

Product Disclosure Statement

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Corpay[^]



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1. Key Information

Cambridge Mercantile (Australia) Pty. Ltd. [ACN 126642448 and Australian Financial Services License 351278] (Corpay, us, we, our) is the issuer of the products described in this Product Disclosure Statement (PDS). Should you have any queries about this document, please do not hesitate to contact us. Our contact details are at the top of this PDS.

This PDS explains information about the products we can offer you. It is designed to:

- Provide you with the information you need to determine whether the products we offer are appropriate for you needs;
- Explain the terms and conditions, rights and obligations associated with our products; and
- Help you to compare products.

Definitions of certain capitalised terms used in this PDS appear in the Glossary at Section 21.

Who we are

We are authorised to give both retail and wholesale clients general and personal advice in relation to “non- cash payment products”, “derivatives” and “foreign exchange contracts”. Put simply, this involves advising you about different types of money transfer or currency exchange services.

We are also authorised to deal in relation to those same products. This means that we can help you use our service fully, fill out the forms and undertake and complete the transactions for you.

We are also authorised to “make a market” for foreign exchange and derivatives contracts. This allows us to quote market prices to you.

Introduction and purpose of foreign exchange contracts and derivatives

■ Foreign exchange contracts

Foreign exchange contracts are a vehicle used to transfer one currency into another currency. They are also a traditional risk management tool used to obtain protection against adverse movements in currency exchange rates. They involve an agreement between you and us to exchange one currency for another up to a pre-agreed date.

We specialise in two types of foreign exchange contracts:

■ Spot Contracts

This is a foreign exchange contract for buying and selling currency where the Settlement Date is between 1 and 2 days after the Trade Date. Spot Contracts are generally used by businesses or individuals who have a short term requirement for funds in a foreign currency.

■ Forward Contracts

This contract is similar to a Spot Contract, except that a Forward Contract allows you to buy or sell one currency against another for settlement at a later date (between 2 days and up to a year). Forward Contracts are generally used by businesses or individuals who would like to fix the Exchange Rate for a future date in order for them to manage their exposure to currency movements and manage cash flows.

■ Derivatives: Options

Options are sophisticated financial products. Options may be suitable for you if you have a high level of understanding of, and accept the risks associated with transacting in the foreign exchange and related markets. Before entering into an Option you should give consideration to your objectives, financial situation and needs, and be satisfied that they will be met. We recommend that you consult your independent professional adviser about the suitability of Options for you.

Warning: It is important to understand that the products described in this PDS are to be used solely for the purpose of hedging currency risk. Under no circumstances may these products be used for investment or speculative purposes.

2. Spot Contracts

Foreign exchange Spot Contracts are a basic tool for exchanging currency. This is a foreign exchange contract for buying and selling currency where the Settlement Date is between the Trade Date and 2 business days after the Trade Date.

Corpay offers the following three types of Spot Contracts:

- **Value Today** – refers to contracts where the Value Date and the Trade Date are the same day.
- **Value Tomorrow** – refers to contracts where the Value Date is one business day after the Trade Date.
- **Value Spot** – refers to contracts where the Value Date is two business days after the Trade Date.

The usual method of settling Spot Contracts with Corpay is electronically bank to bank (we may also accept settlement from you via direct debit or BPay). For example you pay us the required amount of the currency you are selling to our bank account, and we pay the amount of the currency you are buying to you or your beneficiary by wire or other electronic funds transfer method (telegraphic transfer) to the bank account you designate.

Please note that we do not currently offer Foreign Currency Drafts in our services.

The significant benefits you are entitled to are:

Spot Contracts are the simplest method of converting currencies.

- There is a risk that your money may be delayed or lost due to an event or incident of a sovereign, strategic, political or governmental nature in any of the countries in which we operate. In such an event, we will attempt to recover your money. If we executed the transfer, with knowledge that such an event or incident had occurred, and did not notify you of the additional risk when making the transfer, then we will refund your transfer, less the transfer costs. There is a risk that your money may be delayed or lost due to unforeseen circumstances. We will not provide a refund due to “force majeure” as defined in our Terms and Conditions. This includes catastrophic disasters, terrorist attacks and other events that affect our services. However, in such an event, we will attempt to recover your money.
- The Spot Rate can be volatile even over a short period of time such as 1 trading day. That means you may fix the Exchange Rate with a Spot Contract at 9am, and later the same day the rate could have changed such that it would have been to your advantage to have bought later as opposed to earlier. In short, exchange rates fluctuate throughout the trading day, meaning that the rate associated with any pending transaction can and will vary significantly over time.

How do the Spot Contracts work?

To exchange currencies for delivery within two working days, you inform us of the following information:

The amount of money you wish to exchange;

The two currencies involved;

Which currency you would like to buy or sell;

The beneficiary to whom the funds will be sent; and

The date by which your currency will arrive in our bank account and from whom it and where it will be sent.

We will then quote you a Spot Rate.

If you accept the Spot Rate over the phone, email or internet, then you are bound to the transaction. We will then email a transaction Confirmation if the transaction was handled by phone. If the transaction was processed via our online internet platform then you will receive via your internet account with us a Confirmation of the transaction. You then send the agreed amount (including any transfer fee) to our nominated bank account on the agreed Settlement Date.

Upon receipt we will arrange for your bought currency to be sent to your nominated beneficiary/bank account.

Costs and fees

We do not apply any undisclosed costs or fees when you enter into a Spot Contract.

We make our profit on the sale of currency to you, based on the difference between the Exchange Rate and the Market Rate. Further, you may be charged a transfer fee for a wire (telegraphic transfer) if you settle your foreign exchange contract using this service. This fee varies from transaction to transaction and from customer to customer. In addition, there may be additional charges or fees levied by the receiving bank that accepts your funds or a correspondent bank that are beyond our control. Typically, these fees are negotiated by the beneficiary of the account you nominate your funds to be applied to.

Please refer to Section 9 below (How are we paid, and what are the product costs?) to obtain further information about how we calculate our Exchange Rates and the spread cost and transfer fees.

Example of a Spot Contract

ABC Boats is buying a boat from Europe and needs to send EUR 100,000 to the boat builder's bank account in France within 2 days.

Assuming ABC Boats has an account with us, the authorised person for that entity telephones us and asks for a quote to buy EUR 100,000 and sell AUD for settlement in 2 working days' time. We quote him a rate 1.8000.

ABC Boats accepts the rate of 1.8000 and we send them a transaction Confirmation. ABC Boats makes a bank payment the next day to our Australian bank account for AUD 180,000 and informs us where to send the EUR.

We receive the AUD 180,000 the next day.

The following day (2 days after agreeing to the rate), we send EUR 100,000 to the beneficiary in France that ABC Boats has specified.

NB. There may be a transfer fee charged by us relating to the processing of this transaction which has been ignored for the purpose of the example.

3. Forward Contracts

Forward Contracts allow you to buy or sell one currency against another for settlement anytime between 3 working days and up to a maximum of 1 year. Forward Contracts are used by companies or individuals who would like to fix the Exchange Rate for a future date in order to manage their foreign exchange exposure and manage future cash flows.

The significant benefits you are entitled to are:

- Forward Contracts are a simple way of managing future currency exchange risk and negating unfavourable movements in Exchange Rates.
- You can fix an Exchange Rate now for delivery of currency in the future. This means that you know what you will have to pay in the future so you will be better able to manage your cash flows and costs.
- If you are not sure of the exact date which you will need the funds on you will still be able to specify a special delivery period. This means you will be able to draw down on the funds within an agreed period of time.

The significant risks related to using the Forward Contracts are:

- The Forward Contract fixes the Exchange Rate and the Expiration Date. This means that you are still obligated to honour the contract even if there is a favourable movement in the Exchange Rate after the point at which you have agreed to fix the exchange rate and even if the purpose for which you needed the currency changes or ceases to exist.
- If you use the Forward Contract to cover an obligation that ceases to exist, or changes, prior to the Expiration Date then the contract may need to be closed out, with you being responsible for the current market value of the contract at that time. This means you may incur a loss (if the spot exchange rate has moved favourably since the forward contract trade date) or be required to take out further currency protection to cover the changed exposure.
- An initial deposit (usually around 5%) of the total transaction may be required to enter into a Forward Contract. You may be required, on short notice, to provide additional Margin Deposits if your Forward Contract goes Out the Money following a Mark to Market or valuation of the contract
- and its rate versus the current market rate at that time. Failure to pay additional deposits when required can result in the forced liquidation of your position as well as additional losses that may result.

How do Forward Contracts work?

To conduct a forward foreign exchange transaction, you inform us of the following factors:

- Amount of money you wish to exchange;
- the two currencies involved;
- Which currency you would like to buy or sell;
- The Expiration Date; and
- The date by which your currency will reach our bank account.

We will then quote you a Forward Rate based on the prevailing “forward exchange rate” at that time and tell you what Initial Margin deposit you will need to send us in order to enter into this Forward Contract.

If you accept the Forward Rate over the phone or via the online internet platform, then you are bound to the transaction. We will then send you a transaction Confirmation by email if carried out on the phone. A Confirmation will be made available to you through your online account with us if you enter into the Forward Contract via our online internet platform.

You will then be required to send the agreed initial deposit amount so it reaches our nominated bank account on the agreed payment date.

On the Settlement Date of the Forward Contract, you will send the balance of the funds to our nominated bank account.

On receipt of your funds, we will effect the currency conversion at the Forward Rate. We will then arrange for the purchased currency to be sent to your nominated bank account.

In determining the Forward Rate, there are two components:

- The current Spot Rate; and
- The Forward Rate adjustment ("Forward Points").

The Forward Rate quoted by us will not be the same as the Spot Rate, because it will take into account the difference between interest rates in the two currencies concerned in holding the money until the Expiration Date. It may be better or worse than the prevailing Spot Rate on the day depending on the difference in interest rates between the country from which the funds are sent and the country to which the funds are being received. The calculation of Forward Points is based on current market deposit rates at which funds are borrowed and lent in each respective currency.

Example of a Forward Contract

An Australian company, BC Importers, is importing a boat from Europe and needs to send EUR 100,000 to the boat builder's bank account in France in 3 months' time when they are due to take delivery of the boat.

Assuming BC Importers has an account with us and that the authorised company employee (the Finance Director for example), telephones us and asks for a quote to buy EUR 100,000 and sell AUD for settlement in 3 months' time. We quote him a Forward Rate 1.8300 and inform him that we will require an initial deposit of AUD 10,000 to be paid within 2 days.

BC Importers accepts the rate of 1.8300 and we send a transaction Confirmation. The employee makes a bank payment the next day of AUD 10,000 which is an initial deposit that guarantees him the Forward Rate of 1.8300 that we have quoted him. It is important to note that regardless of whether or not the customer affects the payment when required, the Forward Contract is a firm, contractual obligation as of the time of executing the trade.

In 3 months' time, BC Importers sends us the balance of AUD 173,000 and informs us where to send the EUR.

We receive the AUD 173,000 3 months later and so, in total, have received AUD 183,000 from BC Importers.

The following day, we send EUR 100,000 to the beneficiary in France that BC Importers has specified.

NB. There may be a transfer fee charged by us relating to the processing of this transaction which has been ignored for the purpose of the example. The example also assumes that no additional margin deposit was required during the 3 month period of the Forward Contract.

Pre-delivery of a Forward Contract

You may also pre-deliver a portion of the total value of the Forward Contract prior to the Expiration Date. This might occur where your overseas supplier has contracted to deliver goods to you at various times over the period of the Forward Contract. This may result in an adjustment of the Exchange Rate based on time and the difference in interest rates between the two currencies. Any residual balances of the transaction must be completed by the Expiration Date.

Extension of a Forward Contract

You may extend the Expiration Date of the Forward Contract only if agreed to by us.

For example this may be considered if there was a delay in the receipt of goods expected from your overseas supplier beyond the original delivery date. These can be transacted in either of two ways:

- We can close out the remaining balance of the Forward Contract and establish a new Forward Contract to the extended Expiration Date. We will quote you a Forward Rate that takes into account the current Spot Rate and the Forward Points for the adjusted time frame. However by closing out the remaining balance of the Forward Contract, a profit or loss to you would result depending on the current Exchange Rates compared to the Forward Rate on the Trade date of the original Forward Contract. This profit or loss would have to be settled at this time.
- We can extend the remaining balance of the Forward Contract by quoting you an extension Forward Point calculation onto the Forward Rate used for your original Forward Contract. This method factors the profit or loss of the method above into the new Forward Contract for the extended period (rather than settling this at the time of extension). This is known as a Historical Rate Extension ("HRE"). When quoting an HRE rate, we incorporate an interest charge on the above profit or loss in the new Forward Contract. This charge is associated with funding or borrowing that profit or loss for the term of the extension period.

Close out (Cancellation) of a Forward Contract

Whilst the terms of the Forward Contract that you transact with us are legally binding, circumstances might arise whereby you may wish to close out (cancel) your Forward Contract. This may be necessitated due to the fact that your underlying business transaction has been cancelled. You may ask us to close out your Forward Contract at any time up to and including the Expiration Date. We may, at our sole discretion, cancel your contract with us.

We will provide you with a quote for cancelling your Forward Contract. This quote will incorporate some of the components when pricing your original Forward Contract but will be adjusted for prevailing market deposit rates over the remaining term of the Forward Contract. Depending on the spot market rates at the time of cancellation, this may result in either a gain or loss to you.

Forced liquidation

If, following a Mark to Market valuation, the value of your Forward Contract falls below the Margin Threshold set by us, we may require you to pay an additional Margin. If you fail to pay such additional Margin, we are then entitled to close out your Forward Contract at the prevailing market Exchange Rate without further notice to you. You will remain liable for any negative positions or potential loss that cannot be covered by the closing out of your Forward Contract.

Costs and fees

We do not apply any undisclosed costs or fees when you enter into a Forward Contract. However, at the Expiration Date, when delivery of the foreign currency to your supplier/beneficiary is necessary, we will benefit by setting the Forward Rate at which your transaction will be affected. Further, you may be charged the transfer fee for a wire (telegraphic transfer) if you settle your foreign exchange contract using this service. This fee varies from transaction to transaction and from customer to customer.

Please refer to Section 10 below (How are we paid, and what are the product costs?) for how you are able to obtain further information with respect to how we calculate our Exchange Rates, the spread cost and transfer fees.

4. Non-Deliverable Forwards

Non-Deliverable Forward Contracts (“NDFs”) can be executed in many currencies for which there isn’t a fully functioning local market, such as Brazil, Russia, India and China, amongst others. Alternatively, these contracts can also be employed with major currencies where there is an underlying commercial foreign currency risk, but no impending foreign currency payment.

NDF definition

An NDF is a Forward Contract that is net-cash settled on the Value Date. This means that there is no exchange of currencies at settlement; instead a single amount will be payable by either you or us.

When you enter into a NDF, you nominate the required amount of the non-deliverable currency that you wish to purchase or sell, the Reference Currency and the Value Date. We will then determine the NDF Contract Rate and the Fixing Date (which will usually be 2 business days before the Value Date).

On the Value Date the amount that is payable is determined by us calculating the difference in value of the notional amount of the non-deliverable currency in the Reference Currency at the NDF Contract Rate and the notional amount of the non-deliverable currency in the Reference Currency at the relevant Spot Rate on the Fixing Date.

The two possible outcomes on the Value Date are:

- If the NDF Contract Rate is more favorable to you than the Spot Rate on the Fixing Date we will pay you the difference in the Reference Currency.
- If the NDF Contract Rate is less favorable to you than the Spot Rate on the Fixing Date you will be obligated to pay us the difference in the Reference Currency.

Whether the NDF Contract Rate is more or less favorable will depend on whether you are buying or selling the notional amount of the non-deliverable currency.

An NDF may be suitable if you have a good understanding of foreign exchange markets and have a genuine commercial need to manage currency risk associated with a particular currency pair. NDFs should not be used for trading or speculative purposes.

The significant benefits you are entitled to are:

- An NDF provides you with protection against unfavourable Exchange Rate movements.
- NDFs are available for a wide range of currencies.
- Where exchange restrictions do not allow physical delivery of currency, NDFs provide a means of negating foreign exchange risk.
- The Expiration Date and the contract amount can be tailored to meet your particular needs.

The significant risks related to using NDFs are:

- You will not receive the benefit of favourable Exchange Rate movements that may come to pass after the Transaction Date
- You can vary or terminate an NDF early but there may be a cost if you do so.
- We have performance obligations under an NDF. You need to form a judgment of our ability to meet those obligations.

Cancelling an NDF

You may ask us to terminate the NDF at any time up to and including the Fixing Date. We will then provide you with a termination quote. If you accept the termination quote, we will cancel the NDF. Depending on the market rates at the time of cancellation this may result in either a gain or loss to you.

Bringing the Expiration Date forward

At any time up to the Fixing Date, you may ask us to bring the Expiration Date of your transaction forward. We will quote you a Forward Point Adjustment to do this, as an adjustment to your existing NDF Contract Rate. Our quote will take into account your existing contract details, the Exchange Rate and the relevant market deposit rates available at that time.

Extending the Expiration Date

At any time up to the Fixing Date, you may ask us to extend the Expiration Date of your transaction.

All extensions will be subject to our credit approval process. If we agree to extend your original Expiration Date, we will quote you a Forward Point Adjustment to do this as an adjustment to your existing NDF Contract Rate. The extension quote takes into account your existing contract details, the Exchange Rate and the relevant market deposit rates available at that time.

Costs and fees

While there are no up-front costs with NDFs, we still derive a financial benefit by incorporating a price spread into the NDF Contract Rate. This means that this rate will be different to the market rate prevailing at that time. In effect you pay for the NDF by accepting the NDF Contract Rate quoted by us.

Further, you may be charged the transfer fee for a wire (telegraphic transfer) if you settle your foreign exchange contract using this service. This fee varies from transaction to transaction and from customer to customer.

Please refer to Section 9 below (How are we paid, and what are the product costs?) for how you are able to obtain further information about how we calculate our Exchange Rates and the spread cost and transfer fees.

Example of an NDF

You are an Australian company importing goods from China. You are billed in CNY but you are required to pay in USD. Your supplier's latest invoice requires you to pay the USD equivalent of CNY 1 million in 3 months' time. Assume the current USD/CNY Exchange Rate for a value today Spot Contract is 6.85.

If you did nothing, the amount of USD you will be obligated to pay in 3 months' time will depend on the USD/CNY Exchange Rates at that time.

For example, if the USD/CNY Exchange Rate rises to 7.05, the USD amount you are required to pay will be: USD 141,843.97 (= CNY 1,000,000 / 7.05)

Alternatively, if the USD/CNY Exchange Rate falls to 6.70, the USD amount you are required to pay will be: USD 149,253.73 (= CNY 1,000,000 / 6.70)

How will an NDF change this?

You wish to protect yourself against the USD depreciating against the CNY, in order to limit the amount of USD you will have to pay in 3 months' time. You enter into a USD/CNY NDF and set a NDF Contract Rate for 3 months' time.

You set the notional principal amount of your trade to be CNY 1,000,000. At the same time you also agree with us the fixing methodology and the Fixing Date (two days prior to the NDF's Expiration Date). We agree to a NDF Contract Rate of 6.90.

The possible outcomes on the Expiration Date are:

a) If the Fixing Rate on the Fixing Date is less favourable to you than the NDF Contract Rate. We will pay you the cash settlement amount in USD on the Expiration Date.

For example, if the Fixing Rate for USD/CNY is 6.78 the settlement currency amount will be: USD 147,492.62 (= CNY 1,000,000 / 6.78) while, the contract settlement currency amount will be: USD 144,927.54 (=CNY 1,000,000 / 6.90).

Accordingly, the difference (USD 2,565.08) will be payable by us to you on the Expiration Date.

The cash settlement amount will compensate you for the higher USD amount you will need to pay for your goods. To purchase your goods, you would have had to pay USD 147,492.62.

With the benefit of the USD cash settlement amount you receive under the NDF (USD 2,565.08), your total USD outlay will be reduced to USD 144,927.54. This is equivalent to a USD/CNY Exchange Rate of 6.90, i.e. the NDF Contract Rate.

b) If the Fixing Rate on the Fixing Date is more favourable to you than the NDF Contract Rate you will pay the cash settlement amount in USD to us on the Expiration Date.

For example, if the Fixing Rate for USD/CNY is 7.01 the settlement currency amount will be: USD 142,653.35 (= CNY 1,000,000 / 7.01) while, the contract settlement currency amount will be: USD 144,927.54 (=CNY 1,000,000 / 6.90).

Accordingly, the difference (USD 2,274.19) will be payable by you to us on the Expiration Date.

The cash settlement amount you pay us will diminish the extent to which you would have benefited through the lower USD amount when you pay for your goods. To purchase your goods, you pay USD 142,653.35. Adding the cash settlement amount (USD 2,274.19) your total USD outlay will now be USD 144,927.54.

This is equivalent to a USD/CNY Exchange Rate of 6.90, i.e. the NDF Contract Rate.

Entering into an NDF has effectively removed the uncertainty of fluctuations in the USD/CNY Exchange Rate on the USD amount you will pay for your goods. However, you should also note that as an Australian company while you have effectively fixed your USD requirement with an NDF you will still need to obtain the required USD amount to pay for your goods.

Accordingly, you will need to decide how you manage this risk to the AUD/USD Exchange Rate over the 3 months. NDFs can be denominated in AUD or alternatively the AUD/USD risk can be managed separately.

5. Market Orders

A Market Order is a process of monitoring a desired Exchange Rate order and filling this order if and when the specified Target Rate is reached.

You may enter into an agreement with us whereby your Spot Contract or Forward Contract becomes binding only when a certain Exchange Rate nominated by you is reached. You are able to amend or cancel your instructions by telephone at any time before the Target Rate is reached. However, once the Target Rate is reached and the order is filled by us, you are bound to settle the transaction in accordance with the terms of the relevant Spot Contract or Forward Contract you wish to enter into at the Target Rate.

It is not always possible for customers to constantly watch and monitor the foreign exchange market to obtain a desired rate to execute a foreign exchange purchase or sale. We can monitor the market on your behalf through a Market Order process. This allows us either to notify you of a change in currency price or, with your prior consent, execute a trade at a predetermined price.

How Market Orders work

Step 1 - You identify the desired Target Rate that you would like to execute your foreign exchange transaction for your company.

Step 2 - You inform us of the desired Target Rate that you want us to monitor for you.

Step 3 - You give us the authority to proceed with the purchase, or sale, at the Target Rate you have chosen.

Market Orders can either be set to expire at a specific time in the future, until a Target Rate is reached or until you choose to remove the order or vary it. Market orders allow you to take advantage of currency market fluctuations across multiple time zones.

Market Orders will only be filled in whole.

Note: Market Orders can be modified by contacting us to change your requirements prior to the Target Rate being achieved.

The significant benefits you are entitled to are:

You can benefit from favourable market swings, if they occur.

The significant risks related to using Market Orders are:

- The Exchange Rate may not move favourably for you and your order will not be filled. If this happens, you may be financially disadvantaged if the market in turn moves unfavourably in the interim.
- Your ability to take advantage of favourable Exchange Rate movements is limited to your chosen Target Rate. If the Target Rate is triggered, you would be obligated to carry out the transaction at the Target Rate even though the relevant currency pair Exchange Rate may continue to become more favourable.
- There is a risk that the amount of your transaction is small and that we may be unable to offset such smaller transactions in the foreign exchange market despite the Target Rate being triggered. This is because more favourable Exchange Rates are generally available for larger transactions.

Costs and fees

We do not apply any undisclosed costs or fees to carry out the Market Order process. However, if a Market Order is triggered and you do exchange currencies, we will benefit by setting the Exchange Rate at which your transaction will be effected. Further, you may be charged the transfer fee for an international funds transfer if you settle your foreign exchange contract using this service. This fee varies from transaction to transaction and from customer to customer.

Please refer to Section 10 below (How are we paid, and what are the product costs?) for how you are able to obtain further information about how we calculate our Exchange Rates and the spread cost and transfer fees.

Example of using the Market Order process

You have a requirement to pay an overseas supplier in the USA within the next 2 weeks for the import of products that you purchased. At the end of the 2 weeks you will be required to buy USD and sell AUD. The current Exchange Rate is 0.9350 but you believe the Exchange Rate may appreciate. You would like to benefit from that appreciation and place a Market order with us to execute the trade at AUD/USD 0.9400. We will monitor the market until such time the Exchange Rate is struck or the Market order is cancelled. If the Exchange Rate reaches 0.9400, you will have benefited by the amount of the appreciation. However, if the Exchange Rate does not reach 0.9400, you will be required to exchange your currency at the prevailing Exchange Rate at the end of the 2 weeks.

6. Options

“Option” is a term used to describe a number of foreign exchange products that offer more flexibility than standard Forward Contracts. Under an Option, two parties agree to exchange a specified quantity of currency at an Exchange Rate determined by reference to agreed conditions at an agreed Expiration Time and on an agreed Expiration Date.

A number of key features are listed below, with others listed in the glossary under Section 21 of this document:

Examples

The worked examples below are designed to provide you with a broad understanding of each class of structured option, but many variants exist, each with its own performance characteristics. To understand the risks, benefits, potential obligations and possible outcomes under a specific Structured Option, you should carefully review the provided Fact Sheet.

There are three ‘classes’ of Structured Option, each designed to achieve specific objectives:

1. Full Protection, Partial Participation

This type of Structured Option gives you coverage against negative movement on the full amount of the Transaction at a pre-agreed Protection Rate, and gives you some participation if the Spot Rate improves. When created as a Zero-Premium structure, the Protection Rate is typically worse than the prevailing Forward Rate on the Trade Date.

Example of Participating Forward - Option

This Structured Option establishes full protection against unfavourable currency movement, while providing partial participation in favourable exchange rate movement.

The Participating Forward Option protects you against the risk that the Spot Rate at the Expiration Time on the Expiration Date is less favourable to you than the nominated Protection Rate. It also allows you to benefit on half the Contingent Amount if the Spot Exchange Rate is more favourable than the Protection Rate at the Expiration Time on the Expiration Date.

Outcomes:

If the Spot Rate at the Expiration Time on the Expiration Date is less favourable to you than the Protection Rate, you are entitled to transact the Protection Amount at the Protection Rate.

If the Spot Rate at the Expiration Time on the Expiration Date is more favourable to you than the Protection Rate, you are obligated to transact the Fixed Amount at the Protection Rate, and you may transact the remainder at the Spot Rate.

Scenarios:

Market Reference Rate: 0.7500 AUDUSD
Protection Amount: 100,000 USD
Fixed Amount: 50,000 USD
Expiration Date: Six Months

Australian Importer Scenario:

Protection Rate: 0.7000 AUDUSD

- a) If on the Expiration Date, the Spot Rate is at 0.6000, you exercise your right to transact 100,000 USD at the 0.7000 Protection Rate.
- b) If on the Expiration Date, the Spot Rate is at 0.9000, you are obligated to transact the 50,000 USD Fixed Amount at the 0.7000, and you are free to transact the remainder at the 0.9000 Spot Rate.

Australian Exporter Scenario:

Protection Rate: 0.8000 AUDUSD

- a) If on the Expiration Date, the Spot Rate is at 0.9000, you exercise your right to transact 100,000 USD at the 0.8000 Protection Rate.
- b) If on the Expiration Date, the Spot Rate is at 0.6000, you are obligated to transact 50,000 USD at the 0.8000 Protection Rate, and you are free to transact the remainder at the 0.6000 Spot Rate.

Advantages:

Provides protection on the full amount.
Allows you to benefit from favourable currency movement on a portion of the total amount.

Disadvantages:

The Protection Rate is less favourable than the prevailing Forward Rate on the Trade Date. You are obligated to transact the Fixed Amount at the Protection Rate

Bottom Line:

Participating Forward Options are ideal for those businesses seeking to protect a budget at an agreed level, while retaining the flexibility to benefit from favourable currency movement.

2. Partial Protection, Partial Participation:

This type of Structured Option gives you coverage against negative exchange rate movement on the pre-agreed Protection Amount at the Protection Rate, and gives you some participation if the Spot Rate improves. Because the amount that you may be obligated to transact is greater than the amount that is protected, when created as a Zero-Premium structure, the Contingent Rate is typically better than the prevailing Forward Rate on the Trade Date.

Example of Ratio Forward Extra Option

This Structured Option establishes a worst-case Protection Rate on the Protection Amount, and also allows you to fully participate in favourable exchange rate movements if the Spot Rate does not breach an agreed Barrier Level during the Event Period. If the Spot Rate has breached the Barrier Level during the Event Period, you are obliged to transact the full Contingent Amount at the Protection Rate.

Outcomes:

If the Spot Rate has not breached the Barrier Level at any time during the Event Period, and the prevailing Spot Rate at the Expiration Time on the Expiration Date is less favourable to you than the Protection Rate, you are entitled to transact the Protection Amount at the Protection Rate.

If the Spot Rate has not breached the Barrier Level at any time during the Event Period, and the prevailing Spot Rate at the Expiration Time on the Expiration Date is between the Protection Rate and the Barrier Level, you have the right, but not the obligation to transact at the prevailing Spot Rate.

If the Spot Rate has breached the Barrier Level at any time during the Event Period, you are obliged to transact the Contingent Amount at the Protection Rate.

Scenarios:

Market Reference Rate: 0.7500 AUDUSD
Protection Amount: 50,000 USD Contingent
Amount: 100,000 USD Expiration
Date: Six Months
Event Period: Any Time

Australian Importer Scenario:

Protection Rate: 0.8000
Barrier Level: 0.9000

a) If the Spot Rate has not breached the 0.9000 Barrier Level at any time, and the Spot Rate is at 0.6500 on the Expiration Date, you are entitled to transact 50,000 USD at the 0.8000 Protection Rate.

b) If the Spot Rate has not breached the 0.9000 Barrier Level at any time, and the Spot Rate is at 0.8500 on the Expiration Date, you may choose to transact at the Spot Rate.

c) If the Spot Rate has breached the 0.9000 Barrier Level at any time, you are obligated to transact 100,000 USD at the 0.8000 Contingent Rate.

Australian Exporter Scenario:

Protection Rate: 0.7000
Barrier Level: 0.6000

a) If the Spot Rate has not breached the 0.6000 Barrier Level at any time, and the Spot Rate is at 0.8000 on the Expiration Date, you are entitled to transact 50,000 USD at the 0.7000 Protection Rate.

b) If the Spot Rate has not breached the 0.6000 Barrier Level at any time, and the Spot Rate is at 0.6500 on the Expiration Date, you may choose to transact at the Spot Rate.

c) If the Spot Rate has breached the 0.6000 Barrier Level at any time, you are obligated to transact 100,000 USD at the 0.7000 Contingent Rate.

Advantages:

Safeguards the Protection Amount against unfavourable exchange rate movement. Provides participation in favourable exchange rate movement up to the Barrier Level. Typically offered as a Zero-Premium Structured Option.

Disadvantages:

If the Barrier Level is breached, you are obligated to transact the full Contingent Amount at the Protection Rate - which may be less favourable than the prevailing Spot Rate.

Your participation in favourable exchange rate movement is limited at the Barrier Level.

Bottom Line:

Ratio Forward Extra Options are ideal for those businesses seeking to protect a budget at an attractive level, while retaining the flexibility to benefit from favourable currency movement.

3. No Protection, Partial Participation:

This type of Structured Option establishes a Contingent Rate that is more favourable than the prevailing Forward Rate on the Trade Date, but does not fully safeguard against unfavourable exchange rate movement. Because this type of Structured Option does not include a Protection Rate, the Contingent Rate is typically significantly better than the prevailing Forward Rate on the Trade Date.

Example of Ratio Removal Option

This Structured Option establishes a Contingent Rate on half the Contingent Amount, which is more favourable than the prevailing Forward Rate, provided that a Barrier Level is not breached during the Event Period. If the Spot Rate at the Expiration Time on the Expiration Date is more favourable to you than the Contingent Rate, you are obligated to transact the full Contingent Amount at the Contingent Rate. If the Barrier Level has been breached, all rights and obligations are extinguished, and you may choose to transact at the Spot Rate.

Outcomes:

If the market Spot Rate has not breached the Barrier Level at any time during the Event Period, and the market Spot Rate at the Expiration Time on the Expiration Date is less favourable to you than the Contingent Rate, you are entitled to transact half of the Contingent Amount at the Contingent Rate.

If the market Spot Rate has not breached the Barrier Level at any time during the Event Period, and the market Spot Rate at the Expiration Time on the Expiration Date is more favourable to you than the Contingent Rate, you are obligated to transact the full Contingent Amount at the Contingent Rate.

If the market Spot Rate has breached the Barrier Level at any time during the Event Period, a rights and obligations are extinguished, and you may choose to transact at the Spot Rate.

Scenarios:

Market Reference Rate: 0.7500 AUDUSD Upper Contingent Amount: 100,000 USD Lower Contingent Amount: 50,000 USD Expiration Date: Six Months

Event Period: Any Time

Australian Importer Scenario:

Contingent Rate: 0.8000

Barrier Level: 0.6500

- a) If the Spot Rate has not breached the 0.6500 Barrier Level at any time, and the Spot Rate is at 0.7000 on the Expiration Date, you are entitled to transact 50,000 USD at the 0.8000 Contingent Rate.
- b) If the Spot Rate has not breached the 0.6500 Barrier Level at any time, and the Spot Rate is at 0.8500 on the Expiration Date, you are obligated to transact 100,000 USD at the 0.8000 Contingent Rate.
- c) If the Spot Rate has breached the 0.6500 Barrier Level at any time, a rights and obligations are extinguished, and you may choose to transact at the Spot Rate.

Australian Exporter Scenario:

Contingent Rate: 0.7000

Barrier Level: 0.8500

- a) If the Spot Rate has not breached the 0.8500 Barrier Level at any time, and the Spot Rate is at 0.8000 on the Expiration Date, you are entitled to transact 50,000 USD at the 0.7000 Contingent Rate.
- b) If the Spot Rate has not breached the 0.8500 Barrier Level at any time, and the Spot Rate is at 0.6500 on the Expiration Date, you are obligated to transact 100,000 USD at the 0.7000 Contingent Rate.
- c) If the Spot Rate has breached the 0.8500 Barrier Level at any time, a rights and obligations are extinguished, and you may choose to transact at the Spot Rate.

Advantages:

The Contingent Rate under a Ratio Removal Option is considerably more favourable than the prevailing Forward Rate on the Trade Date.

Disadvantages:

If the Barrier Level is breached, you can be left with no protection against unfavourable currency movement.

If the Barrier Level is not breached, and the Spot Rate is more favourable than the Contingent Rate at the Expiration Date, you will be obligated to transact the full Contingent Amount at the less favourable Contingent Rate.

Bottom Line:

Ratio Removal Options are ideal for businesses that do not require protection against unfavourable currency movement, and are seeking to transact at rates that are more favourable than those otherwise available under a Forward Contract.

Factsheets

Before you enter into an Option with Corpay for the first time, we will provide you with a Fact Sheet outlining the features, advantages, disadvantages and potential outcomes associated with the Option. If you do not receive this Fact Sheet, or you have questions with respect to the Option, please call us at: 1300 553 140

Option Costs

This section describes fees and other costs that may be charged in relation to an Option. You should read all the information about the fees, costs and charges, as it is important you understand their impact on Options.

Interest

Corpay does not pay interest on Margin funds, so you may incur an opportunity cost. This cost is equivalent to the interest that you would otherwise earn if you were to hold these funds on deposit in your own bank account.

Premium

Corpay determines the Premium or Strike Rates applicable to an Option by reference to a number of factors, including but not limited to:

Option Type
Protection Amount
Protection Rate
Contingent Amount
Contingent Rate
Currency Pair
Expiration Date
Expiration Time Settlement
Date Prevailing Spot Rate
Prevailing Forward Rate
Market volatility Prevailing
interest rates
Corpay's internal fixed and variable costs
Corpay's risk
Corpay's profit margin

Corpay, in consultation with you, may adjust the variables associated with any Structured Option to create a Zero Premium Structure. As a result of the adjustment, the variables Corpay quotes you for a Zero Premium Structured Option may be less favourable to you than the variables Corpay would quote you if you chose to pay a Premium.

In the event you choose to pay a Premium, it must be paid in cleared funds on the Premium Payment Date (generally the second General Business Day after the Trade Date). If the Premium is not paid on the Premium Payment Date, the Option will automatically terminate and you will be liable for any costs arising as a result of the termination.

Option Benefits

The general benefits of Options may include:

Risk Management

Options may help you manage the risk inherent in currency markets by pre-determining the Exchange Rate at which you will purchase or sell a given amount of foreign currency against another currency. This can be used to provide protection on cash flows or balance sheet items against currency movements.

Participation

Options may provide protection against unfavourable exchange rate movements while potentially giving you the ability to participate in favourable exchange rate movements.

Flexibility

Options can be customized to meet your currency, timing, risk, and cost requirements.

7. Significant benefits common to all our products

In addition to the benefits set out in the sections of this PDS dealing with specific products the following benefits may also be applicable:

- A major benefit of entering into a foreign exchange contract is that you can tailor the Transaction to meet your specific circumstances from the range of foreign exchange products that we provide.
- You can obtain real-time pricing via our online internet platform, which can be accessed simply by logging in and requesting a quoted Exchange Rate.
- Immediate access to our online internet trading platform is available 24-hours a day, five days a week (during global foreign exchange opening times) if you use this service.
- Ability to contact our branch representatives to obtain current market rates and to enter into transactions.
- Competitive Exchange Rates.
- Accurate Transaction records with your own Transaction history accessible at any time.
- Access to market research via email (subscribe online).

8. Significant risks common to all our products

You should be aware that trading in the foreign exchange products offered by us involves risks. It is important that you carefully consider whether trading our products is appropriate for you in light of your - business objectives, financial situation and needs.

In addition to the risks set out in the sections of this PDS dealing with specific products the following risks may also be applicable:

Counterparty risk

You are dealing with us as a counterparty to every transaction, so you will have a credit related exposure to us in relation to each transaction. In all cases, you are reliant on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as counterparty risk.

We may choose to limit our exposure to you by entering into opposite transactions as principal in the wholesale market.

You are also subject to our credit risk. If our business becomes insolvent we may be unable to meet our obligations to you.

In addition, we must comply with the financial requirements imposed under our AFSL.

In the event of our insolvency, you will be an unsecured creditor to the extent that you have a claim against us for amounts you have already paid under an existing contract that has not been settled. The extent to which you may recover your proportional entitlement will be determined by applicable insolvency laws subject to any contractual arrangements you have with us (e.g. the set-off and netting rights of us against client money, under our Terms and Conditions).

However, we may agree at times for you to place money in our designated client money account, say, if you anticipate making trades in the future but have not nominated the funds for a particular trade or trades. In this situation, the funds are segregated from our own funds and property. This means that they are not available to pay general creditors in the event of our receivership or liquidation. However, in that situation, by paying us money in this way, you authorise us to retain any interest on that money, and to use that money (including to deduct reasonable fees) in any way agreed to as set out in this PDS, the Terms and Conditions, or as otherwise agreed with you. You may request a summary of our financial statements to help you manage this risk.

Transactions are not transferable

As each transaction you enter into with us is a transaction between you and us and is not traded on an exchange or market, you will not be able to sell, transfer or assign the transaction to any other person without our prior consent.

Abnormal market conditions or force majeure

We reserve the right to close out some or all of your open transactions between you and us if an event occurs that is beyond your or our control, where such event either wholly or partially prevents, hinders, obstructs, delays or interferes with your ability to meet your obligations.

Our discretionary powers

Under our Terms and Conditions, we have a number of discretionary powers which may affect your trading activities. We refer you to the Terms and Conditions which set out these powers and you should fully understand them.

Market Risk

Market risk is the possibility that the value of the Transaction may change as a result of a movement in the underlying market price. You may experience a loss if the underlying market price moves unfavourably.

Opportunity Risk

Opportunity risk is the risk that the exchange rate you achieve under the Transaction is not as favourable as the exchange rate you could have achieved if you did not enter into the Transaction. By entering into a Transaction you may forego any benefit of a favourable movement in the exchange rate.

Correlation Risk

Correlation risk is the risk that changes in the market value of a Transaction may not directly offset changes in the market value of the cash flows or balance sheet items being hedged. This issue typically arises when the currencies, amounts, or timing of the hedges are not matched perfectly against the underlying items. If you enter into a Transaction that does not fully match an underlying and offsetting currency cash flow, you should be aware that you may be exposed to disproportionate changes in market values.

Credit Risk

Credit risk is the risk that Corpay may be unable to meet its obligations to you under the Transaction, such as making a payment on a Settlement Date. If we are unable to perform our obligations under the Transaction you may be exposed to exchange rate fluctuations as if you had not entered into the Transaction.

Operational Risk

Operational risk is the risk of a change in the value of a Transaction due to the failure or inadequacy of systems, processes or people. It can also arise out of external events such as acts of terrorism or natural disasters. You are reliant on Corpay being able to price and settle your Transaction accurately and on time. The value of your Transaction may be adversely affected if Corpay's operating processes, systems or people for managing these procedures are disrupted, fail, or are inadequate.

Liquidity Risk

Liquidity risk is the risk that you may be asked to pay additional Margin funds during the life of a Transaction. This Margin Delivery Amount may be substantial in the event of a large market movement, and could negatively impact your financial position.

Legal, Tax, Accounting, and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of a Transaction, which may adversely affect the Transaction. You should consult your independent advisers with respect to the legal, tax, accounting and regulatory implications of entering into Transactions.

No Cooling Off

There is no cooling off period. This means that, in most circumstances, once you enter into a Transaction, you cannot terminate or vary the Transaction without our consent.

Conflicts of Interest

Corpay enters into transactions with a number of different counterparties that may be in conflict or inconsistent with your interests under the Options that you enter into with us. Corpay is not required to consider the impact on your Transactions. Corpay derives a financial benefit when entering into a Transaction.

9. Are there any credit requirements prior to transacting?

Prior to entering into a foreign exchange transaction, we may carry out a credit check as part of an assessment to determine whether or not any credit requirements you have sought are satisfied. You will be advised of the outcome of this review as promptly as possible.

The credit check may also be relevant in assessing whether a settlement line of credit will be provided to you by us.

We may also require you to pay additional cash margin deposits if the value of your Transaction becomes Out the Money following a Mark-to-Market valuation.

Termination

A Transaction may be terminated at any time before the Expiration Time on the Expiration Date, either by agreement between you and Corpay, or in accordance with Corpay's Master Terms and Conditions.

Where the Transaction is terminated by agreement between you and Corpay, the amount payable on termination is as agreed. Where the option is terminated in accordance with the Master Terms and Conditions, the amount payable is determined in accordance with those terms.

Termination involves the replacement of the Transaction with another Transaction of equal and opposite characteristics. Termination may result in a loss to you.

Settlement

When you enter into a Transaction with us, you agree in certain circumstances to make a physical payment of one currency to us in exchange for a physical receipt of another currency. What you pay and receive is determined in accordance with the agreed mechanisms and variables based on the type of Option and the Spot Exchange Rate at the Expiration Time on the Expiration Date.

You may also be required to pay additional costs on settlement or termination depending on the manner in which Termination or Settlement payments are effected, including telegraphic transfers and international drafts. Additional costs may be payable for couriers, postage and other actions.

Taxes

Tax law is complex and its application will depend on your particular circumstances. In particular, Transactions may give rise to taxable gains or tax deductible losses. The treatment of those transactions for taxation purposes will depend on your individual circumstances and we recommend that you seek appropriate advice from a tax professional.

Changes

The fees and costs set out in this document may change from time to time at Corpay's discretion. If any fee changes affect existing customers, we will advise them at least 30 days prior to any such fee changes taking effect by posting them on our website at www.Corpay.com. By entering into a Transaction you agree to notification of changes as set out above.

10. How we are paid, and what are the product costs?

Please refer to our current FSG for a description of how we, our employees and related parties are paid, and for information about the spread, conversion costs, administrative charges, premiums, deposits and commissions (if any) that may be payable in relation to the products described in this PDS.

You can find this information (with worked examples) in the current FSG which is available on our website. You can download or obtain a free hard copy of the FSG by contacting us using the details at the start of this PDS.

11. Terms and Conditions

Our Terms and Conditions are provided to you as part of the application process and must be read and signed before a contract is entered into.

In addition to the terms set out in this PDS, when you use our services you will be bound to our Terms and Conditions as amended from time to time. In the event of any inconsistency between the PDS and other contracts or documents exchanged and/or executed between the you and us, the PDS shall prevail to the extent of the inconsistency.

We may choose to provide you with general advice. That means that, unless stated otherwise, we do not take into account your financial objectives, financial situation or needs, and you will need to decide yourself whether the product is appropriate for you. You should read this document in detail to help you form that decision. In the event that you do receive personal advice that does take into account your objectives, financial situation and needs, then you will receive a separate Statement of Advice (SOA).

There is no cooling off period for any product offered by us.

We are not liable for any loss that arises from incorrect identification information being provided by you.

We may delay, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability should we do so.

We may disclose any information that you provide to the relevant authority where required by any law in Australia or any other country.

We accept payment from you via electronic transfer. We reserve the right to refuse cheques.

We do not accept cash. Money is considered to be “received” by us when it has cleared in one of our designated accounts.

When you use our services, you are promising that:

- You will not breach any law in Australia or any other country;
- You will not use our services for speculative purposes;
- You will indemnify us for any loss that occurs as a result of us acting in good faith on your verbal or written instructions;
- You will pay any charges incurred by us as a result of us acting on your verbal or written instructions;
- Unless you have disclosed to us that you are acting in trustee capacity or on behalf of another party, you are acting on your own behalf when purchasing this product from us;
- You will provide all information to us which we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services.

Information in this PDS that is not materially adverse to users of our products is subject to change and may be updated via our company website (see contact details on page 1). You can access that information by visiting the website, or telephoning us and asking for an electronic or paper copy. You can also access the website which may contain, from time to time, other information about our products.

12. Providing instructions by phone

When providing instructions by telephone, you will need to provide us with adequate identification information.

13. How we handle your money

We will notify you of a number of nominated bank accounts where you should transfer your money to settle a foreign exchange transaction or deposit obligation. Those accounts are owned by us. We have processes in place to govern how that money is handled. For example, any client money we receive is usually segregated from our money.

14. Client Monies

All money deposited into your account by you or a by person acting on your behalf, or which is received by Corpay on your behalf, will be held by Corpay in one or more segregated accounts pursuant to the Corporations Act. Please note that individual client accounts are not separated from each other, but may be co-mingled into one segregated account (which is separate to Corpay’s monies/assets).

Please note that monies provided by you to meet margins, deposits, fees, transaction settlements, or other costs may be immediately on-forwarded by Corpay to our licensed third party clearing and execution providers, and applied against your margin, exchange, fee and settlement obligations. Client monies which are held pending future transactions and payments are held in our segregated account in accordance with the Corporations Act. It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.

Corpay is entitled to retain all interest earned on client monies held in segregated accounts with a bank or approved deposit-taking institution. The rate of interest earned by Corpay on this account is determined by the provider of the deposit facility.

15. Stopping or cancelling a payment

Should you wish to cancel or alter any Transaction you have entered into with us it will be at our discretion. If, at your request, we cancel or alter your contract you will have to pay any costs and/or Exchange Rate losses that are incurred by us in doing so.

16. Tax implications

Using foreign exchange contracts can create tax implications.

Generally, if you make a gain attributable to an Exchange Rate fluctuation then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an Exchange Rate fluctuation then that part of the loss is deducted from your assessable income.

However, the taxation laws are complex and vary depending on your personal circumstance and the purpose of your currency trading. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

17. What are our different roles?

We are the product issuer. This means that we provide the facility you use to transfer money, and do not act on behalf of anyone else.

We are also the service provider. Our representatives can give you general or personal advice and help you use the money transfer service. This role is undertaken on behalf of the product issuer.

18. How do we handle your personal information

We will collect personal information for the purpose of providing you with the service that you have sought. This information is necessary for us when opening an account facility for the purpose of foreign exchange transactions and to comply with relevant laws. We will not sell, share or reveal any of your information, unless you have requested that we do so.

You may contact us at any time to find out what personal information we hold about you and, if necessary, to correct any inaccurate or incomplete information. You can do this by contacting the Corpay office you normally communicate with (see contact details on page

We respect your privacy and have developed a Privacy Policy which embodies the Australian Privacy Principles. A copy of our privacy policy can be obtained on our website at www.Corpay.com.au or by contacting us using one of the methods described on page 1.

You should also refer to our Terms and Conditions (provided to you as part of the application process) in relation to our confidentiality and privacy obligations.

19. Would you like more information?

You can find out more about this product by contacting us using the details at the beginning of this document. You can also look at our website for more information (see contact details on page 1).

20. What should you do if you have a complaint?

Our main goal is to provide excellent service and competitive Exchange Rates to our customers. To achieve this goal we would like to hear from you if you are dissatisfied with our service or any of the financial products provided to you.

In the event you have a complaint about the service provided:

- a) Contact your Cambridge Mercantile representative and discuss your complaint.
- b) If your complaint is not satisfactorily resolved within 6 weeks, please contact by telephone or in writing:

Complaints Manager,
Cambridge Mercantile (Australia) Pty Ltd
Suite 13.02, Level 13, 35 Clarence Street, Sydney, NSW, Australia
Email address: complaints@Corpay.com.au
Phone: 02 8076 6500

- c) If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA) which is an external complaints service, of which we are a member: 33946

You can contact the AFCA on:

Phone: 1800 931 678 (Free call),

In writing at: GPO Box 3, Melbourne, Victoria 3001, Australia. Email:
info@afca.org.au

21. Glossary

“Account Application Terms & Conditions” means a document provided by Corpay and completed and certified by yourself, detailing the applicable Terms and Conditions as amended, supplemented or updated from time to time.

“Additional Margin Deposit” means additional amounts equal to the decline in the value of the Forward Contracts (or NDFs), as calculated using the Mark-to-Market System.

“Adjustable” means a type of Structured Option in which the Adjustable Protection Rate and Adjustable Contingent Rate are reset to the Protection Rate and Contingent Rate if the Spot Rate breaches an agreed Barrier Level during the Event Period.

“Adjustable Contingent Rate” means a ‘best case’ exchange rate which may be adjusted to the Contingent Rate if the Spot Rate breaches an agreed Barrier Level during the Event Period under an Adjustable Structured Option.

“Adjustable Protection Rate” means a ‘worst case’ Exchange Rate which may be adjusted to the Protection Rate if the Spot Rate breaches a Barrier Level during the Event Period under an Adjustable Structured Option.

“AFSL” means an Australian Financial Services Licence.

“American” means an Option that can be exercised at any time during the term of the Option, up to and including the Expiration Date.

“At-The-Money” means an Option where the Strike Rate is equal, or very close to, the current Exchange Rate. An Option that is At-The-Money has no monetary value.

“Authorized Representative” means an individual, as set out in the Account Application, who is authorized to book, negotiate and conclude the terms of a Transaction with Corpay.

“Automatic Termination” means that when a Barrier Event occurs or fails to occur during the agreed Event Period, the Barrier Option will terminate and be deemed canceled.

“AUD” Australian dollars.

“Barrier Determination Agent” means the party that is responsible for monitoring the prevailing spot rate and determining whether a Barrier Event has occurred. Corpay is the Barrier Determination Agent.

“Barrier Event” means the change in an Option that occurs when the underlying Exchange Rate reaches or passes through a pre-specified Barrier Level during the Event Period.

“Barrier Level 1” means one of the two agreed Exchange Rates at which a Double Barrier Option comes into effect, or ceases to be effective.

“Barrier Level 2” means one of the two agreed Exchange Rates at which a Double Barrier Option comes into effect, or ceases to be effective.

“Barrier Option” means an Option that comes into effect (a Knock-In), or ceases to be effective (a Knock-Out) in the event that the underlying Exchange Rate breaches an agreed Barrier Level.

“Bought Vanilla” means an Option that gives the Buyer the right, but not the obligation, to buy or sell a specified amount of currency at a specified Strike Rate and Settlement Date. The Buyer pays Premium for obtaining this right.

“Buyer” means the party that purchases an Option. The Buyer pays Premium for acquiring the rights that the Option carries.

“Calculation Agent” means the party that is responsible for calculating the settlement amounts owing between the parties under a particular transaction. Corpay is the Calculation Agent.

“Call” means a Vanilla Option that gives the Buyer the right, but not the obligation, to buy a specified amount of currency, at a specified Strike Rate and Settlement Date. For the Seller, it represents a potential obligation to sell a specified amount of currency. The Call Seller earns Premium for assuming this potential obligation.

“Call Currency Amount” means the amount of Call Currency to be purchased by the Buyer upon the exercise of the Option.

“Call Currency” means the currency to be purchased by the Buyer upon exercise of the Option.

“Corpay”, “Us,” our”, or “We” means Cambridge Mercantile (Australia) Pty Ltd.

“CNY” Chinese Renminbi.

“Confirmation” means a written or electronic advice from us that set out the commercial details of a foreign exchange contract between you and Corpay.

“Contingent Amount” means an amount of currency that you are obliged to settle if certain agreed conditions are met under a Structured Option.

“Contingent Premium” means the sum of money paid by the Buyer to the Seller, in acquiring the rights embedded in an Option. The Seller receives this amount at the Expiration Date in the event that certain pre-specified conditions are met.

“Contingent Rate” means a ‘best case’ Exchange Rate at which funds may be settled under a Structured Option. Participation in favourable currency movement is limited at the level of the Contingent Rate.

“Corporations Act” means the Corporations Act 2001 (Cth) which governs the provision of financial services.

“Credit Limit Approval” means a limit on the total amount of line of credit that we will provide to you.

“Currency Pair” means the currencies that will potentially be exchanged at the settlement of a Deliverable Transaction, or the reference used to determine the net cash settlement under a Non-Deliverable Transaction.

“Customer” (“you”) means the person or entity signing the relevant application to use our foreign exchange services.

“Deal” has the same meaning as provided in the Corporations Act.

“Deferred Premium” is a type of Option in which the Premium is not paid until the Expiration Date.

“Deliverable” means a Transaction that entails the exchange of two different currencies between the parties.

“Delivery” means the exchange of two different currencies between the parties.

“Double Barrier” means an Option that comes into effect, or ceases to be effective in the event that the underlying Exchange Rate breaches one of two agreed Barrier Levels during the Event Period. A Double Barrier Option has both a Lower Barrier Level and an Upper Barrier Level.

“Double Knock-In” means an Option that comes into effect in the event that the underlying Exchange Rate breaches one of two agreed Barrier Levels during the Event Period.

“Double Knock-Out” means an Option that ceases to be effective in the event that the underlying Exchange Rate breaches one of two agreed Barrier Levels during the Event Period.

“EUR” the Euro currency of the European Union.

“European” means an Option that can only be exercised on the Expiration Date.

“Event Period” means the time period during which the Barriers in a Barrier Option can be activated. If the Spot Rate reaches an agreed Barrier Level during this time period, a Knock-In Option will come into effect, or a Knock-Out Option will cease to be effective.

“Event Period End Date and Time” means the date and time on which a Barrier in a Barrier Option becomes inactive.

“Event Period Start Date and Time” means the date and time on which a Barrier in a Barrier Option becomes active.

“Exchange Rate” is the price at which Corpay will buy from you or sell to you one currency in exchange for another currency.

“Exchange Rate Direction” means the direction in which the Spot Rate must touch or cross a Barrier Level in order to initiate a Barrier Event.

“Exercise Date” means the date on which a Notice of Exercise received by the Seller becomes effective.

“Exercise Period” means the time period within which the Buyer of an Option may Exercise the right to buy or sell the underlying currencies at the pre-specified levels.

“Exercise” means the process by which the Buyer of an Option may take up the right to Buy or Sell the underlying currencies.

“Expiration Date” means the last date on which a Forward Contract may be utilised, or an Option can be Exercised. After this date the Forward Contract or Option is deemed to lapse.

“Extension” means the process by which Corpay extends the settlement of a Transaction to a future value date.

“Fact Sheet” means a document provided by Corpay outlining the financial terms and conditions of a specific product. A Fact Sheet does not constitute a confirmation, nor a binding commitment to trade.

“Fixed Amount” means an amount of currency that you are obliged to settle regardless of where the Spot Rate is under a Structured Option.

“Fixing Date” means the date on which the Fixing Rate of an NDF is determined and the cash settlement amount is calculated.

“Fixing Rate” means the Exchange Rate for an NDF displayed on the agreed rate source at the agreed time on the Fixing Date. The Fixing Rate is used to calculate the cash settlement amount of an NDF.

“Forward Adjustment” means the difference between the Spot Rate and the Forward Rate on the Trade Date reflecting the differing interest rates relative to the two currencies involved in a Forward Contract and is usually expressed as forward points.

“Forward Contract” means an agreement between you and Corpay to exchange two currencies at a fixed rate on, or before a pre-specified date in the future.

“Forward Rate” means the price of one currency expressed in terms of another currency, for settlement at a pre-specified date in the future.

“AFCA” means Australian Financial Complaints Authority

“FSG” means Corpay’s Financial Services Guide as amended, supplemented or updated from time to time.

“General Business Day” means a day (other than a Saturday or Sunday or public holiday) on which banks in Sydney, Australia are open for business.

“In-The-Money” means an Option with positive monetary value, when assessed at current market prices.

“Information Provider” means any entity providing Corpay, whether directly or indirectly, with market information including, but not limited to, stock exchanges, news service providers and data providers.

“Initial Margin” means an amount of funds that you post with Corpay in order to secure your obligations under a Transaction. The Initial Margin is held by Corpay until the Transaction is settled.

“Knock-In” means an Option that comes into effect in the event that the underlying Exchange Rate breaches an agreed Barrier Rate during the Event Period.

“Knock-Out” means an Option that ceases to be in effect in the event that the underlying Exchange Rate breaches an agreed Barrier Rate during the Event Period.

“Margin” means an amount of currency that you post with Corpay in order to secure your obligations in the event that the Mark-To-Market value of outstanding Transactions becomes negative. The Margin is held by Corpay until Transactions are settled, or their value becomes positive.

“Margin Delivery” means the payment or transfer of Margin from you to Corpay, or from Corpay to you, as the case may be.

“Margin Delivery Amount” means the amount of additional margin funds that Corpay requires when the market value of outstanding Transactions falls below the Margin Threshold. Subject to the Margin Increment, it is equivalent to the negative Mark-To-Market less the Margin Balance and the Margin Threshold.

“Margin Call Due Date” means the date, generally two General Business Days following the delivery of a Margin Call Notice by Corpay to you on which you are required to pay the Margin Delivery Amount specified.

“Margin Call Notice” means a document provided by Corpay setting out the Margin Delivery Amount that must be paid.

“Margin Call” means the process by which Corpay notifies you that the specified Margin Delivery Amount must be paid.

“Margin Delivery Amount” means the amount of additional margin funds that Corpay requires when the market value of outstanding Transactions falls below the Margin Threshold. Subject to the Margin Increment, it is equivalent to the negative Mark-To-Market less the Margin Balance and the Margin Threshold.

“Margin Increment” means a convention agreed between Corpay and yourself, wherein required Margin Delivery Amounts are rounded down to the nearest integral multiple. This reduces the movement of insignificant amounts between us.

“Margin Threshold” means the negative Mark-To-Market exposure which Corpay will accept before requesting that additional Margin funds be delivered.

“Market Order” means a foreign exchange contract which only becomes binding on you when the nominated Target Rate is reached.

“Market Rate” is the price at which Corpay can buy or sell currency from its suppliers.

“Mark-To-Market” means a measure of the netted market value of your Transactions as estimated by Corpay at a specific point in time. It is broadly equivalent to the gain or loss that would result from terminating outstanding Transactions by entering into equal and opposite market positions. A positive Mark-To-Market Value means that termination or replacement would result in a gain, while a negative value would result in a loss.

“NDF” means a Forward Contract that is non-deliverable – that is, there is no exchange of currencies at the Settlement Date. Instead a single net amount will be payable by either you or us depending on the outcome of the trade.

“NDF Contract Rate” is the Exchange Rate for an NDF agreed to at the Trade Date.

“Non-Deliverable” means a Transaction that entails the exchange of a net cash amount between the parties at settlement (as opposed to the exchange of two different currencies).

“Notice of Exercise” means a document delivered by an Option Buyer to a Seller during the Exercise Period, requesting the Exercise of rights granted under the Option.

“Notification Date” means the date on which Corpay delivers a Margin Call Notice to you.

“Order” means any instruction provided by you to enter into, vary, settle or to close out a Transaction

“Out- of The-Money” means an Option with negative monetary value, when assessed at current market prices.

“Pre-Delivery Rate” means the Exchange Rate applied to a Transaction where the original settlement date has been adjusted to an earlier settlement date via a separate, offsetting Forward Contract.

“Pre-Delivery” means the process by which an Option may be partially or fully settled prior to Expiry via a separate, offsetting Forward Contract. This Forward Contract is independent of the Option and the features of the original Option are retained until the Expiry Date and Time. A Pre-Delivery must be approved by Corpay, and may be subject to a number of conditions or restrictions.

“Premium” means the sum of money paid by the Buyer to the Seller, in acquiring the rights embedded in an Option. The Seller receives this amount in exchange for assuming a potential obligation.

“Premium Payment Date” means the date on which any applicable Premium is due and payable.

“Product Disclosure Statement (PDS)” is a document provided by Corpay outlining the main features, costs, benefits and risks of our offered products.

“Protection Rate” means a ‘worst case’ Exchange Rate at which the Protection Amount may be settled under a Structured Option. Exposure to unfavourable currency movement is limited at the level of the Protection Rate.

“Protection Amount” means an amount of currency that you are entitled to settle at an Exchange Rate that is no worse than the Protection Rate under a Structured Option.

“Put” means a Vanilla Option that gives the Buyer the right, but not the obligation, to sell a specified amount of currency, at a specified Strike Rate and Settlement Date. For the Seller, it represents a Contingent obligation to buy a specified amount of currency. The Put Seller earns Premium for assuming this Contingent obligation.

“Put Currency Amount” means the amount of Put Currency to be sold by the Buyer upon the exercise of the Option.

“Put Currency” means the currency that will be sold by the Buyer upon Exercise of the Option.

“Ratio” means a type of Structured Option under which the Contingent Amount is larger than the Protection Amount. This means that less than 100% of the Contingent Amount is protected against unfavourable exchange rate movement.

“Reference Currency” means the primary currency in which a Transaction is denominated, or a position’s overall value is measured.

“Relationship Manager” means the Corpay employee who acts as your primary contact point.

“Removal” means a type of Structured Option under which all rights and obligations are extinguished in the event that the Spot Rate breaches an agreed Barrier Level during the Event Period. This type of Structured Option does not fully safeguard against unfavourable exchange rate movement.

“Reset” means a type of Structured Option under which both parties are obliged to exchange at the Protection Rate instead of the Contingent Rate if the Spot Rate breaches an agreed Barrier Level during the Event Period.

“Seller” means the party that grants an Option, and is obligated to perform in the event that the Buyer exercises it. The Seller is paid Premium for assuming this potential obligation.

“Settlement” means the exchange of two different currencies between us, or the process whereby the obligations arising under a Transaction are discharged through payment.

"Settlement Date" means the date (typically two General Business Days) after an Option has been exercised or has reached its Expiration Date, on which obligations arising under the Transaction are discharged through Delivery or Settlement, or both.

"Sold Vanilla" means an Option that gives the Seller the potential obligation to buy or sell a specified amount of currency at a specified Strike Rate and Settlement Date. The Seller earns Premium for assuming this potential obligation.

"Spot Contract" means a foreign exchange contract for buying and selling currency where the Settlement Date is up to 2 business days after the Trade Date.

"Spot Rate" means the price of one currency expressed in terms of another currency, for immediate settlement. May also reference the prevailing interbank Spot Rate, subject to applicable bid and ask spreads.

"Strike Price" means the agreed exchange rate at which the Put Currency will be exchanged for the Call Currency if an Option is Exercised.

"Structured Option" means an agreement to exchange a specified amount of one currency for another currency at an Exchange Rate that is determined by reference to agreed features and variables. Under any Structured Option you may be both the Buyer of an Option (i.e. you are buying an Option from Corpay) and the Seller of an Option (i.e. you are selling an Option to Corpay).

"Target Rate" is desired Exchange Rate sought by a Customer using the Bid process to have Corpay monitor and enter into a Spot Contract, Forward Contract, or Option if the specified Exchange Rate is reached.

"Terms and Conditions" are the terms and conditions provided to you as part of the application process and which you are required to agree to before you can use the products described in this PDS. You can obtain a free copy of our terms and conditions by contacting us using one of the methods described on page 1.

"Trade Date" is the date you enter into a foreign exchange transaction.

"Transaction" means an agreement between you and Corpay providing for the purchase of a pre-specified amount in one currency, in exchange for the sale of a pre-specified amount in another currency. Transaction types may include, but are not limited to Spot, Forward Contract, Swap, Options, and Structured Options.

"USD" is the United States dollar.

"Value Date" means the day that we exchange currencies as part of a foreign exchange transaction.

"Valuation Date" means a date upon which the Mark-To-Market value of your Transactions is assessed.

"Vanilla Option" means a Transaction entitling the Buyer, upon Exercise, to purchase from the Seller a specified quantity of currency at an Exchange Rate determined by reference to agreed conditions, and to sell to Seller a specified quantity of currency at the same exchange rate. The concurrent purchase and sale of two or more Vanilla Options is a Structured Option.

"Zero Premium" is a type of Structured Option in which the Premium received through the sale of Options is equal to the Premium of the protective purchased Options, so that no Premium is payable by you.

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Corpay may sell to you and/or buy from you foreign exchange instruments (including spot and/or derivative transactions; both kinds are here called "FXI"s) covered by Corpay on a principal basis.

This document is NOT: 1) Advice of any kind, or 2) Approved or reviewed by any regulatory authority, or 3) An offer to sell or a solicitation of an offer to buy any FXIs, or to participate in any trading strategy.

Before acting on this document, you must consider the appropriateness of the information, based on your objectives, needs and finances. For advice, you must contact someone independent of Corpay.

Certain FXIs mentioned in this document may be ineligible for sale in some locations, and/or unsuitable for you. Contact your Cambridge representative for further information regarding product availability/suitability before you enter into any FXI contract.

FXIs are volatile and may cause you to incur losses. Past performance of an FXI product cannot be relied on to determine future performance.

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Fees may be earned by Corpay (and its agents) in respect of any business transacted with Corpay.

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Please visit www.cambridgefx.com for more details and more information on Corpay's regulatory and privacy statements and terms of use, and for contact details.

Financial Services Guide

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Corpay[^]



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1. What is a Financial Services Guide?

This Financial Services Guide (FSG) is an important document designed to help you understand and decide if you wish to use the financial services we are able to offer you.

It provides you with information about Cambridge Mercantile (Australia) Pty. Ltd. trading as Corpay (Corpay, us, our, we) and the services we provide. Its purpose is to educate you, before we provide a financial service, on matters including:

- Who we are and how we can be contacted;
- What services and products we are authorised to provide to you;
- How we (and any other relevant parties) are paid; and
- Who to contact if you have a complaint.

Before we issue any particular financial products to you, we will provide you with a Product Disclosure Statement (PDS). The PDS contains information about the product(s) to assist you in making an informed decision about that product(s). It will outline relevant terms, significant risks (where such exist), and fees and charges associated with the product(s).

If we do provide you with any personal advice, we will provide you with a written Statement of Advice (SOA). The SOA contains our advice and the reasons for it, as well as other relevant information, to assist you in making an informed decision about the various products and strategies that are relevant to you. If we provide you with further personal advice, after the initial advice, you may request a record of the further advice that is provided to you (if you haven't already been provided with it). You can request the record of the further advice within a period of seven years of it being given, by contacting us using the details provided on page 1.

If we provide you with general advice, then it will not take into account your needs, financial situation or objectives, and you should consider your circumstances before choosing to act on the advice. You should also take all reasonable steps to understand the potential outcomes of the transactions we offer. Additionally, we advise that you read the relevant Product Disclosure Statement before making a decision.

2. Who will be providing the Financial Services to you?

The Licensee

We are the holder of an Australian Financial Services Licence and are responsible, for the financial services that our representatives provide to you. We authorise, and are also responsible for the content and distribution of this FSG.

You can instruct us to provide you with our services by contacting us via our online trading platform. In the event that the online trading platform is unable to receive your instructions, you can instruct us via telephone or email.

Our contact details are at the start of this FSG.

If you are located outside of Australia, either the Licensee or one of our representatives will provide financial services to you.

3. On whose behalf are we acting when we provide our services to you?

As we are the product issuer, we are acting on our own behalf when we provide the services and not on your behalf.

4. What services and products are we authorised to provide to you?

We are authorised to give financial product advice to both retail and wholesale clients in relation to derivatives and foreign exchange contracts. We are also authorised to deal in relation to those same products, as well as non-cash payment facilities.

This means that we can advise you and help you fill out the forms, and undertake and complete trades and other related transactions.

We are also authorised to “make a market” for foreign exchange and derivatives contracts. This allows us to quote market prices to you, including buy and sell prices.

If you wish to utilise our services you may issue us with instructions

- Via the telephone;
- Via the internet; or
- Such other method (such as email) as may be mutually agreed between us.

In providing our service, other financial issues may arise, such as how to invest money, or taxation issues. However, we are not authorised to provide advice relating to those financial issues, or any other issues except those explained above. You should seek specific advice from the appropriate professionals if these issues are relevant to you.

5. What fees and commissions are payable to us?

There are a number of costs, fees and commissions that you may be required to pay us, in order to use our services.

By using or continuing to use our services, you agree that:

- All fees and charges received by us as described in this FSG (other than third party fees and charges) are a benefit given to us by you, in exchange for the market making and dealing services provided by us.
- We do not charge volume-based or asset-based fees for any advice we provide.
- You understand, consent to, authorise and direct us to charge you in this way.

Cost, fees and commission overview

Type	Description
Spread Cost (Margin)	<p>For all transactions, we earn income on the margin between the wholesale cost of currency, and the cost at which we offer the currency to you. The margin that is charged is determined according to the availability of the currency you are buying or selling, market volatility, interest rates and the value of the transaction.</p> <p>It is not in addition to the quoted price. The margin that is charged generally ranges between 0.01% and 4% per transaction. The size of the margin will generally be greater if interest rates in the countries subject to the currency pair (eg. AUD/EUR) are greater, if the currency pair is less “liquid”, if the market is more volatile, and/or if the transaction is smaller.</p> <p>Example: You wish to buy USD100,000 to pay to an overseas beneficiary and pay us AUD for this USD purchase.</p> <ul style="list-style-type: none"> The rate quoted you by us for this transaction is AUD/USD 0.9450. Therefore the AUD converted amount is AUD105,820.10. This is the amount of AUD you would have to pay us to buy the USD100,000 to remit to your beneficiary. We would cover the USD100,000 transaction in the foreign exchange market. For this example, the wholesale rate is AUD/USD 0.9455 which equates to AUD105,764.15. This is the AUD amount that we will have to pay to another institution to buy the USD100,000 to cover this transaction. In this example the ‘margin’ is represented by the difference in the two amounts, being AUD55.95. This amount is the gross margin revenue earned on this transaction by us (in addition to any transfer fees – see below.)
Transfer fee	<p>We may charge you a transfer fee of between AUD0 and AUD30 per transfer, which is payable before you enter into the relevant transaction with us.</p> <p>Example: You wish to buy USD100,000.00 and pay 5 individual beneficiaries USD20,000.00 each.</p> <p>On this occasion, in addition to the spread cost (margin) built in to the conversion between AUD and USD, as described above, you may have to pay us a transfer fee for each of the 5 payments being sent on your behalf. For example, if the transfer fee was AUD15 per transfer, you would pay us the AUD value of the conversion of USD100,000.00 plus an additional AUD75.00 (5 x AUD15).”</p> <p>Other banks that receive your funds or act as an intermediary may charge you fees which are often unknown to us, and/or out of our control.</p>
Initial Deposit	<p>We may require you to pay a deposit (eg. 5% of the contract value) before entering into a forward or option contract.</p> <p>We may also structure a contract in such a way that we charge you an up-front premium, which would be payable to us within 2 business days of entering into the transaction or as otherwise determined by us. See also Additional Deposits below.</p>
Interest on client money	<p>We place client moneys into our segregated funds account which is a client account. We are entitled to earn any interest (which if payable, is calculated daily) on positive balances in the segregated funds account and do not pay it on to clients.</p>
Electronic payment	<p>If you make a payment to us through an electronic payment system, you may be charged a fee by the system provider at the time of the transaction, which will reduce the amount that arrives in our account.</p> <p>We do not retain any of these fees – they go to electronic payment system provider. The fee will vary depending on the payment system you use, and where possible we will include the fee information on our website. In some instances, we may reimburse to you part of these costs if, for example, we are running a special offer campaign.</p>

Cost, fees and commission overview (cont'd)

Administrative charges	<p>We do not charge administrative fees for using our services. However, depending on how you pay us (see “Electronic payments” above) or withdraw funds, third parties may charge administration fees.</p> <p>Also, your bank or financial institution may charge you transaction fees which it will explain to you.</p>
Additional Deposits	<p>We carry out a daily revaluation of all outstanding forward and options contracts (Mark to Market valuations) to reflect their current market value and monitor our exposure.</p> <p>If during this process the current market value of your forward and/or options contract(s) moves against you beyond an agreed amount or percentage of the face amount we may request you make an additional margin deposit as an offset to bring your contracts' risk exposure back to an agreed level. Further, additional deposit payments may be required to be made by you should the revaluation continue to move further against you outside the agreed amount during the term of the contract.</p> <p>We may vary our deposit requirements, depending on a number of factors, including your credit limits and credit worthiness (including your financial position). We will agree this with you before you enter into a relevant contract with us.</p> <p>We may vary those arrangements from time to time, depending on factors including prevailing market conditions and your ongoing credit worthiness.</p> <p>Whilst such security deposits are refundable to you at maturity of the contract they can alternatively be applied to the last payment on the contract at maturity.</p>

You may request more details about the way we are remunerated within a reasonable time after receiving this document.

6. How are our people and third parties remunerated?

Our sales and dealing staff are remunerated with a base salary and commission payments. The commission is based on a number of factors including:

- Company performance;
- Team performance; and
- Criteria related to clients.

Our managers are remunerated with a base salary and can also qualify for commission payments. They may also be paid quarterly discretionary bonuses based upon a number of team based and individual KPIs. The quarterly discretionary bonuses are based on:

- Strong team culture/ethic;
- Exceptional performance in any function; and/or
- Overall business performance.

Other employees may be paid a quarterly discretionary bonus above their salary.

Our shareholders will also receive a benefit based on our ongoing company performance.

When you are referred by a third party to us we may pay a commission to the third party up to 20% of the Spread Cost (see above) generated from your contract.

The amount paid to referrers is negotiated on an individual basis and is typically based on a sliding scale, which takes into account:

1. The number of clients referred or introduced to us; and
2. The number of contracts traded by clients introduced or referred to us.

The payments are typically paid at the time the trades take place, or within a month of that time.

If we provide you with personal advice, we will provide you with more information about how our representatives are remunerated at that time.

If we do not provide you with personal advice, you may request further information about how our representatives are remunerated within a reasonable time of receiving this document.

7. What should you do if you have a complaint?

In the event you have a complaint, you can contact one of our representatives and discuss your complaint.

If your complaint is not satisfactorily resolved within 6 weeks, please contact by telephone or in writing:

Complaints Manager
Cambridge Mercantile (Australia) Pty Ltd. Suite
13.02, Level 13, 35 Clarence Street Sydney, NSW,
Australia
Email address: complaints@Corpay.com.au
Phone: 02 8076 6500

We will try and resolve your complaint quickly, fairly and within prescribed time frames.

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA) which is an external complaints service, of which we are a member: 33946

You can contact the AFCA on:

Phone: 1800 931 678 (Free call),

In writing at: GPO Box 3, Melbourne, Victoria 3001, Australia. Email:

info@afca.org.au Website: www.afca.org.au

Personal Information

We record inbound and outbound telephone conversations to our office for compliance and training purposes.

We are committed to ensuring the confidentiality and security of the personal information of its clients, and are also committed to complying with both the Privacy Act 1988 (Cth) and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth). Our Privacy Policy detailing our handling of personal information is available upon request. You may request access to information held about you by contacting us on the contact details listed above.

If you do not provide some or all of the information requested on our application form, we may not be able to accept your application to open an account or otherwise provide you with our services.

We may use information received from its clients to send marketing material to its clients from time to time unless you elect not to receive it. We will not provide your information to any third party other than in accordance with our Privacy Policy.

Compensation

We maintain professional indemnity insurance to cover us for the financial services we provide.

We consider it to be adequate to meet our requirements under section 912B of the Corporations Act

2001. The policy includes coverage for claims in relation to the conduct of representatives/employees who no longer work for us (but who did at the time of the relevant conduct).

Please retain this FSG for your reference and any future dealings with us. We may also add documents at a later date which will form part of this FSG, and should be read together with it. They will include the word “FSG” in the heading.

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