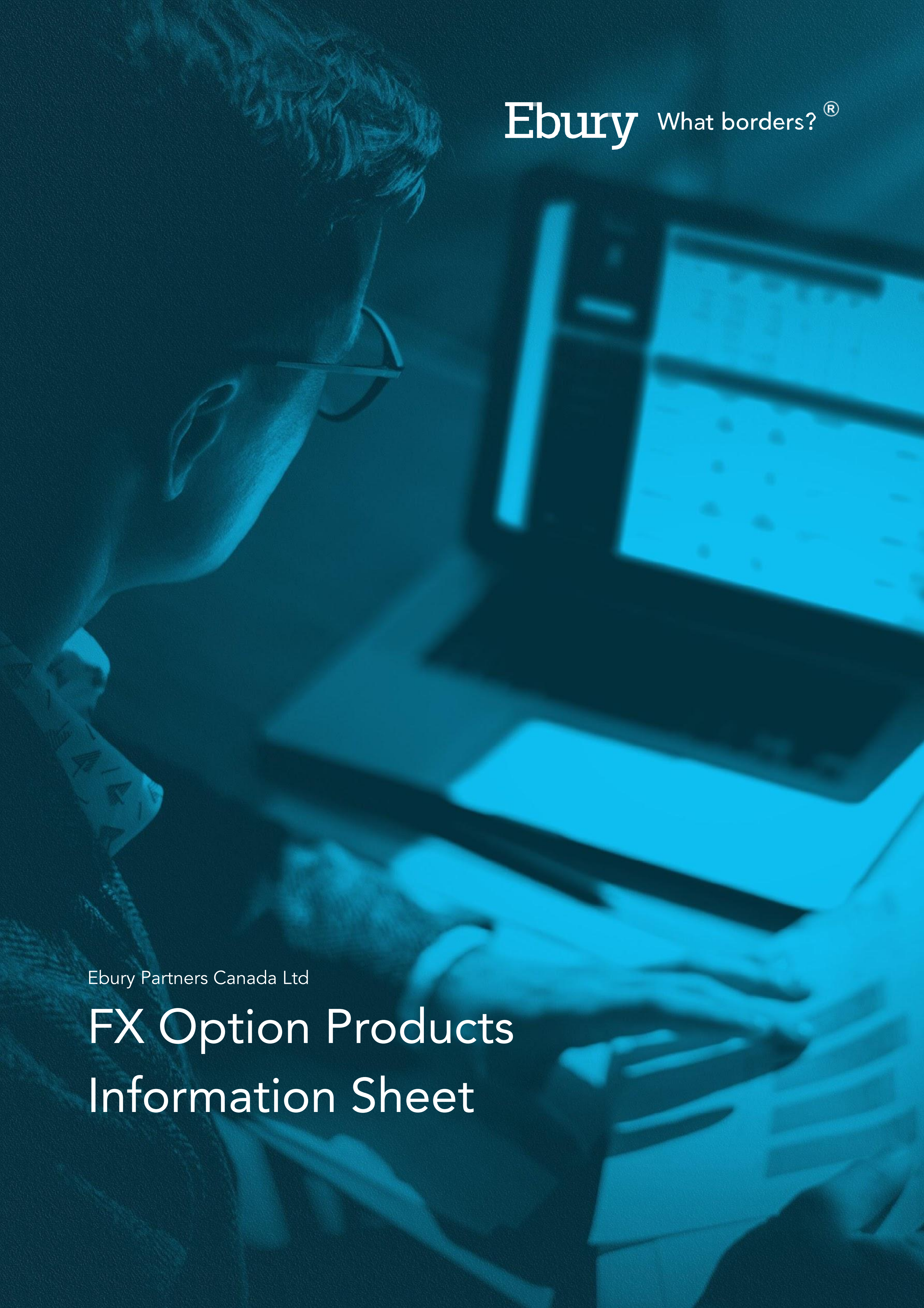
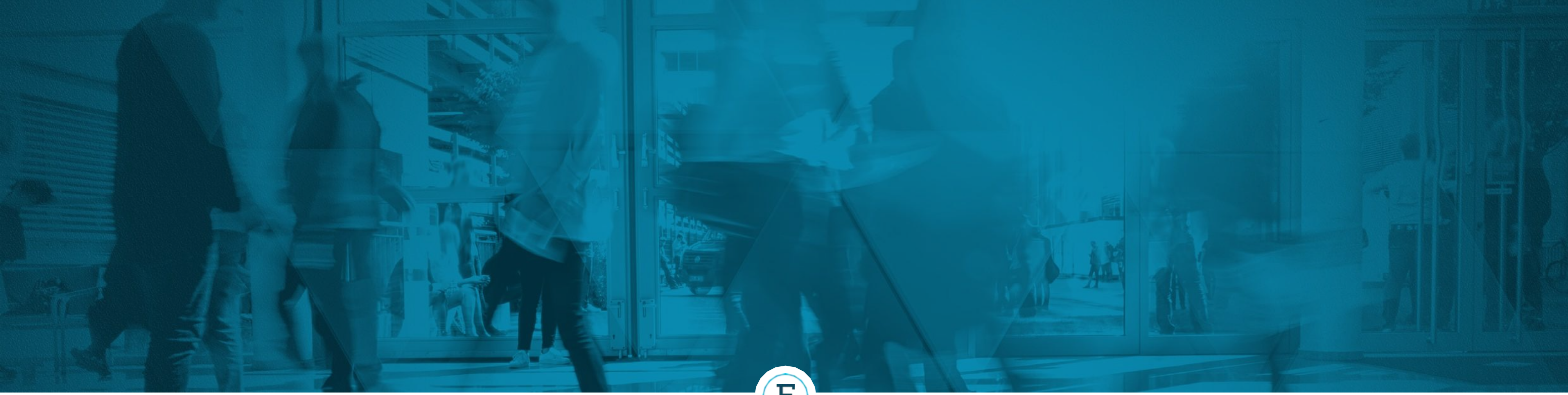


Ebury What borders?®

Ebury Partners Canada Ltd

FX Option Products Information Sheet



Important Information

The Structured Option Products described in this Information Sheet are Product Descriptions as defined in the Ebury FX Option Products Addendum (**Addendum**). The Addendum must be read together with the Ebury Canada Terms and Conditions (**Terms**), the Product Descriptions and this Important Information page in this Ebury FX Options Contracts Information Sheet (**Information Sheet**), which together constitute the FX Options Terms. By entering into an FX Option Product, you are deemed to have accepted the FX Options Terms. Capitalised terms are defined in the Addendum or Terms, unless they are product names.

Whilst the Product Descriptions form part of the FX Options Terms, all other information contained in this Information Sheet, including examples and scenarios, is for information purposes only and is not part of your contractual relationship with Ebury.

You should not act or refrain from acting on the basis of the content included in this Information Sheet. You should not acquire any of the products described in this Information Sheet if you do not fully understand their characteristics and risks, or how their use will affect you or your business in best case and worst case scenarios. To the extent permitted by law, we disclaim all liability for actions you take or fail to take based on information included in the Information Sheet.

This Information Sheet includes factual information only and does not constitute general advice. It is not a Product Disclosure Statement under the Canadian Business Corporations Act (CBCA), or similar provincial corporate statutes. It is intended for Corporate, Partnership and/or Trust Clients only. If you are not a Corporate, a Partnership or a Trust Client you cannot use this Information Sheet or acquire the products described in it.

Ebury can solely determine the meaning of undefined terms in the Product Descriptions including, but not limited to: spot rate, spot market, forward rate and exchange rate, with reference to what it reasonably believes are established Canadian market practices.

We earn revenue by any combination of:

- applying a spread to the Premium you pay;
- applying a spread to the Premium we pay you (in the case of zero cost or reduced-premium options); and
- netting your options with other parties (other clients, related entities or liquidity providers.

Ebury Partners Canada Ltd is the issuer of the products described in this Information Sheet.

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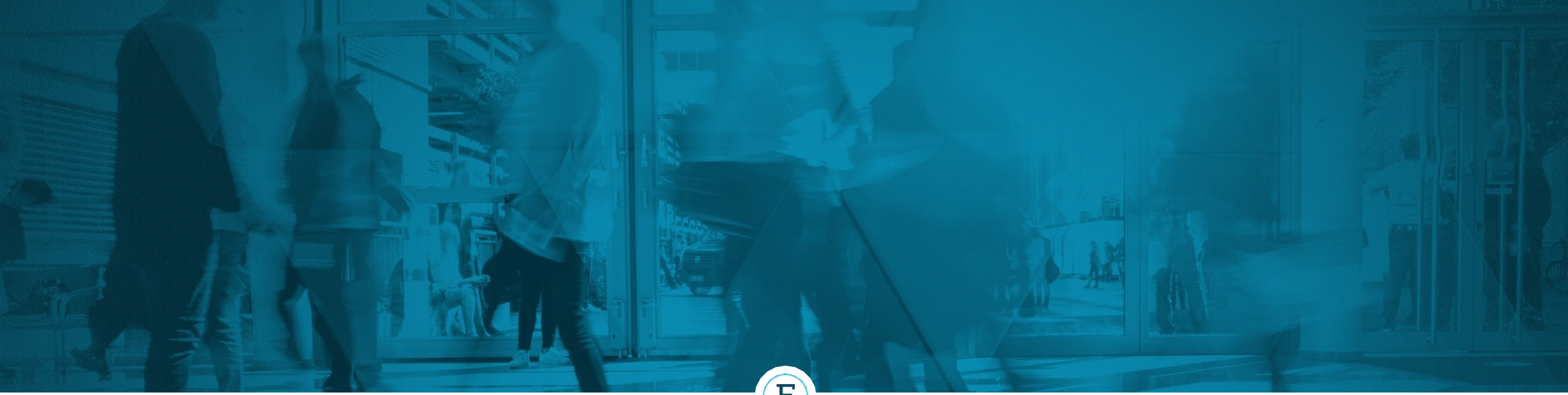


What is an Option?

Ebury offers vanilla options and certain structured options.

Vanilla Options

A vanilla option is a financial contract entered into by two parties; a buyer and a seller. The buyer pays a non-refundable premium to the seller. In return, the buyer receives the right, but not the obligation, to exchange a specified amount of one currency for another currency, at a prescribed exchange rate, and on a specified date. The seller of a vanilla option receives the premium for offering this right to the buyer, and is assigned the obligation to fulfil the terms of the contract if the buyer exercises their right.

Structured Options

A structured option generally involves the simultaneous purchase and sale of two or more options.

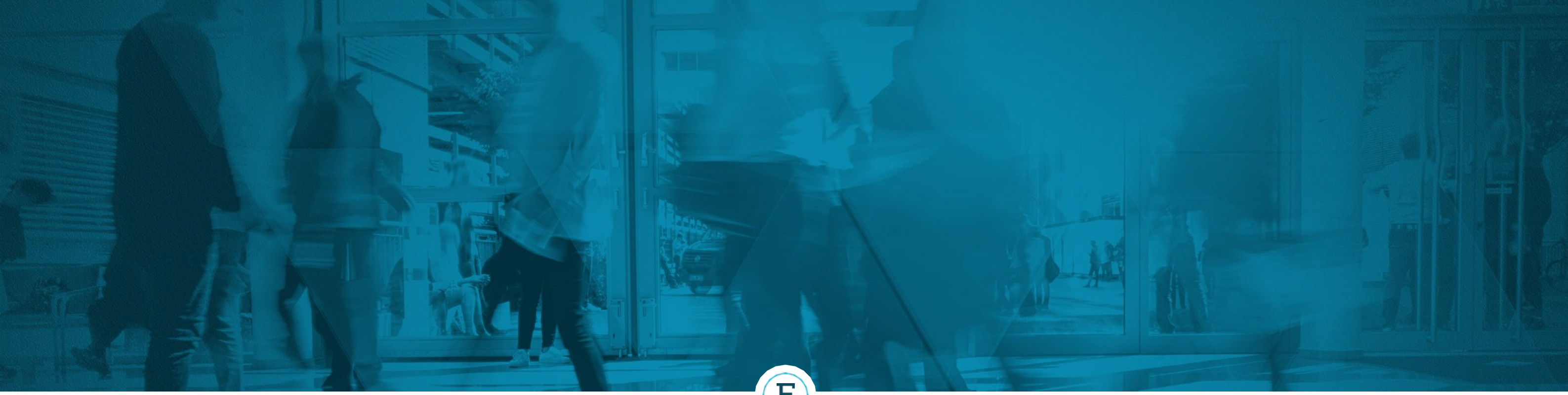
A structured option may:

i. (i) vanilla options and / or other contracts that contain non-standard features that affect the possible outcomes at or before the expiry of that option;
ii. (ii) involve multiple legs (i.e. more than two options) in one structure;
iii. (iii) incorporate the use of leverage; or
iv. (iv) be structured so that no premium is required to be paid, because the premium from the underlying bought and sold options is offset.

The Options Contracts which Ebury offer are:

- Vanilla Options
- The Protection Option (a type of vanilla option)
- The Participating Forward
- The Windowed Forward Extra
- The Leveraged Windowed Forward Extra
- The Range Forward
- The Leveraged Range Forward

We may also, from time to time, offer variations on these strategies, or create different combinations.



Significant benefits of Options

The following are some of the significant benefits of a foreign exchange options contract:

- Option contracts give you flexibility when hedging foreign currency exposures.
- They can provide you with protection via a worst case rate, but also allow you to benefit should the exchange rate move in your favour. This means your outcome may be more favourable than a Forward Contract.
- Option contracts can provide you with a worst case rate like a Forward Contract. This means that you know the maximum amount you will have to pay in the future so you will be better able to manage your cash flows and costs.
- Option contracts can be used to produce hedging strategies that are tailored to fit your exposure, currency forecast and risk level.

Significant risks of Options

If you do not fully understand the characteristics and risks associated with foreign exchange options then you should not use them. This section sets out some significant risks which are specific to a foreign exchange options contracts.

- Unlike a Forward Contract, you may have to pay a non-refundable premium up front.
- When you enter into a zero premium option structure with a permanent protection rate, the protection rate may be less favourable than the prevailing forward or spot rate.
- When you enter into an option structure with a worst case rate, your participation in favourable exchange rate movements may be limited.
- If you use an option structure to cover an obligation that ceases to exist or changes prior to the delivery, then the contract may need to be closed out or rolled over. This means you may incur a loss or be required to take out further currency protection to cover the changed exposure.
- Depending on the option structure and the credit terms with Ebury, you may be required, on short notice, to respond to a margin call and provide additional funds to cover your position.

Leverage

Leverage occurs in some structured options. Leverage, in this context, refers to an option structure where the potential obligation is of greater notional value than that of the right you hold.

Therefore, you may be obligated to buy, or sell, a larger notional amount than you have a right to buy or sell. These contracts may move further and faster out of the money from the same unfavourable movement than their non-leveraged equivalent product and can increase the size of gains or losses so please consider the impact that leverage can have on your position/s as a whole and any downside risk as part of your risk management processes. An option contract may simultaneously involve different types of leverage.

The Protection Option

Hedging Receivables from Exports

Product Description

A protection option provides you with the right to buy/sell a currency on a predetermined date at a predetermined rate. However, at the Expiration Date, you can elect not to exercise the Protection Option. Instead, you can buy a Spot Contract in the spot market if the spot rate is more advantageous. The Protection Option combines the certain protection provided by a Forward Contract and the flexibility of being able to leave an exposure un- hedged. The buyer of a Protection Option must pay a Premium.

The buyer of a Protection Option has the right but not the obligation to sell a specified notional amount of one currency for another currency at a nominated Strike Rate (also called a protection rate, in the case of Protection Options).

Possible Scenarios:

Scenario 1: If the Spot Rate at expiry is below the Strike Rate. The client has the right but not the obligation to transact at the Strike Rate.

Scenario 2: If the Spot Rate at expiry is above the Strike Rate. The client will not exercise the option and can trade at the prevailing Spot Rate.

Advantages

- The client has certainty of a worst case exchange rate
- The client has protection if the rate moves against them
- The client has flexibility if the rate moves in their favour
- No chance of the position requiring margin

Disadvantages

- The Premium is not refundable under any circumstances.
- Depending on prevailing market rates, the total cost of the Protection Option, including the Premium plus the ultimate foreign exchange cost, might be higher than if you have not purchased a Protection Option.
- At the Expiration Date or upon cancellation or termination of the Protection Option, movements in market exchange rates plus the passage of time may result in the Protection Option having a reduced value or even no value.

Example

For example, a client exports shoes to the US, and needs to sell USD 1 million, 6 months toward repatriation of export proceeds. The 6 month forward rate is 1.2800 and the client doesn't want to get a worse rate than 1.2700. The client can purchase a Protection Option at 1.2700 maturing in 6 months. A Premium of for example, CAD 20,000 would be payable to Ebury for the Protection Option based on the prevailing market conditions.

Example Scenarios

Scenario 1: The exchange rate is trading at 1.2600 at expiry, the client would exercise the option and sell the USD at the protection rate of 1.2700

Scenario 2: The exchange rate is trading at 1.2900 at expiry, and the protection rate is 1.2700. The client would transact at the spot rate of 1.2900

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The Protection Option

Hedging Receivables from Imports

Product Description

A protection option provides you with the right to buy/sell a currency on a predetermined date at a predetermined rate. However, at the Expiration Date, you can elect not to exercise the Protection Option. Instead, you can buy a Spot Contract in the spot market if the spot rate is more advantageous. The Protection Option combines the certain protection provided by a Forward Contract and the flexibility of being able to leave an exposure un- hedged. The buyer of a Protection Option must pay a Premium.

The buyer of a Protection Option has the right but not the obligation to sell a specified notional amount of one currency for another currency at a nominated Strike Rate (also called a protection rate, in the case of Protection Options).

Possible Scenarios:

Scenario 1: If the Spot Rate at expiry is above the Strike Rate. The client has the right but not the obligation to transact at the Strike Rate.

Scenario 2: If the Spot Rate at expiry is below the Strike Rate. The client will not exercise the option and can trade at the prevailing Spot Rate.

Advantages

- The client has certainty of a worst case exchange rate
- The client has protection if the rate moves against them
- The client has flexibility if the rate moves in their favour
- No chance of the position requiring margin

Disadvantages

- The Premium is not refundable under any circumstances.
- Depending on prevailing market rates, the total cost of the Protection Option, including the Premium plus the ultimate foreign exchange cost, might be higher than if you have not purchased a Protection Option.
- At the Expiration Date or upon cancellation or termination of the Protection Option, movements in market exchange rates plus the passage of time may result in the Protection Option having a reduced value or even no value.

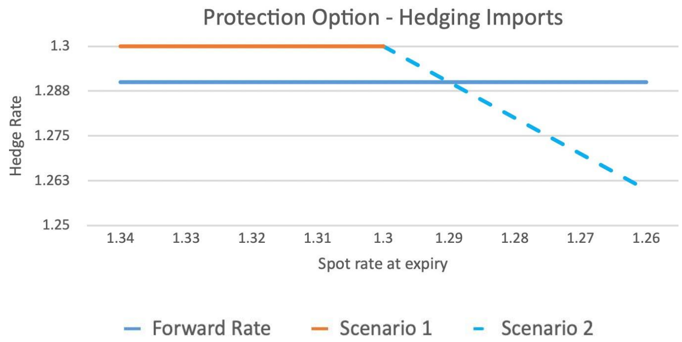
Example

For example, a client imports shoes from the US, and needs to buy USD 1 million 6 months from now to pay a supplier. The 6 month forward rate is 1.2900 and the client doesn't want to get a worse rate than 1.3000. The client can purchase a Protection Option at 1.3000 maturing in 6 months. A Premium of CAD 40,000 would be payable to Ebury for the Protection Option.

Example Scenarios

Scenario 1: The exchange rate is trading at 1.3100 at expiry, the client would exercise the option and buy the USD at the protection rate of 1.3000.

Scenario 2: The exchange rate is trading at 1.2800 at expiry, and the protection rate is 1.3000. The client would transact at the spot rate of 1.2800.



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The Participating Forward

Hedging export related receivables

Product Description

The Participating Forward protects you by providing you with a worst case rate for your full exposure, like a Forward Contract. However, it allows you to participate in any favourable exchange rate move for 50% of your currency exposure. There is no Premium payable for a Participating Forward.

Possible Scenarios:

Scenario 1: If the Spot Rate at expiry is below the Strike Rate, the client has the right but not the obligation to transact at the Strike Rate.

Scenario 2: If the Spot Rate at expiry is above the Strike Rate, the client is obligated to sell 50% of the notional amount but also has the right to transact the remainder at the prevailing Spot Rate.

Advantages

- The client has certainty of a worst case exchange rate
- The client has 100% protection if the rate moves against them
- The client has partial benefit (50%) if the rate moves in their favour
- No premium

Disadvantages

- If the rate moves unfavourably, a more favourable rate would have been achieved with a forward contract.
- The client can only partially benefit from favourable rate movements.

Example

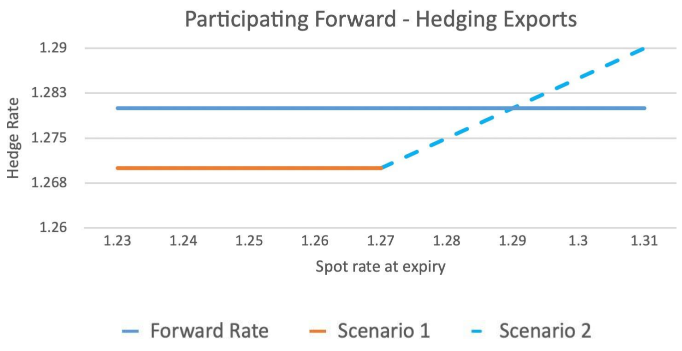
For example, a client exports shoes to the US and budgets that they will receive USD 1 million in 6 months time. The USD/CAD forward rate for 6 months is 1.2800. The client would like to give themselves a worst case rate but are worried that if they enter into a Forward Contract, the rate will move higher and therefore they will not benefit from any positive moves in the exchange rate.

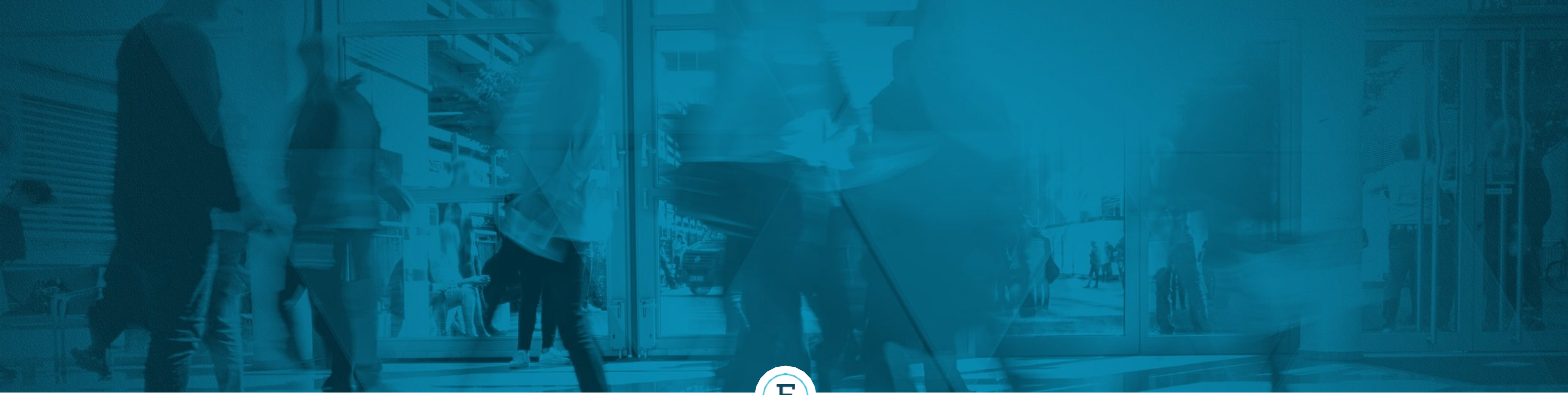
The client wants to benefit from upwards movement in the USD/CAD rate, but does not want to pay a Premium for this. Ebury informs the client that they can have a worst case rate of 1.2700 on the total amount – however, they may benefit by selling 50% of their USD at 1.2700 at expiry and the remaining half at the prevailing spot or forward rate at any time before settlement if the spot rate is trading above 1.2700.

Example Scenarios

Scenario 1: The exchange rate is trading at 1.2600 at expiry. The client would exercise the option and sell USD at the Strike Rate of 1.2700

Scenario 2: The exchange rate is trading at 1.3000 at expiry. The client will be obligated to sell USD 500,000 at 1.2700 and the remaining USD 500,000 can be sold at the Spot Rate of 1.3000. This will give the client an average rate of 1.2850.





The Participating Forward

Hedging Import related Payables

Product Description

The Participating Forward protects you by providing you with a worst case rate for your full exposure, like a Forward Contract. However, it allows you to participate in any favourable exchange rate move for 50% of your currency exposure. There is no Premium payable for a Participating Forward.

Possible Scenarios:

Scenario 1: If the Spot Rate at expiry is above the Strike Rate, the client has the right but not the obligation to transact at the Strike Rate.

Scenario 2: If the Spot Rate at expiry is below the Strike Rate, the client is obligated to buy 50% of the notional amount but also has the right to transact the remainder at the prevailing Spot Rate.

Advantages

- The client has certainty of a worst case exchange rate
- The client has 100% protection if the rate moves against them
- The client has partial benefit (50%) if the rate moves in their favour
- No premium

Disadvantages

- If the rate moves unfavourably, a more favourable rate would have been achieved with a forward contract.
- The client can only partially benefit from favourable rate movements.

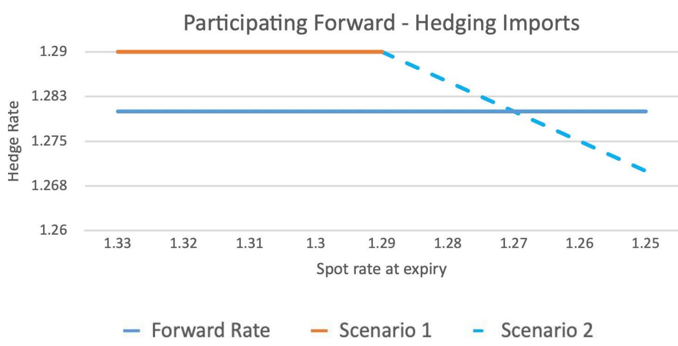
Example

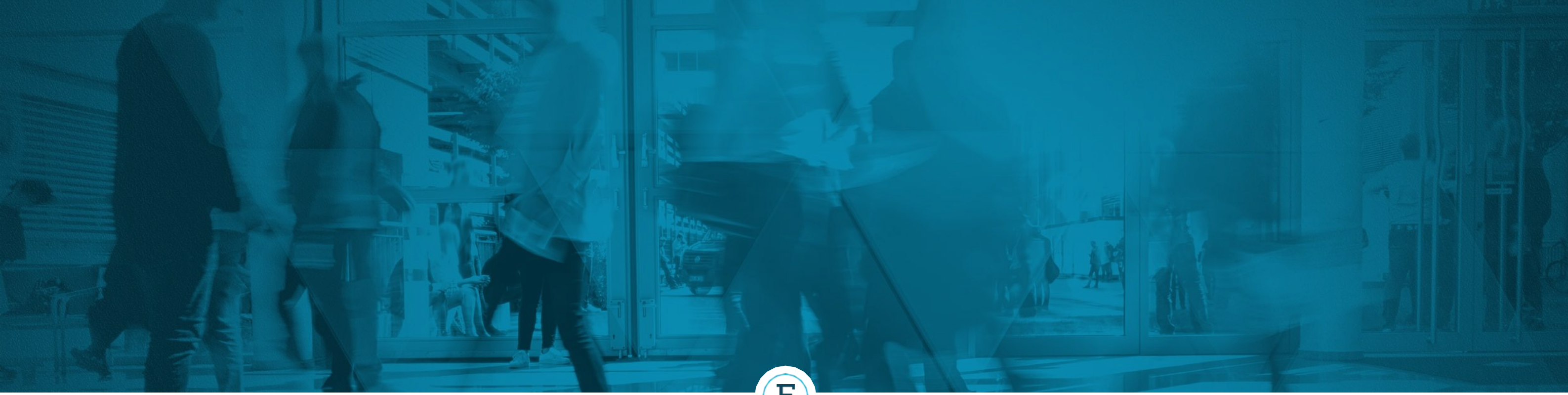
For example, a client imports shoes from the US and budgets that they will need to spend USD 1 million in 6 months time. The USD/ CAD forward rate for 6 months is 1.2800. The client would like to give themselves a worst case rate but are worried that if they enter into a Forward Contract, the rate will move lower and therefore they will not benefit from any positive moves in the exchange rate.
The client wants to benefit from downward movement in the USD/ CAD rate, but does not want to pay a Premium for this. Ebury informs the client that they can have a worst case rate of 1.2900 on the total amount – however, they may benefit by purchasing 50% of their USD at 1.2900 at expiry and the remaining half at the prevailing spot or forward rate at any time before settlement if the spot rate is trading below 1.2900.

Example Scenarios

Scenario 1: The exchange rate is trading at 1.3000 at expiry. The client would exercise the option and buy USD at the Strike Rate of 1.2900.

Scenario 2: The exchange rate is trading at 1.2600 at expiry. The client will be obligated to buy USD 500,000 at 1.2900 and the remaining USD 500,000 can be purchased at the Spot Rate of 1.2600. This will give the client an average rate of 1.2750.





The Window Forward Extra

Hedging export related receivables

Product Description

The Window Forward Extra enables you to fix a worst case rate for the currency that you are looking to sell on a predetermined date in the future. You also set a best case rate and, if the spot rate trades at or above the best case rate at any time during the observation (window) period, you are obligated to deal at the worst case rate. If the spot rate has not traded at or above the best case rate, and the spot rate at expiry is above the worst case rate, you may choose to settle the trade at the current spot rate.

Possible Scenarios:

Scenario 1: If the Spot Rate at expiry is below the worst case rate and has not traded at or above the best case rate, the client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the Spot Rate at expiry is above the worst case rate and has not traded at or above the best case rate, the client will not exercise the option and can trade at the prevailing Spot Rate.

Scenario 3: If the Spot Rate has traded above the best case rate at expiry or during the observation (window) period, the client sells the notional amount at the worst case rate.

Advantages

- The client has certainty of a worst case rate.
- The client has protection if the rate moves against them.
- The client can benefit from favourable currency movement up to but not including the best case rate.
- No Premium is payable.

Disadvantages

- If the spot rate trades at or above the best case rate at any time during a specified active period, the rate converts to the worst case rate. In this case, the client would have achieved a more favourable rate using a Forward Contract.
- If the spot rate at expiry is below the worst case rate, the client would also have achieved a more favourable rate using a Forward Contract.

Example

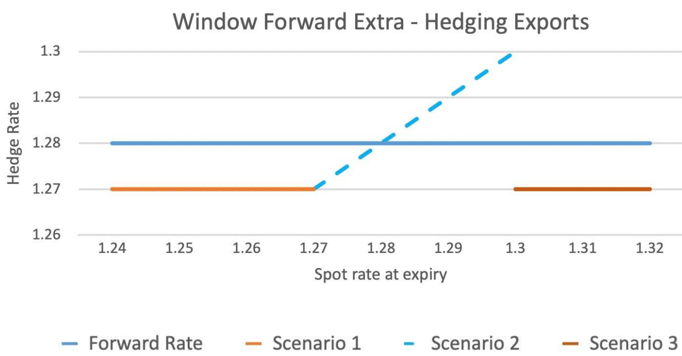
For example, a client exports cars from the US and they forecast having sales of USD 1 million in 6 months time. The forward rate for 6 months is 1.2800 and the client wants to take advantage of possible further strength in the US dollar . They would like to take advantage of this forward rate but have a view that the USD will appreciate higher over the next 6 months. Therefore, they accept a worse case rate of 1.2700. This enables the client to benefit from a favourable move in 100% of their exposure up to but not including the best case rate of 1.3000. If the spot rate trades at or above 1.3000 at any time during a specified observation period, the client is now obligated to Sell USD at the worst case rate of 1.2700.

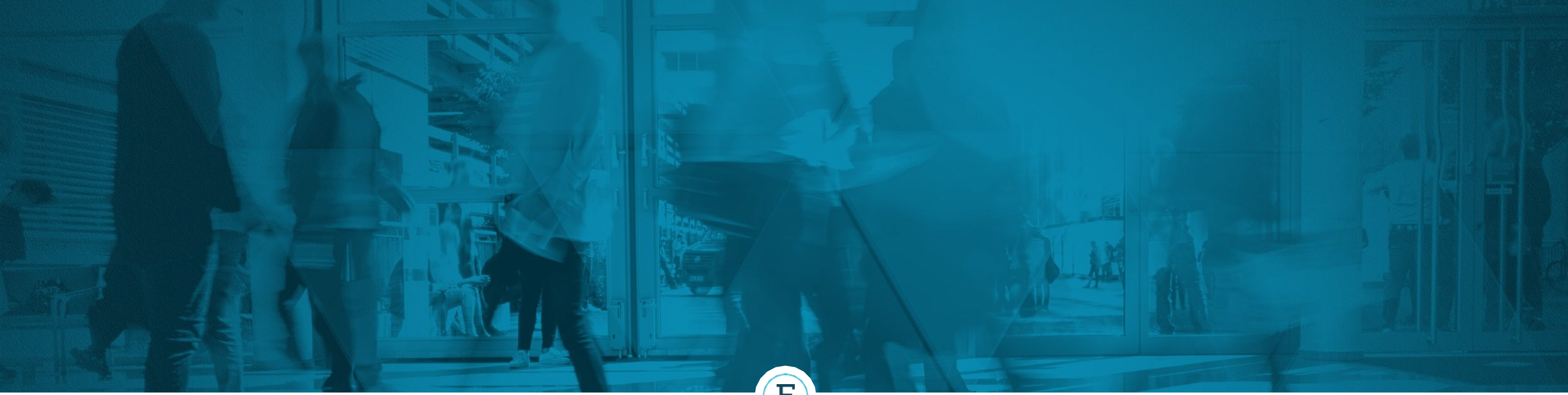
Example Scenarios

Scenario 1: The exchange rate is trading at 1.2600 at expiry and has not traded at or above the best case rate of 1.3000. The client would exercise the option and Sell USD at the Strike Rate of 1.2700.

Scenario 2: The exchange rate is trading at 1.2900 at expiry and has not traded at or above the best case rate of 1.3000. The client has the right to transact at the Spot Rate of 1.2900.

Scenario 3: The exchange rate has traded above the best case rate of 1.3000 during the observation period therefore obligating the client to Sell USD at the worst case rate of 1.2700.





The Window Forward Extra

Hedging import related payables

Product Description

The Window Forward Extra enables you to fix a worst case rate for the currency that you are looking to buy on a predetermined date in the future. You also set a best case rate and, if the spot rate trades at or below the best case rate at any time during the observation (window) period, you are obligated to deal at the worst case rate. If the spot rate has not traded at or below the best case rate, and the spot rate at expiry is below the worst case rate, you may choose to settle the trade at the current spot rate.

Possible Scenarios:

Scenario 1: If the Spot Rate at expiry is above the worst case rate and has not traded at or below the best case rate, the client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the Spot Rate at expiry is below the worst case rate and has not traded at or below the best case rate, the client will not exercise the option and can trade at the prevailing Spot Rate.

Scenario 3: If the Spot Rate has traded below the best case rate at expiry or during the observation (window) period, the client purchases the notional amount at the worst case rate.

Advantages

- The client has certainty of a worst case rate.
- The client has protection if the rate moves against them.
- The client can benefit from favourable currency movement up to but not including the best case rate.
- No Premium is payable.

Disadvantages

- If the spot rate trades at or below the best case rate at any time during a specified active period, the rate converts to the worst case rate. In this case, the client would have achieved a more favourable rate using a Forward Contract.
- If the spot rate at expiry is above the worst case rate, the client would also have achieved a more favourable rate using a Forward Contract.

Example

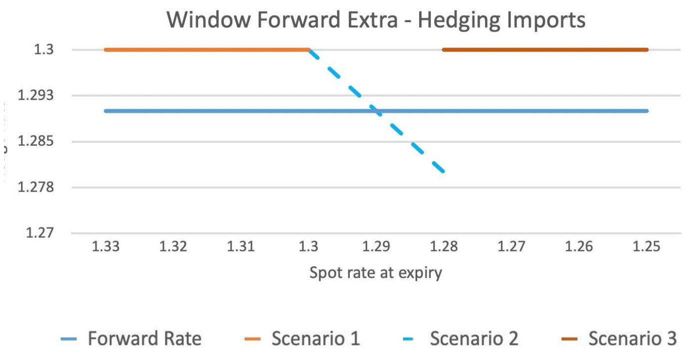
For example, a client imports cars from the US and they forecast having to purchase USD 1 million in 6 months' time. The forward rate for 6 months is 1.2900 and the client wants to take advantage of possible further weakness in USD. They would like to take advantage of this forward rate but have a view that the USD will weaken, i.e., a lower USD/CAD over the next 6 months. Therefore, they accept a worse case rate of 1.3000. This enables the client to benefit from a favourable move in 100% of their exposure up to but not including the best case rate of 1.2800. If the spot rate trades at or below 1.2800 at any time during a specified observation period, the client is now obligated to buy USD at the worst case rate of 1.3000.

Example Scenarios

Scenario 1: The exchange rate is trading at 1.3100 at expiry and has not traded at or below the best case rate of 1.2800. The client would exercise the option and buy USD at the Strike Rate of 1.3000.

Scenario 2: The exchange rate is trading at 1.2900 at expiry and has not traded at or below the best case rate of 1.2800. The client has the right to transact at the Spot Rate of 1.2900.

Scenario 3: The exchange rate has traded below the best case rate of 1.2800 during the observation period therefore obligating the client to buy USD at the worst case rate of 1.3000.



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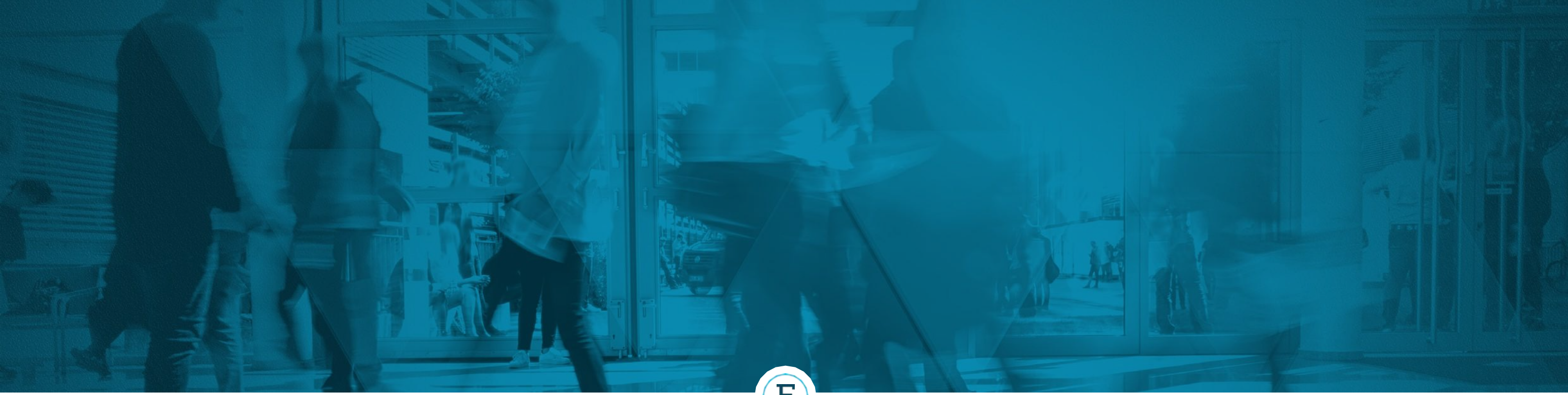


The Leveraged Window Forward Extra

Hedging export related receivables

Product Description

The Leveraged Windowed Forward Extra enables you to fix a worst case rate for the currency that you are looking to sell on a predetermined date in the future. You also set a best case rate and if the spot rate trades at or above the best case rate at any time during the observation (window) period and is at or above the worst case rate at expiry, you are obligated to deal at the worst case rate for the leveraged amount. If the spot rate has not traded at or above the best case rate, and the spot rate at expiry is above the worst case rate, you may settle the trade at the current spot rate.

Possible Scenarios:

Scenario 1: If the spot rate at expiry is below the worst case rate and has not traded at or above the best case rate, the client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the spot rate at expiry is above the worst case rate and has not traded at or above the best case rate, the client will not exercise the option and can trade at the prevailing spot rate.

Scenario 3: If the spot rate has traded above the best case rate at expiry or during the observation (window) period, and spot at expiry is at or above the worst case rate, the client is obligated to purchase the leveraged amount at the worst case rate.

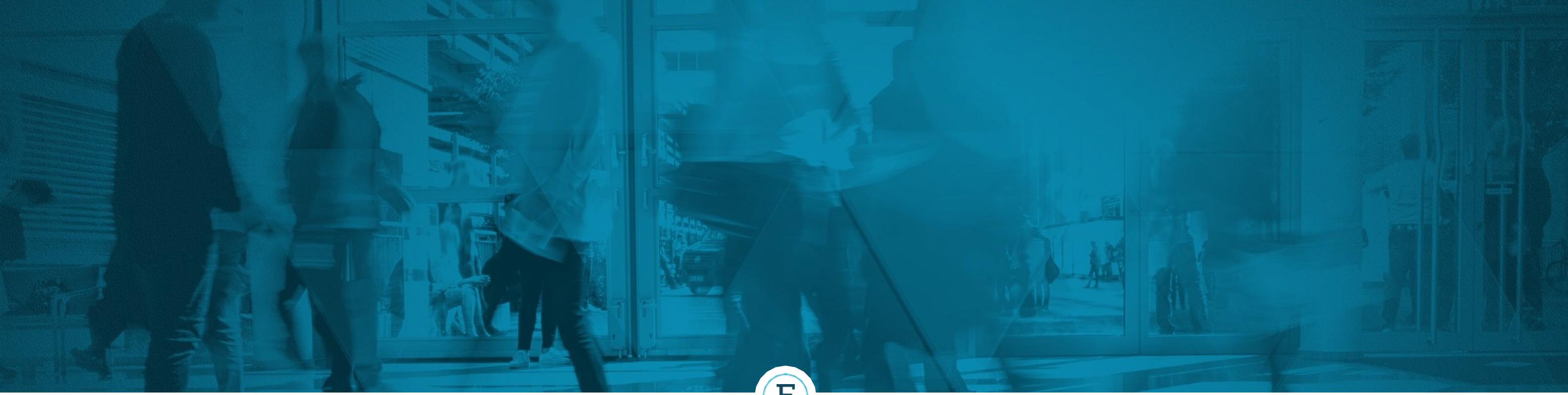
Scenario 4: If the spot rate has traded above the best case rate during the observation (window) period, and the spot rate is below the worst case rate at expiry, the client maintains the right to purchase the notional amount at the worst case rate.

Advantages

- The client has certainty of a worst case rate (hedged amount).
- The client has protection if the rate moves against them (hedged amount).
- The client can benefit from favourable currency movement up to the best case rate.
- No Premium is payable.

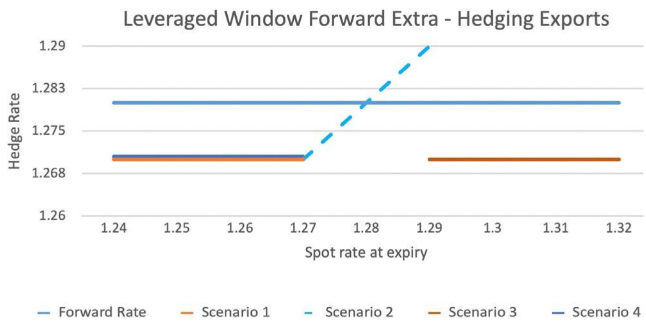
Disadvantages

- If the spot rate trades at or above the best case rate at any time during the observation (window) period and expires above the worst case rate, the rate converts to the worst case rate for the leveraged amount.
- If the spot rate at expiry is below the worst case rate, the client only has protection on the unleveraged amount.



Example

For example, a client exports cars to the US and they forecast having to purchase USD 1 million in 6 months' time. The forward rate for 6 months is 1.2800 and the client wants to take advantage of possible further strength in the US dollar. They would like to take advantage of this forward rate but has a view that the CAD will weaken over the next 6 months. Therefore, they accept a worse case rate of 1.2700. This enables the client to benefit from a favourable move in 100% of their exposure up to the best case rate of 1.2900. If the spot rate trades at or above 1.2900 at any time during a specified observation period, the client is now obligated to sell the leveraged amount of USD at the worst case rate of 1.2700.

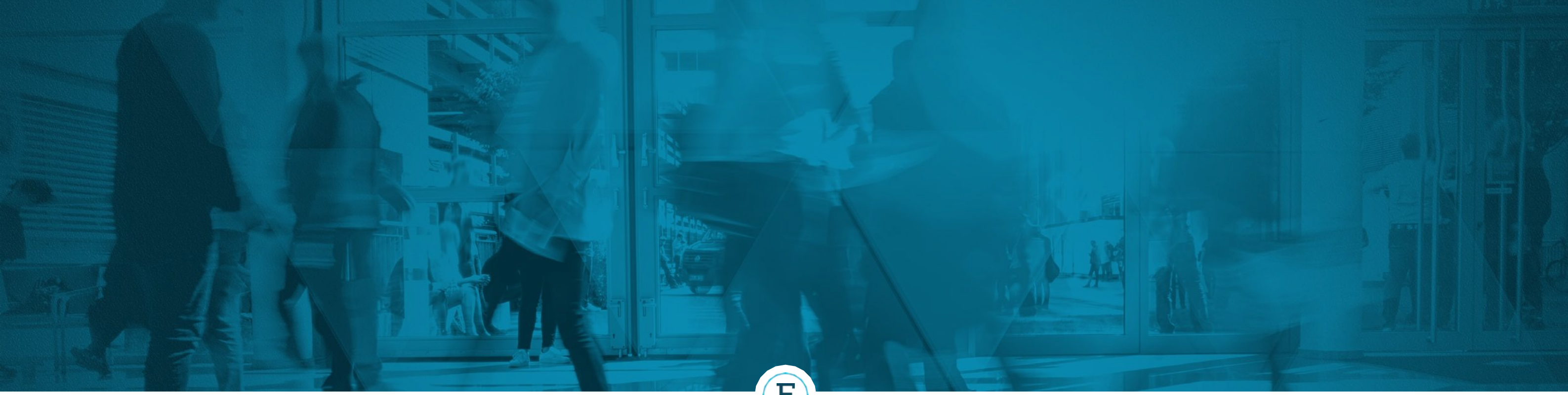


Scenario 1: The exchange rate is trading at 1.2600 at expiry and has not traded at or above the best case rate of 1.2900. The client would exercise the option and sell USD at the worst case rate of 1.2700.

Scenario 2: The exchange rate is trading at 1.2800 at expiry and has not traded at or above the best case rate of 1.2900. The client has the right to transact at the spot rate of 1.2800.

Scenario 3: the exchange rate has traded above the best case rate of 1.2900 during the observation period therefore obligating the client to sell USD at the worst case rate of 1.2700.

Scenario 4: the exchange rate has traded above the best case rate of 1.2900 during the observation period, but at expiry the exchange rate falls to 1.2500, the client has the right to sell USD at the worst rate of 1.2700.



The Leveraged Window Forward Extra

Hedging import related payables

Product Description

The Leveraged Windowed Forward Extra enables you to fix a worst case rate for the currency that you are looking to buy on a predetermined date in the future. You also set a best case rate and if the spot rate trades at or below the best case rate at any time during the observation (window) period and is at or below the worst case rate at expiry, you are obligated to deal at the worst case rate for the leveraged amount. If the spot rate has not traded at or below the best case rate, and the spot rate at expiry is below the worst case rate, you may settle the trade at the current spot rate.

Possible Scenarios:

Scenario 1: If the spot rate at expiry is above the worst case rate and has not traded at or below the best case rate, the client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the spot rate at expiry is below the worst case rate and has not traded at or below the best case rate, the client will not exercise the option and can trade at the prevailing spot rate.

Scenario 3: If the spot rate has traded below the best case rate at expiry or during the observation (window) period, and spot at expiry is at or below the worst case rate, the client is obligated to purchase the leveraged amount at the worst case rate.

Scenario 4: If the spot rate has traded below the best case rate during the observation (window) period, and the spot rate is above the worst case rate at expiry, the client maintains the right to purchase the notional amount at the worst case rate.

Advantages

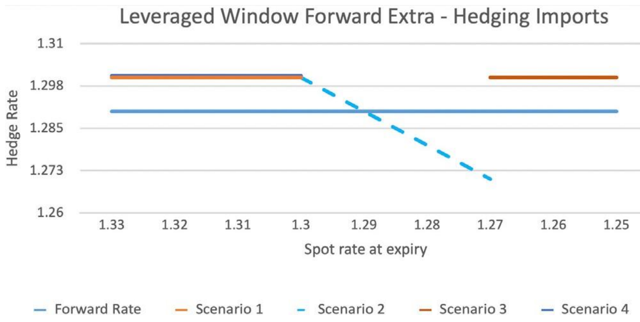
- The client has certainty of a worst case rate (hedged amount).
- The client has protection if the rate moves against them (hedged amount).
- The client can benefit from favourable currency movement up to the best case rate.
- No Premium is payable.

Disadvantages

- If the spot rate trades at or below the best case rate at any time during the observation (window) period and expires below the worst case rate, the rate converts to the worst case rate for the leveraged amount.
- If the spot rate at expiry is above the worst case rate, the client only has protection on the unleveraged amount.

Example

For example, a client imports cars from the US and they forecast having to purchase USD 1 million in 6 months' time. The forward rate for 6 months is 1.2900 and the client wants to take advantage of possible further strength of the CAD. They would like to take advantage of this forward rate but has a view that the CAD will strengthen further over the next 6 months. Therefore, they accept a worse case rate of 1.3000. This enables the client to benefit from a favourable move in 100% of their exposure up to the best case rate of 1.2700. If the spot rate trades at or below 1.2700 at any time during a specified observation period, the client is now obligated to buy the leveraged amount of USD at the worst case rate of 1.3000.

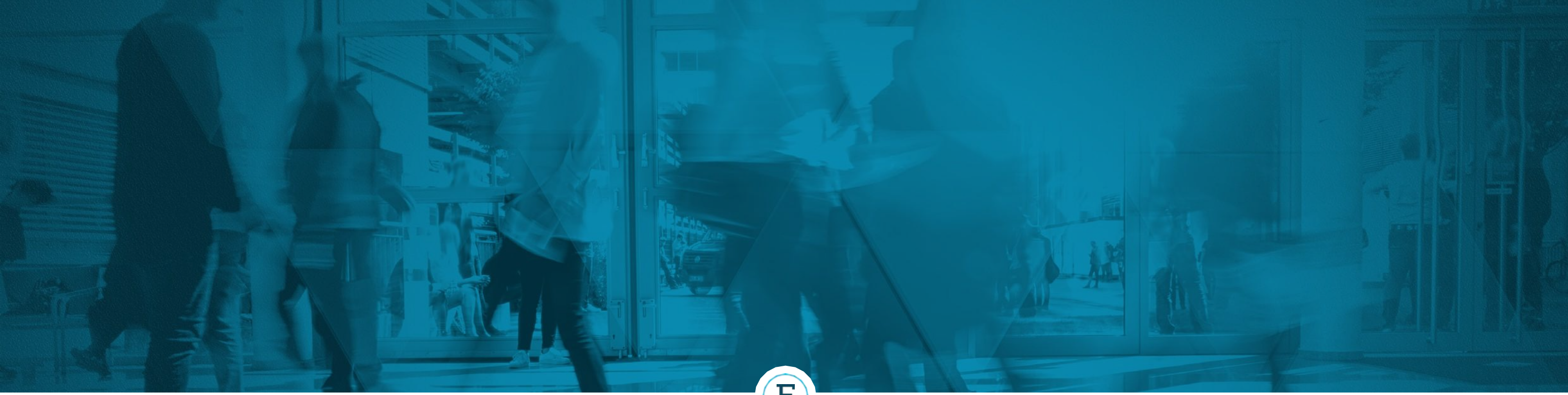


Scenario 1: The exchange rate is trading at 1.3100 at expiry and has not traded at or below the best case rate of 1.2700. The client would exercise the option and buy USD at the worst case rate of 1.3000.

Scenario 2: The exchange rate is trading at 1.2800 at expiry and has not traded at or below the best case rate of 1.2700. The client has the right to transact at the spot rate of 1.2800.

Scenario 3: The exchange rate has traded below the best case rate of 1.2700 during the observation period therefore obligating the client to buy USD at the worst case rate of 1.3000.

Scenario 4: The exchange rate has traded below the best case rate of 1.2700 during the observation period, but at expiry the exchange rate rises to 1.3100, the client has the right to buy USD at the worst rate of 1.3000.



The Range Forward

Hedging export related receivables

Product Description

The Range Forward protects you by providing you with a worst case rate for your full exposure, like a Forward Contract. However, it allows you to participate in any favourable exchange rate move up to a cap. There is no Premium payable. However, to enhance rates, a Premium can be paid.

Possible Scenarios:

Scenario 1: If the spot rate at expiry is below the worst case rate, the client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the spot rate at expiry is above the worst case rate but below the cap rate. The client will not exercise the option and can trade at the prevailing spot rate.

Scenario 3: If the spot rate at expiry is above the cap rate. The client is obligated to sell the notional amount at the cap rate.

Advantages

- The client has certainty of a worst case exchange rate.
- The client has protection if the rate moves against them.
- The client has a benefit if the rate moves in their favour, up to the cap.
- No Premium is payable unless the client wants to increase the gap between protection and participation rate

Disadvantages

- If the rate moves unfavourably(i.e., lower than the worst case rate), a more favourable rate would have been achieved with a Forward Contract.
- The client can only benefit up to the cap level

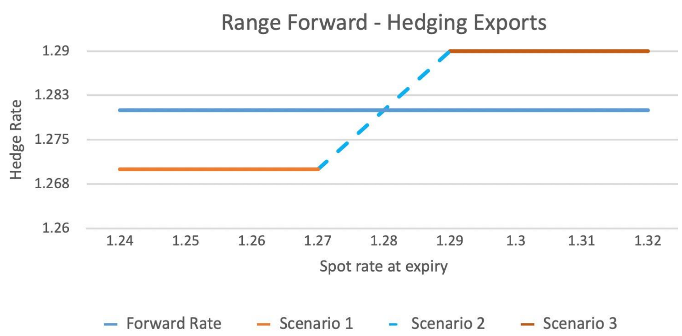
Example

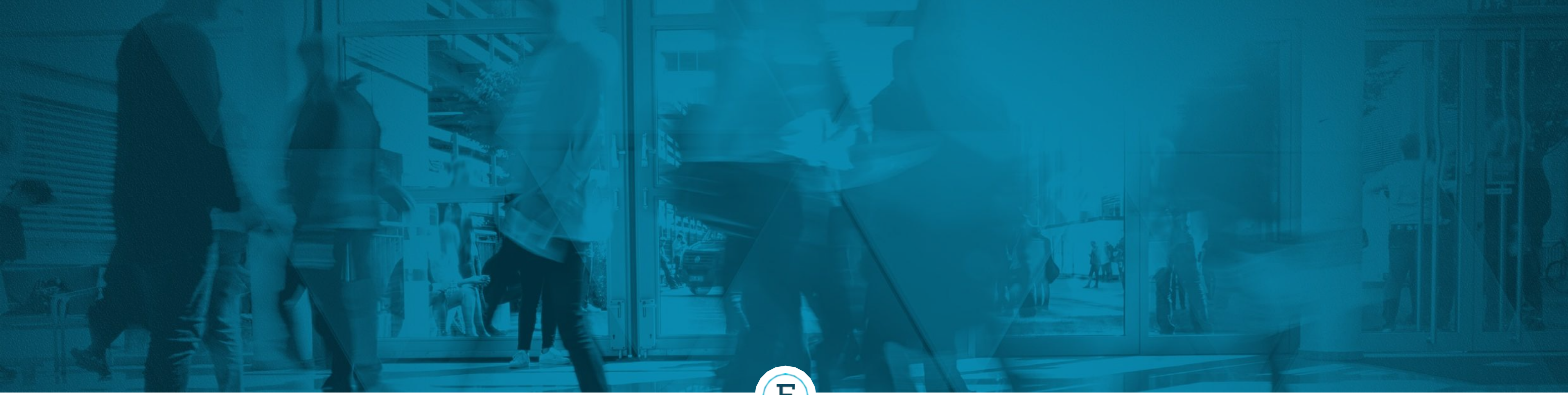
For example, a client exports cars to the US and they forecast sales of USD 1 million in 6 months' time. The forward rate for 6 months is 1.2800 and the client wishes to protect themselves from adverse movements in the exchange rate. The client is also prepared to give up from the forward in order to gain a flexible upside. Therefore, the client accepts a worse case rate of 1.2700 with a cap rate of 1.2900. This enables the client to benefit from a favourable move in their exposure up to the cap rate of 1.2900. If the spot rate trades at or above 1.2900 at expiry, the client is obligated to sell USD at 1.2900.

Scenario 1: The exchange rate is trading at 1.2600 at expiry, so the client would exercise the option and sell the USD at the worst case rate of 1.2700.

Scenario 2: The exchange rate is trading at 1.2800 at expiry, above the worst case rate of 1.2700 and below the cap rate of 1.2900. The client would not exercise the option and would sell USD at the spot rate of 1.2800.

Scenario 3: The exchange rate is trading at 1.3000 at expiry, above the cap rate of 1.2900, therefore obligating the client to sell USD at the cap rate of 1.2900.





The Range Forward

Hedging import related payables

Product Description

The Range Forward protects you by providing you with a worst case rate for your full exposure, like a Forward Contract. However, it allows you to participate in any favourable exchange rate move down to a cap. There is no Premium payable. However, to enhance rates, a Premium can be paid.

Possible Scenarios:

Scenario 1: If the spot rate at expiry is above the worst case rate, the client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the spot rate at expiry is below the worst case rate but above the cap rate. The client will not exercise the option and can trade at the prevailing spot rate.

Scenario 3: If the spot rate at expiry is below the cap rate. The client is obligated to purchase the notional amount at the cap rate.

Advantages

- The client has certainty of a worst case exchange rate.
- The client has protection if the rate moves against them.
- The client has a benefit if the rate moves in their favour, up to the cap(floor in this case).
- No Premium is payable unless the client wants to increase the gap between the protection and participation rate

Disadvantages

- If the rate moves unfavourably (i.e. spot moves higher than the worst case rate), a more favourable rate would have been achieved with a Forward Contract.
- The client can only benefit up to the cap level(floor level in this case)

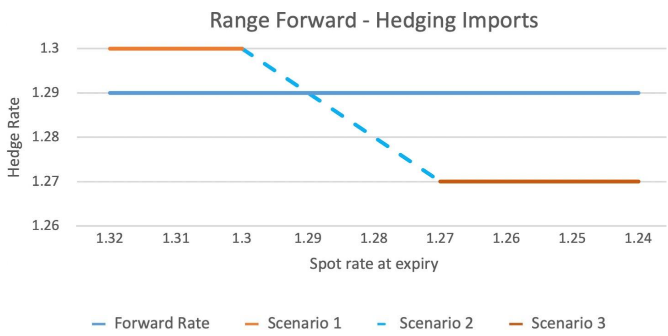
Example

For example, a client imports cars from the US and they forecast having to purchase USD 1 million in 6 months time. The forward rate for 6 months is 1.2900 and the client wishes to protect themselves from adverse movements in the exchange rate. The client is also prepared to give up from the forward in order to gain a flexible upside. Therefore, the client accepts a worse case rate of 1.3000 with a cap/floor rate of 1.2700. This enables the client to benefit from a favourable move in their exposure up to the cap rate of 1.2700. If the spot rate trades at or below 1.2700 at expiry, the client is obligated to purchase USD at 1.3000.

Scenario 1: The exchange rate is trading at 1.3100 at expiry, so the client would exercise the option and buy the USD at the worst case rate of 1.3000.

Scenario 2: The exchange rate is trading at 1.2800 at expiry, below the worst case rate of 1.3000 and above the cap rate of 1.3100. The client would not exercise the option and would buy USD at the spot rate of 1.2800.

Scenario 3: The exchange rate is trading at 1.2600 at expiry, below the cap rate of 1.2700, therefore obligating the client to buy USD at the cap rate of 1.2700.



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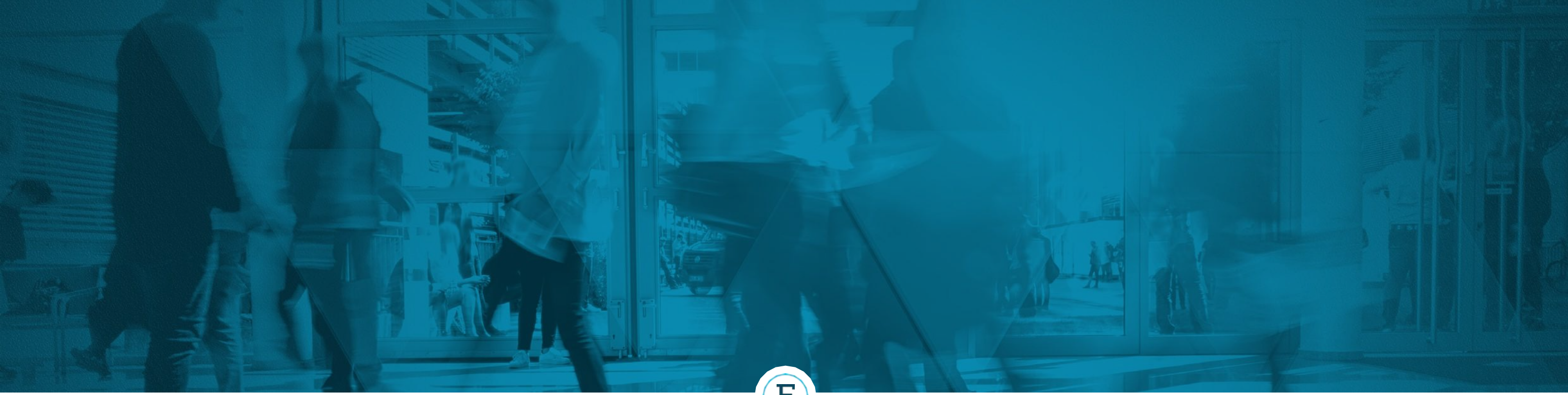


The Leveraged Range Forward

Hedging export related receivables

Product Description

The Leveraged Range Forward protects you by providing you with a worst case rate for your full exposure, like a forward contract. However, it allows you to participate in any favorable exchange rate move up to a cap at which point you are obliged for a leveraged amount. There is no premium payable, however to enhance rates, a premium can be paid.

Possible Scenarios:

Scenario 1: If the spot rate at expiry is below the worst case rate. The client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the spot rate at expiry is above the worst case rate but below the cap rate. The client will not exercise the option and can trade at the prevailing spot rate.

Scenario 3: If the spot rate at expiry is above the cap rate. The client is obligated to sell the leveraged amount at the cap rate.

Advantages

- The client has certainty of a worst case exchange rate.
- The client has protection if the rate moves against them.
- The client has a benefit if the rate moves in their favour up to the cap.
- No Premium is payable unless the client wants to increase the cap.

Disadvantages

- If the rate moves unfavourably, a more favourable rate would have been achieved with a Forward Contract.
- The client can only benefit up to the cap level

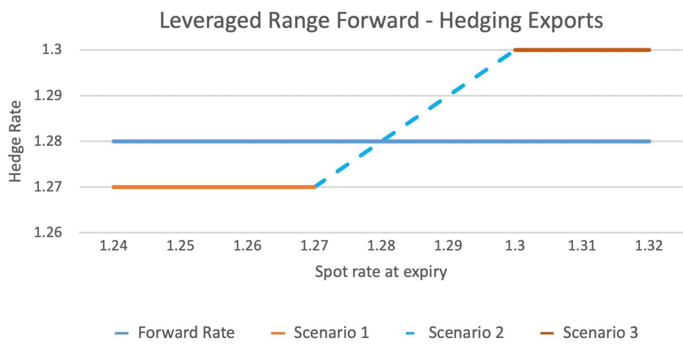
Example

For example, a client exports cars to America and they forecast having sales of USD 1 million in 6 months' time. The forward rate for 6 months is 1.2800 and the client wishes to protect themselves from adverse movements in the exchange rate. The client is also prepared to give up from the forward in order to gain a flexible upside. Therefore, the client accepts a worst case rate of 1.2700 with a cap rate of 1.3000. This enables the client to benefit from a favourable move in for their whole exposure up to the cap rate of 1.3000. If the spot rate trades at or above 1.3000 at expiry, the client is now obligated to sell the leveraged amount of USD at the cap rate of 1.3000.

Scenario 1: The exchange rate is trading at 1.2600 at expiry, so the client would exercise the option and sell the USD at the worst case rate of 1.2700.

Scenario 2: The exchange rate is trading at 1.2800 at expiry, above the worst case rate of 1.2700 and below the cap rate of 1.3000. The client would not exercise the option and sell USD at the spot rate of 1.2800.

Scenario 3: The exchange rate is trading at 1.3100 at expiry, above the cap rate of 1.3000 therefore obligating the client to sell USD at the cap rate of 1.3000.



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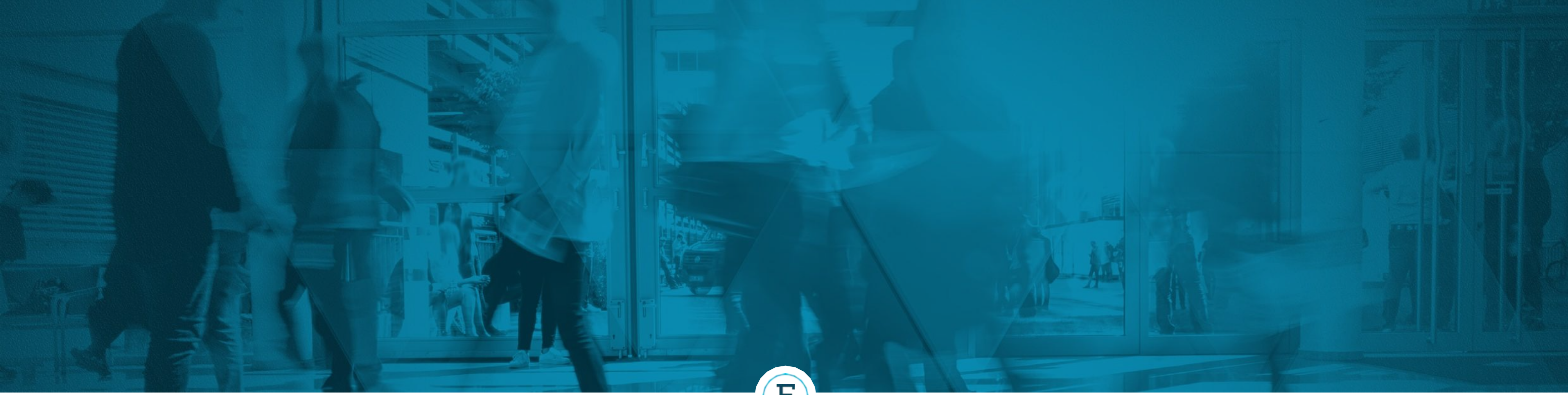


The Leveraged Range Forward

Hedging import related payables

Product Description

The Leveraged Range Forward protects you by providing you with a worst case rate for your full exposure, like a forward contract. However, it allows you to participate in any favorable exchange rate move down to a cap at which point you are obliged for a leveraged amount. There is no premium payable, however to enhance rates, a premium can be paid.

Possible Scenarios:

Scenario 1: If the spot rate at expiry is above the worst case rate. The client has the right but not the obligation to transact at the worst case rate.

Scenario 2: If the spot rate at expiry is below the worst case rate but above the cap rate. The client will not exercise the option and can trade at the prevailing spot rate.

Scenario 3: If the spot rate at expiry is below the cap rate. The client is obligated to purchase the leveraged amount at the cap rate.

Advantages

- The client has certainty of a worst case exchange rate.
- The client has protection if the rate moves against them.
- The client has a benefit if the rate moves in their favour up to the cap.
- No Premium is payable unless the client wants to increase the cap.

Disadvantages

- If the rate moves unfavourably, a more favourable rate would have been achieved with a Forward Contract.
- The client can only benefit up to the cap level

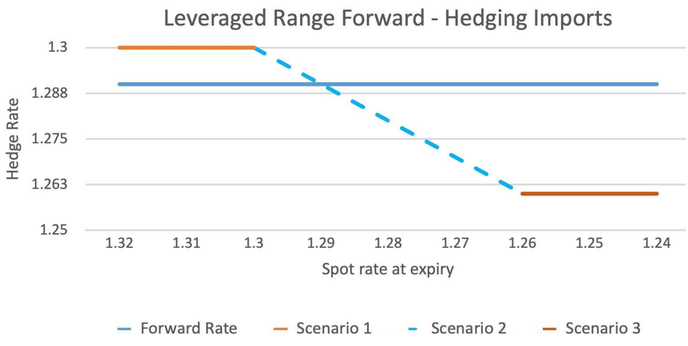
Example

For example, a client imports cars from the US and they forecast having to purchase USD 1 million in 6 months' time. The forward rate for 6 months is 1.2900 and the client wishes to protect themselves from adverse movements in the exchange rate. The client is also prepared to give up from the forward in order to gain a flexible upside. Therefore, the client accepts a worst case rate of 1.3000 with a cap/floor rate of 1.2600 . This enables the client to benefit from a favourable move in for their whole exposure up to the cap/floor rate of 1.2600. If the spot rate trades at or below 1.2600 at expiry, the client is now obligated to buy the leveraged amount of USD at the cap rate of 1.2500.

Scenario 1: The exchange rate is trading at 1.3100 at expiry, so the client would exercise the option and buy the USD at the worst case rate of 1.3000.

Scenario 2: The exchange rate is trading at 1.2700 at expiry, above the worst case rate of 1.3000 and above the cap rate of 1.2600. The client would not exercise the option and buy USD at the spot rate of 1.2700.

Scenario 3: The exchange rate is trading at 1.2500 at expiry, below the cap rate of 1.2600 therefore obligating the client to buy USD at the cap rate of 1.2600.



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Glossary

Business Day - means a day on which banks are generally open for banking business in Switzerland.

CAD - means Canadian Dollar.

Capped rate - means a spot or forward rate which may fluctuate but cannot surpass a spot or forward rate agreed by you and Ebury in advance of the Trade Date or as otherwise agreed by you and Ebury.

Credit terms - means a facility provided by Ebury to you or another customer, at Ebury's sole discretion, for transacting in foreign exchange derivatives.

Ebury - Ebury Partners Canada Ltd

Exchange Rate - is the value of one currency for the purpose of conversion to another.

Exercise - means an election by the holder of a Put Option or Call Option to buy or sell currency (as applicable) at the Strike Rate on the Expiration Date.

Expiration Date / Expiry - means the date on which an Option expires.

Favourable - means, in the context of the movement of a foreign exchange rate, that the outcome of such a movement may result in an economically advantageous outcome for you.

Forward Contract - is a legally binding agreement between you or another customer and Ebury to exchange one currency for another at an agreed Exchange Rate on a Value Date more than two (2) Business Days after the Trade Date.

Forward Extra - A Structured Option which provides a guaranteed Protection Rate and also allows you to fully participate in favourable exchange rate movements, provided the currency pair has not traded at or above a pre-specified Trigger rate.

Leverage - A pre-agreed amount in a Structured Option that you may be obliged to transact at if certain conditions are met.

Leveraged Forward - A Structured Options which provides a guaranteed Protection Rate like a Forward Contract. The rate is better compared with the prevailing Forward Contract but, if the spot is more favourable than the protection rate at expiry, you are obliged to execute at a leveraged amount.

Leveraged Forward Extra - A Structured Option that provides a potential enhanced Strike Rate for future exchange requirements with the opportunity to participate in favourable exchange rate movements, provided the currency pair has not breached a prespecified Trigger Rate. If the Trigger Rate is breached at any time during the Window Period, then you could be required to exchange the Leveraged Notional Amount at the Strike Rate.

Leveraged Notional Amount - is the Notional Amount multiplied by an amount as agreed by Ebury and you on the relevant Trade Date.

Margin - is one or more payments which may from time to time be required by Ebury in its discretion as security in connection with a transaction contemplated in this Information Sheet.

Maximum amount - means the predetermined total CHF or foreign currency amount to be bought or sold during the term of a Structured Option.

Notional Amount - means the predetermined CHF or foreign currency amount to be bought or sold pursuant to an Option.

Put Option - means a contract which gives the holder the right, but not the obligation to sell a specific currency at a specific price within a defined period of time.

Option or FX Option Product - means individually and together, the options products described in this document including Vanilla Options, Call Options, Put Options, and/or Structured Options (including Leveraged Structured Options), as the context requires.

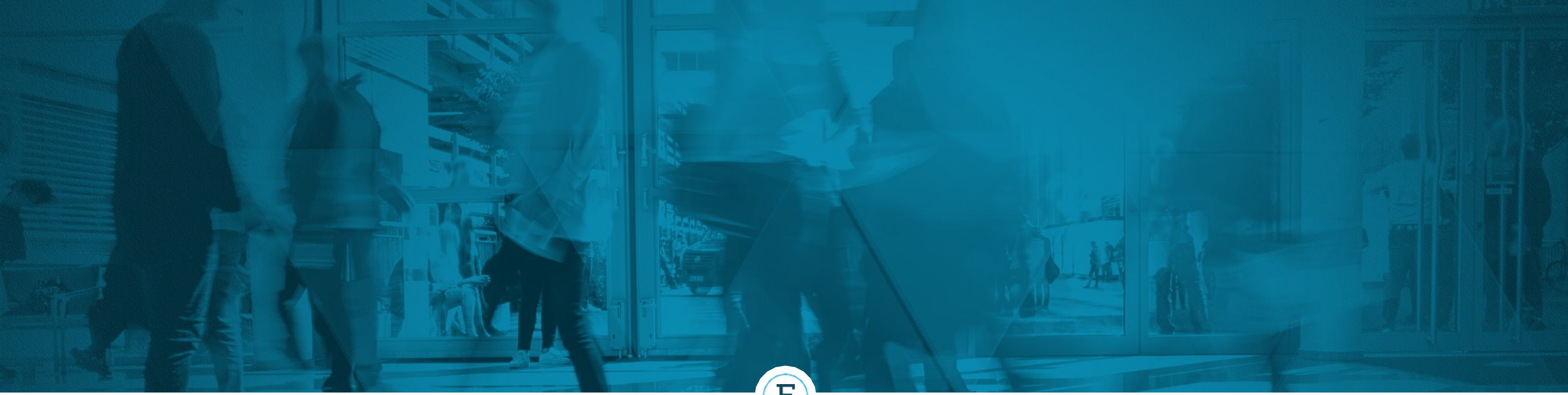
Out-of-the-Money - means for the purposes of Options, where the current market value of the Option contract is negative.

Participating Forward - A Structured Option that allows you to set a Worst case Rate but also gives you an opportunity to profit if the foreign exchange rate moves higher than the Worst case Rate, by giving you the option to trade some of your contract value at the higher and more favourable Spot Rate.

Participating percentage - is a percentage of the Notional Amount that may not be obligated in a Structured Option.

Premium - means, where applicable, the amount that is due and payable by you to Ebury in a freely transferable currency as specified by Ebury on the Premium Payment Date of an Option.

Premium Payment Date - is a Business Day on which you are required to pay a Premium to Ebury, as specified by Ebury.



Protection Rate - is an alternative term for Strike Rate and means the worst-case Exchange Rate that can be achieved in a Structured Option as agreed by Ebury and you.

Range Forward - A Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Protection Rate. It also gives you the ability to participate in favourable movements in the spot market between your Protection Rate and a predetermined capped rate as agreed between Ebury and you in advance.

Spot rate - means the current Exchange Rate for a given currency pair

Strike Rate - means the Exchange Rate that will apply to the purchase or sale of currency when a buyer Exercises its right under a Put Option or Call Option.

Structured Option product - means an agreement to exchange a specified amount of one currency for another currency at a foreign exchange rate created through the concurrent sale and purchase of two or more Call Options and/or Put Options.

Trade Date - means the Business Day on which Ebury enters into a FX Option Product with you.

Trigger Rate - means a foreign exchange rate as agreed by you and Ebury. If the prevailing spot rate reaches the Trigger rate during the relevant window period, this will affect the rate at which you may need to exchange the currencies under the relevant FX Option Product.

Unfavourable - means, in the context of the movement of a foreign exchange rate, that the outcome of such a movement may result in an economically disadvantageous outcome for you.

USD - means United States Dollars.

Vanilla Option - means a Call Option or Put Option that has standardised terms and no special or unusual features.

Window period - means a predetermined period during which Ebury and you will monitor the Trigger rate for the relevant FX Option Product

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