can be sure that we are entering into an agreement for bona fide reasons.

2.2.3 In the event that we are not able to satisfy ourselves that we have sufficient information, or if the information provided otherwise precludes us from proceeding, we will inform you that we have not been able to open an account for you and, to the extent that we can do so lawfully, will advise you of the reason(s) why.

2.2.4 Following the satisfactory completion of identity checks we will set up your account on our system and inform you that your account is open.

2.3 We will act at all times in accordance with the provisions of the second Payment Services Directive, the Payment Services Regulations (2017) and the guidance provided by the FCA in their document entitled “Payment Services and Electronic Money – Our Approach”.

2.4 We offer two types of FX Trade: Spot Trades and Forward Trades.

2.4.1 A Spot Trade is a standard contract to exchange currency with settlement within a few days (normally two Business Days) of the Trade.

2.4.2 A Forward Trade is a currency Trade where we will secure an exchange rate now with the settlement date of the Trade set on a pre-determined future date more than two Business Days, and less than two years, after the Trade date.

2.5 Where we enter into a Forward Trade we will require you to maintain Margin funds with us to cover the cost of currency movements and the cost of the Margin that we have to provide with our bank, during the period up to settlement. In the event that there is a significant adverse market movement we may require you to provide additional Margin and in these cases you must send us the additional funds required to cover your position.

2.6 In the event that you are unable to or no longer wish to continue with a Forward Trade you can ask us to buy back the funds. In these instances, we will calculate the current value of the currency purchased by comparing to the current market rate. We will try to reasonably off-set losses due to

the revocation, but you are ultimately responsible for losses of any kind as a result of cancelling a Forward Trade. In the event that there is a favourable movement we are not able to assist you in making a profit on the Trade as we are not authorised to assist you in speculating. In such circumstances you will be able to terminate the Trade without cost.

2.7 We may enter into Trades with you by accepting your verbal instruction over a telephone or on receipt of an instruction by Secure Email. For the avoidance of doubt, we will repeat all Trade details back to you before asking for your final confirmation to proceed.

2.8 We are under no obligation to accept any instruction(s) and may in certain circumstances refuse to do so without giving a reason. We will not be liable to you, or any other party, for any loss or damages resulting from our refusal to accept an instruction.

2.9 All Trades are allocated a unique reference number which we will provide to you at the time of the Trade along with verbal (where the Trade is taken by phone) or written confirmation of the Trade time, the bought and sold currencies, the bought and sold amounts, the agreed rate, the settlement date, any Margin requirement (for Forward Trades only) and full details of any charges which will be applicable where the amount is less than £50,000 or equivalent.

2.10 After the Trade we will confirm the full details by means of an email or Secure Email with a link to our secure portal.

2.11 Once we have confirmed the Trade in writing, you can only amend or cancel it if we expressly agree and you agree to pay our reasonable costs to undo the Trade.

2.12 You accept that because of the nature of the currency markets you do not have any right under the Financial Services (Distance Marketing) Regulations 2004 to cancel any Trade. You may however close out a Trade prior to the settlement date by giving us notice. In such an event, you will be liable for all of the costs, expenses and losses that we may incur, including any action we may need to take or have already taken to cover or reduce our exposure, as a result of entering into a Trade with you.

2.13 Any excess amount held by us in respect of a Trade shall be returned to you after deducting all other sums due to us. In these circumstance however, due to our regulatory permissions, we are not able to pay you any amounts that might be realised as a result of a favourable currency rate movement.

2.14 The funds you are sending to us must arrive on or before the settlement date we have agreed in advance. We only accept funds by bank transfer and cannot in any circumstances accept payment in cash.

2.15 In the event that funds are not received before the settlement date we may have to take action and reserve the right to reverse the Trade. In these circumstances you will be liable for any losses incurred.

2.16 When we receive your funds we will either send out the corresponding funds on the same day or if there is a delay for any reason, such as: a delay whilst the Trade settles; a delay requested by you; or a delay caused by the AML process; then we will, in the intervening period, ensure your funds are held in an appropriate account according to the safeguarding requirements.

2.17 Assuming there is no delay we will send your funds so that they should be received on the same day although in some cases there may be a delay due to international holidays and cut-off times for destinations where the time is in advance of UK time.

2.18 We provide an execution only service. We are not authorised to give any investment advice, in any circumstances. The only advice we give will be on the process of purchasing currency and sending payments.

2.19 We are authorised to provide, and will provide, you with Payment Services where you require us to transfer the funds you have purchased from us to a third party.

2.20 Where you instruct us to pay out to a third party we will Accept your onward Payment Instruction wherever possible at the same time as accepting the Trade.

2.21 Your onward Payment Instruction must include the full details of the beneficiary and the reason for the payment.

2.22 We will Accept your instruction via telephone, Secure Email or via our online portal. In each case we will carry out reasonable checks to ensure that the request is genuinely from you and is going to your intended recipient.

2.23 Should you wish to restrict the ways in which we can Accept Payment Instructions you can do so at any time by notifying us, following which we will update our systems within five working days of your instruction.

2.24 Once received and checked by us we will deem your instruction as consent to make the payment and as being authorised by you as the payer.

2.25 You may withdraw your consent to the payment instruction up until the end of the working day prior to the date it is due to be sent, after this time the Payment Instruction cannot be revoked.

2.26 Withdrawal of consent and any revocation of a Payment Instruction must be received and acknowledged by us before the end of the working day prior to the date it is due to be sent and for this reason we will only accept withdrawal of consent notification via telephone (on 01296 767444) or by Secure Email which must be sent to payments@optimalcurrency.co.uk.

2.27 Where a Payment Instruction is to be revoked, the notification must include: details of the payee, the payee bank account, the reason for the Payment Instruction and the reason for the withdrawal of consent to the Payment Instruction.

2.28 It is vitally important that you provide us with the correct Unique Identifier for the payee's bank account as failure to do so may result in your payment not reaching the intended recipient.

2.29 If you provide us with an incorrect Unique Identifier for the payee's bank account then we will not be liable for any resulting loss although we will make reasonable efforts to trace any such funds on your behalf and notify you of our findings.

3 CHARGES, INTEREST AND EXCHANGE RATES

3.1 We reserve the right to charge a reasonable fee (normally £10 or currency equivalent) for each payment where the value of the funds is less than £50,000 or equivalent. Any such fees will be explained to you in advance of completing the Trade.

3.2 Any charges made by the receiving party's bank are the responsibility of the receiving party and not us.

3.3 We are not authorised to, and will not in any circumstances, pay interest on funds whilst they are held by us.

3.4 As we do not offer credit there should not be any circumstance where we would expect to charge a customer interest.

3.5 We make our money by charging you a different exchange rate to the rate we can obtain from our provider. We are able to obtain rates not generally available to the public by virtue of the volumes we conduct on a daily basis.

4 COMMUNICATIONS BETWEEN YOU AND US

4.1 We communicate with you by phone, email (including Secure Email), post or via secure messages on our website.

4.2 When you communicate with us by phone we record the calls for purposes of quality control, assisting with the resolution of any disputes and to assist us in our obligations to detect and prevent financial crime.

4.3 When you communicate with us via email, we request that you consider using Egress Switch email encryption software to securely share confidential information (Secure Email). Sending a Secure Email via Egress Switch to us (as an Egress Switch paying subscriber) is normally free.

4.4 All communications between us will be solely in the English language.

4.5 You have the right to download and, if required, print the latest framework contract from our website at any time or to request that a copy is sent to you via email, Secure Email or post.

5 SAFEGUARDING AND SEGREGATION OF FUNDS

5.1 Where we undertake a currency transaction and receive and send funds to the same person we regard this as a Foreign Exchange, or FX, transaction where we act as principal in purchasing currency from you. In this case the Nominated Account to receive payment will belong to you.

5.2 Where we pay or receive funds to / from a third party on your behalf we regard this as a Payment Service, or PS, transaction. In this case the Nominated Account from which we receive payment, or the Nominated Account to which we make payment, will belong to a third party.

5.3 We use the segregation method of safeguarding client funds. This means that funds arising from a Payment Service transaction are kept separate from funds arising from Foreign Exchange transactions and separate from the funds that Optimal use in its day to day operations.

5.4 In the event of suspected or actual fraud or security threat(s) we will, to the extent that we are permitted by law, immediately inform you via a Secure Email. In these circumstances we will 'freeze' your account which might result in a delayed payment if we have reasonable grounds to suspect that to continue the transaction would cause us to breach our regulations, or any other relevant legislation. You agree that you will not hold us responsible for any delay whilst we carry out our duties in respect of suspected or actual fraud or security threat(s).

5.5 You (or the payer in the event of a third party) will be responsible for any payment that we would reasonably expect was duly authorised by you.

5.6 In the event that we fail to comply with these Terms and Conditions by not exercising due care and skill then we are responsible for any foreseeable loss or damage incurred by you as a result of our failure to comply.

6 TERM AND TERMINATION

6.1 These terms will remain in effect until we need to make a change (for example as a result of new regulations) or they are terminated.

6.2 Whenever we make a change to these terms we publish the latest version on our website.

6.3 We will record the version of these terms that you have agreed to and notify you if there is a newer version at a suitable time prior to your next Trade.

6.4 In the event that you do not accept the latest version you can terminate the agreement with immediate effect although once terminated we will no longer be able to accept Trade instructions from you.

6.5 Without affecting any other right or remedy available to us, we can terminate this agreement by giving you not less than two months written notice.

6.6 You can terminate this agreement at any time by giving us notice by phone, email, Secure Email or mail.

6.7 The termination of this agreement does not however affect your obligations to us to settle any outstanding (unsettled) Trades.

7 ANTI-MONEY LAUNDERING, SANCTIONS AND CUSTOMER DUE DILLIGENCE

7.1 We are legally required to carry out sanctions and customer due diligence checks on you and any third parties that are associated with payments to and from your account.

7.2 You agree to provide the information we require and authorise us to make the checks using governmental and commercial referencing agencies. You further agree that we may keep our information, about you, up to date by refreshing this information on a regular basis.

7.3 You agree to let us know if any information we hold on you is inaccurate or out of date.

7.4 We will use reasonable endeavours to carry out checks without delay however you accept and will hold us harmless for any delays that may be caused to a payment whilst we carry out these checks.

7.5 We record our telephone lines and you agree that we can use the recordings for purposes of establishing what was said in the event of any ambiguity.

8 DATA PRIVACY

8.4 We will treat information we hold about you as follows:

8.4.1 we will process all data fairly and lawfully;

8.4.2 we will only process personal data for specified and lawful purposes;

8.4.3 we will endeavour to hold relevant and accurate personal data, and where practical, we will keep it up to date;

8.4.4 we will not keep personal data for longer than is necessary;

8.4.5 our obligations under the Fourth AML Directive require that personal data be deleted after the expiry of a minimum retention period of five years;

8.4.6 we will keep all personal data secure;

8.4.7 we will endeavour to ensure that personal data is not transferred to countries outside of the European Economic Area (EEA) without adequate protection;

8.5 Should you require any further information about the way in which we handle your data you can view the details in our Privacy Policy which is published on our website.

9 COMPLAINTS PROCEDURE

9.4 If you have a complaint, then please speak to us first to see if we can put things right. Our senior staff will be made aware quickly of any complaint escalated to them and will want to resolve the situation without the need for any further action from you.

9.5 How to complain

9.5.1 If you want to make an official complaint then you can email us at complaints@optimalcurrency.co.uk. You can also make a complaint by other means such as by phone but it's usually better to put the complaint in writing, so you have a record of what you have said.

9.6 What happens next?

9.6.1 Any complaints are logged into our system and allocated to a senior member of staff, who is independent of the subject matter being complained about. The person handling your complaint will acknowledge it in writing, via post or email, within three Business Days.

9.6.2 We aim to resolve your complaint and then we issue what is called a “final response” letter by the end of 15 Business Days after the day on which we received the complaint. Please note that in certain exceptional circumstances it can take up to 35 working days before the final response letter is sent in which case we will send a letter clearly indicating the reasons for the delay in answering the complaint and specifying the deadline by which we will send the final response.

9.7 The final response

9.7.1 If you are dissatisfied with our final response you may have the right to refer your complaint to the Financial Ombudsman Service (FOS).

9.7.2 You can access a copy of the FOS explanatory leaflet on the following link:

<https://www.financial-ombudsman.org.uk/publications/consumer-leaflet.htm>

9.7.3 Please note that you will usually need to refer a complaint to the FOS within six months of the date of our final response.

10 YOUR OBLIGATIONS

10.1 You warrant and represent to us on a continuing basis that:

10.1.1 you have full authority to enter into these terms;

10.1.2 you have all the necessary consents to enter into this agreement with us;

10.1.3 you comply and will continue to comply with all laws and regulations relevant to this agreement;

10.1.4 the information you provide to us for our necessary compliance checks is, and continues to be, truthful and accurate;

10.1.5 you accept all risks associated with the ownership of purchased currency;

10.1.6 if and when you instruct us to undertake a Forward Trade with you it will be for a commercial purpose, that is for payment of goods or services and that you will not seek at any time to convert any of the funds back to the original currency.

10.2 You will help us to keep your account secure by:

10.2.1 keeping any password(s), or any other security details associated with your account with us, secure and private at all times.

10.2.2 contacting us as soon as possible if you become aware that anyone else has, by whatever means, obtained any of these security details. Any undue delay in contacting us may result in you being responsible for any losses incurred as a result of the misuse of your security details.

11 OTHER IMPORTANT TERMS

11.1 We agree to keep any information that is passed to us in confidence, confidential apart from where we are required to disclose information as required by law or by a regulatory authority.

11.2 We may transfer, or assign, our rights and obligations under these terms to another company. In such circumstance we will notify you in advance and you will have the option to close your account and terminate our agreement if you are not happy with our transfer proposal.

11.3 You are not allowed to transfer your rights or obligations under this Agreement under any circumstance without our written consent.

11.4 We shall not be liable for the non-performance of our obligations nor the failure to execute any Payment Instruction if the execution of that Payment Instruction would cause, or be likely to cause, us to breach our regulatory obligations.

11.5 In no event shall we be liable to you for any consequential loss(es) as a result of a payment being delayed for whatever reason.

11.6 Nothing in these terms restrict any of your statutory rights.

11.7 These terms are governed by English law and should either party deem it necessary to bring legal proceedings they would be held in an English court.

11.8 To the extent that provisions of the PSRs 2017 can be disapplied, for example, for low-valued payments, these will be disapplied to our relationship with you.

12 FORCE MAJEURE

12.1 We will not be liable for performance delays nor for non-performance due to abnormal and unforeseeable causes beyond our reasonable control, the consequences of which would have been unavoidable despite all efforts to the contrary.

12.2 If, in circumstances described in 12.1, we are delayed or prevented from fulfilling our obligations under this agreement we will nonetheless take all reasonable steps to inform you and make reasonable efforts to resolve the situation quickly.

12.3 In the event such an event prevents performance for a period in excess of thirty (30) days, then you may elect to terminate this Agreement and any outstanding Trades by giving us notice by phone, email, Secure Email or post.

13 DEFINITIONS AND INTERPRETATIONS

13.1 In this document the following terms have the following meanings:

“Accept” or “Acceptance” means that we have accepted an instruction (order) from you to purchase currency on your behalf.

“Additional Margin” refers to Forward Trades and means an additional sum of money on top of the initial Margin payment which we may require in situations of significant market movement.

“Account Opening” refers to the process we go through to set up your account and carry out the necessary identify checks after you have applied for an account with us.

“AML or Anti Money Laundering” refers to the laws and regulations for the prevention of money laundering and terrorist financing.

“Business Day” means between 09:00h and 17:00h (UK time) on Mondays to Fridays excluding Bank Holidays.

“Forward” means a currency Trade where we will secure an exchange rate now with the Value Date of the Trade set on a pre-determined future date more than two Business Days, and less than two years, after the Trade date;

“FX or Foreign Exchange” generally refers to the exchange of one currency for another. When the only two parties to a Trade are you and us we use the term FX in this document to distinguish from PS or Payment Service.

“Margin” or “Initial Margin” means an advance payment (akin to a deposit) normally payable when entering into a Forward Trade.

“Nominated Account” means the bank account that you have nominated for us to send the proceeds of a currency Trade to.

“Instruction” means a request from you to us to enter into a Trade for the sale and purchase of currency.

“Payment Instruction” means a request from you to us to make a duly authorised payment to your nominated third party.

“PS or Payment Service(s)” means we are providing you with a Payment Service, in accordance with the Payment Services Regulations (2017), when there is a third party beneficiary or a third party payee.

“PSD or Payment Services Directive” refers to the Payment Services Directive (currently in its second form known as PSD2) which is an EU Directive, administered by the European Commission to regulate payment services and payment service providers throughout the European Union (EU).

“PSRs or Payment Services Regulations” refers to the Payment Services Regulations which are UK legislations. HM Treasury transposed PSD2 into UK legislation in the Payment Services Regulations 2017 (PSRs 2017) and these were published on 19 July 2017. The Financial Conduct Authority (FCA) monitor and enforce compliance with most parts of the PSRs 2017.

“Segregated Client Accounts” refers to bank accounts where we hold client money relating to Payment Services in accordance with the FCA rules on Safeguarding.

“Secure Email” means an email that has been sent using an additional level of security not normally provided by standard email. We use Egress Switch email encryption software to securely share confidential information by email.

“Services” means the Services provided under this Framework Agreement.

“Settlement” refers to the completion of a contract when all parties have been paid.

“Spot” refers to a standard Trade to exchange currency with settlement within a few days (normally two Business Days) of the Trade date.

“Trade” means a foreign exchange Trade where one currency is sold in exchange for another with an agreed settlement date. A Trade can be on either a Spot or a Forward basis.

“Trade Confirmation” is the evidence provided by Optimal Currency that describes the details of the Trade after it has been agreed.

“Unique Identifier” is the identifier to be provided by you, the customer, for a Payment Instruction to be properly initiated or executed. For example, for a transfer to a UK bank, the payee bank’s sort code and account number might be specified as the Unique Identifier and for a transfer to a French Bank the payee bank’s International Bank Account Number (IBAN) and Bank Identification Code (BIC) might be specified as the Unique Identifier.