



Foreign Exchange Global Code Disclosure

Dated on 08 Jul 2022

This disclosure sets out the key standard terms of practice between Mega International Commercial Bank Co., Ltd. Hong Kong Branch ("Mega HK") and its customers when carrying out foreign exchange ("FX") trading activities in the wholesale foreign exchange market, where Mega HK transacts in the market as a principal.

Nevertheless, this disclosure is not intended to override the laws, applicable regulations, or any terms of business or product specific agreements Mega HK has in place with clients. It is intended to supplement other disclosures concerning the terms and conditions of foreign exchange transactions with Mega HK.

1. Mega HK's Role in relation to its customers

Mega HK will act as a principal and place bid/offer prices when it receives orders of FX transactions from customers. A principal means a type of market participant who acts on its own behalf as a counterparty to its customer and there is no obligation to execute the order until both Mega HK and the customer are in agreement. When entering into transactions with the customers, Mega HK does so on an arm's length basis and does not act as a fiduciary, an agent, financial advisor or in any other similar capacity on behalf of the customers. Before entering into a transaction, each customer should independently assess and evaluate the merits of the FX transaction based on the customer's own facts, circumstances and risk tolerances.

2. Market Making

As a market maker to the customers, Mega HK may receive requests for quotations and multiple orders for the same or related currency pairs. As a principal, Mega HK may seek to meet its customers' requests and its independent risk management objectives but retains absolute discretion to satisfy its customers, including with respect to order execution, aggregation, priority and pricing.

Our market making activities may include quoting two-way prices for certain markets, inventory management and the hedging to manage accumulated positions. These activities may have an impact of the prices offered to the clients to executed orders. Prior to the execution of a transaction, Mega HK may risk-mitigate or hedge any exposure that would derived from FX transactions such as back-to back hedging.



Taking into account market conditions at the time, remaining positions, business costs and other business factors and objectives, Mega HK in its principal capacity, may attempt to execute an order when it can expect to make an appropriate return on the transaction. If and when the customers' order becomes executable, it does not mean that Mega HK holds, acquired, or will be able to acquire, sufficient inventory to complete the transaction at the order price level (after taking into account any spread or similar adjustment reflecting Mega HK's return on the transaction) or that there exists a tradable market at that level.

3. Pricing

Unless otherwise specified, any firm or indicative price or spread quoted by Mega HK is the "all-in" price inclusive of any sales and trading mark-ups over the price. The prices of FX transactions may vary among customers because Mega HK's all-in prices and spreads could be tailored to individual customers and are based on a wide range of standard commercial factors, including the trading history, size of trade, market conditions and Mega HK's own costs and transactions. Market volatility may result in significant price movements from the time of receipt of order to the time of order execution. Mega HK will attempt to reflect such price movements, whether positive or negative in the pricing.

For using a third-party pricing source in establishing the reference price, in the event that such third-party pricing is unavailable or should there be any extraordinary event as determined in good faith by Mega HK, including but not limited to legal and regulatory developments, force majeure and market disruption, Mega HK shall be entitled to reject to effectuate the affected customers' orders. Mega HK shall not be liable to any customer for any loss caused by such extraordinary event.

4. Electronic Trading

In some instances, Mega HK may provide the customers with access to the platform (where available), namely Global E-banking ("GEB"), which simply enables customers to send the FX transactions pre-agreed between Mega HK and the customers as an alternate manner compared to the traditional channels (e.g. face-to-face, e-mail or fax) for document transmitting. For the avoidance of doubt, the service does not allow the self-execution of, or the placement of orders in relation to, FX transactions.



Prior to sending transactions via such platform, the price of FX transactions must be mutually agreed and the transaction has been confirmed between Mega HK and the customers. The GEB does not display quotations nor provide the online trading function for the FX transaction. The pre-confirmed details of FX transaction should be sent by the customers to Mega HK before the prescribed cut off time.

5. Execution of Orders

Mega HK will use its professional judgment to execute the orders with the aim of achieving the best possible outcome. Mega HK will undertake working the customers' order within the operating framework. By leaving the order with Mega HK, the customers expressly agree to the framework outlined in this communication.

A. Market Orders

A market order means an order to transact immediately at the best available price. In executing such order, Mega HK will quote the executable rate upon receipt of an order from the customer. The rate will be offered by taking into consideration various factors, such as prevailing liquidity and market depth, and market forces. Mega HK will execute the customers' order using its discretion and expertise to achieve the best price.

B. "Limit" Orders

A limit order means setting a target price that will be at a more favourable price than the current market price. The order may not be executed promptly. In leaving a limit order, the customers must be aware that it is forgoing the certainty of immediate execution in exchange for the possibility of getting a better price in the future. If the target price is reached, the limit order will be filled when Mega HK is prepared to enter into a transaction with the customer at the required target price.

All orders will only be considered well received after the details of orders have been confirmed with the customers via the applicable communication channels, including but not limited to face-to-face or telephone request. All orders are accepted and processed in the order in which they are received. Under normal circumstances, when two orders with the same direction and at the same level are received, these orders will be processed on a first-come first-served basis. For the avoidance of doubt, Mega HK currently does not provide any service to place



orders on the electronic platform.

Unless otherwise specifically agreed, Mega HK will exercise its reasonable discretion in deciding which types of orders it would be willing to accept and execute. In this regard, other orders, such as stop-loss, take profit, at best, or fixing orders, are not available between Mega HK and the customers currently.

In addition, Mega HK retains the sole discretion in determining whether to work an order, which orders to execute, when to execute it and how to execute it, including whether to execute all or part of the order unless otherwise expressly agreed to different terms of execution. There is no assurance that Mega HK will be able to fill your order at the exact level stated in your order. Mega HK will not disclose the details of the exercise of such discretion to any customer individually. Customers will assume the market risk at the point of successful order execution, no matter the order is partially or completely filled.

6. Conflict of Interest

Mega HK is committed to upholding high professional standards and ethical values and adhere to best practices and applicable requirements in dealings with customers to avoid conflicts of interest and to promote fair treatment of customers. If Mega HK acts in circumstances where it has a conflict of interest, Mega HK will manage its activities through the relevant policies, procedures and other controls it has in place to mitigate these conflicts. In managing any actual or potential conflict of interest, Mega HK in its sole discretion, may decline to enter into a transaction in such circumstances.

7. Information Handling

Mega HK has in place policies and procedures which are designed to protect and safeguard customers information in accordance with applicable local laws, rules and regulations. However, customers should understand that Mega HK may make use of customer information to execute FX transactions for the sake of managing the associated trading risk. In addition, as part of its obligations as a regulated entity, Mega HK may disclose customers' information as requested by regulators such as reporting obligations or regulatory investigations.

With regard to executed transactions, Mega HK analyses this information on an individual and aggregate basis for a variety of purposes, including (but not limited to) counterparty risk management, sales coverage, quotation levels and



MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.

HONG KONG BRANCH (Incorporated in Taiwan with limited liability)

transaction pricing and execution, and customer relationship management. Mega HK may use anonymized and aggregated information of executed transactions, together with other relevant market information, internally and to third parties, as market colour (if any).

Should you have any queries relating to this disclosure statement and/or Mega HK's FX dealings with you, please do not hesitate to contact us. Please note that this disclosure may be updated from time to time in order to address changing regulatory, industry and other developments.