

StoneX Europe Ltd

Clients' Money and Assets Policy

v.04.21

1. Purpose

- 1.1. The purpose of this policy is to outline StoneX Europe Ltd.'s (the 'Company' or 'SEL') approach to client money and to ensure adherence to the Cyprus Securities and Exchange Commission (the 'CySEC') client funds safeguarding rules for retail client funds held through the course of conducting investment business.
- 1.2. This Client Money Policy also aims to ensure that:
 - The Company promote transparency and integrity in our client money operations;
 - The Company protects the interests of our clients;
 - The Company implement systematic processes for establishing and maintaining Client Funds Accounts and handling client money;
 - The Company maintain adequate measures in place to monitor our client money processes and to effectively manage incidents and breaches arising from our handling of client money;
 - The Company allocate clear responsibility for the handling of client money and monitoring compliance with this Policy;
 - The Company ensure that our people are aware of their responsibilities and are given adequate training for handling client money;
 - The Company put in place controls to minimize the risk of loss and damage from mishandling of client money.

2. Clients' Transactions

- 2.1. Clients do not and cannot ever purchase the physical security underlying a CFD market, and the Firm does not / cannot offer custodian services for such activities. Furthermore, the Company does not and cannot ever accept any non-cash collateral from clients.
- 2.2. All such payments shall be made by the Client without set-off or counterclaim.
- 2.3. All such payments shall be made without any deduction and are free and clear of and without deduction for Taxes, except to the extent that the Client is required by law to make payment subject to Taxes.

- 2.4. In the event when the trading account is credited in any currency other than the one in which the trading account is denominated in, such funds will be credited to the trading account based on an internal exchange rate adopted by the Company at the date of deposit.
- 2.5. The Client has the right to deposit their trading account only using the payment systems available in the designated Member's Area.
- 2.6. Clients can withdraw their funds only into the payment systems that were used for deposit in their designated Members Area.
- 2.7. When withdrawing funds from the trading account, the Client is charged with all costs for funds transfer (where applicable).
- 2.8. When processing a withdrawal request, the Company shall use its internal currency rates at the date of withdrawal.
- 2.9. The Client bears full responsibility for the adequacy of all the information set out in its application for the removal of funds.
- 2.10. The Company has the right to refuse the Client's request for withdrawal if the Client uses the same payment system for withdrawal and depositing, but with different bank details.
- 2.11. The execution of withdrawal request from the Client's account is accomplished within one (1) business day from the time a relevant application for the removal of such funds has been confirmed in the designated Members Area.
- 2.12. In case the payment system stops operating for some time, the Company has the right to postpone the date of withdrawal until the payment system resumes working.
- 2.13. The Company has the right to charge the Client with an additional commission if the Client uses different payment systems to deposit and withdraw funds. The amount of the commission charged to the Client is calculated based on costs paid by the Company when fulfilling the Client's withdrawal request.
- 2.14. In respect to Transactions which the Company enters with the Clients' unless expressly agreed in writing by the Company, including but not limited to:
 - 2.14.1. The Company reserve the right not to comply with any request by the Client to make a payment or a delivery to a third party;
 - 2.14.2. If the Company becomes aware that funds have been paid or delivered to the Company by a third party, other than by the Company's Client, the Company reserve the right to refuse such payment.

2.14.3. In case the company becomes aware that funds have been paid or delivered to the Company by a third party, other than by you, the transferred funds will be refunded back to the same payment details from where they have been paid. The client will be charged with all costs for the refund transaction.

2.14.4. The Company doesn't compensate any losses that occur due to compulsory closing of positions on the Client's account.

2.14.5. Anonymous bank cards are not allowed to be used. In case an Anonymous bank card was used for deposit, the Client need to prove the ownership of the following bank card. In case the ownership will not be provided, the refund(s) of the deposited funds will occur back to the payment details from where they have been paid.

3. Information Concerning Safeguarding of Clients' Financial Instruments or Funds

- 3.1. The Company has appointed a designated officer of sufficient skill and authority with responsibility for matters relating to the Company's compliance with safeguarding obligations of client funds and financial Instruments.
- 3.2. All Clients Funds, which the Company holds for the provision of services are kept in accordance to the MIFID regulations in one or more accounts opened with the bank within the European Economic Area ('EEA') and/or with the bank authorized in a third country.
- 3.3. The Company holds client funds on a segregated omnibus account marked as 'Client Account'. In European Economic Area, this allows clients to be protected by the deposit protections schemes in the framework of EEA banking legislation in case of solvency of the third party. In the event of insolvency of the Company, Client funds will be excluded from the assets available to creditors of the Company.
- 3.4. The Company may hold all or part of client funds and/or financial Instruments with an institution authorized outside of EEA, which may be subject to the law of a jurisdiction other than that of EEA and the rights of the Client relating to those Financial Instruments or funds may differ accordingly.

Where accounts that contain financial instruments or funds belonging to that client or potential client are or will be subject to the law of a jurisdiction other than that of a Member State, the Company will indicate that the rights of the client or potential client relating to those financial instruments or funds may differ accordingly.

- 3.5. Unless the Client has notified the Company in writing to the contrary, the Company may hold Segregated Funds on the Client's behalf in a Segregated Account located outside Cyprus or pass money held on the Client's behalf to an intermediate broker (where needed), settlement agent or OTC counterparty located outside Cyprus.

The legal and regulatory regime applying to any such person will be different from that of Cyprus and in the event of the insolvency or any other equivalent failure of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Cyprus. SEL will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

- 3.6. The Company may pass money received from the Client to a third party (e.g. a bank, a market, intermediate broker, OTC counterparty) to hold or control in order to affect a transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.

The third party to whom the Company will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

- 3.7. The Company introduces adequate organizational arrangements to minimize the risk of the loss or diminution of Clients' assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate recordkeeping or negligence.
- 3.8. The Company employs adequate arrangements in order to ensure Clients' assets and ownership rights in the event of the Company's insolvency.
- 3.9. Perform daily reconciliations between the Company's operational funds and Clients' funds.
- 3.10. Perform daily reconciliations of all Client funds balances held in financial institutions/ payment processors and the balances of the Clients in the Company's trading platform(s). SEL reserves the right to carry out such reconciliations and transfers more frequently, should SEL reasonably consider that this is necessary to protect SEL's or a Client's interests.

- 3.11. If the financial instruments of the client or potential client may, if permitted by national law, be held in an omnibus account by a third party, the Company will inform the client of this fact and provide a prominent warning of the resulting risks.
- 3.12. Where it is not possible under national law for client financial instruments held with a third party to be separately identifiable from the proprietary financial instruments of that third party or of the Company, the Company will provide a prominent warning of the resulting risks.
- 3.13. The Company will inform the client about the existence and the terms of any security interest or lien which the firm has or may have over the client's financial instruments or funds, or any right of set-off it holds in relation to those instruments or funds. Where applicable, the Company will also inform the client of the fact that a depository may have a security interest or lien over, or right of set-off in relation to those instruments or funds.
- 3.14. The Company, before entering into securities financing transactions in relation to financial instruments held by it on behalf of a client, or before otherwise using such financial instruments for its own account or the account of another client shall in good time before the use of those instruments provide the client, in a durable medium, with clear, full and accurate information on the obligations and responsibilities of the Company with respect to the use of those financial instruments, including the terms for their restitution, and on the risks involved.
- 3.15. All institutions with which the Company intend to hold client funds or financial instruments are assessed prior of the establishment of the business relationship. During the assessment the Company takes into account the expertise and market reputation of such institutions, with the view to insuring the protection of client's rights as well as any legal or regulatory requirements or market practices related to the holding of client funds that could adversely affect client's right. This assessment is reviewed on ongoing basis.

The Company carries out credit risk assessment on all counterparties and frequently monitors the stability of the counterparties. Where necessary, the Treasury team must transfer client money between counterparties to adhere to the Risk counterparty limits, the client money diversification limits and / or reduce concentration risk with the one or more counterparties. The Officer responsible for safeguarding clients' funds must make sure the Company consider qualitative factors when assessing a banks adequacy for holding client money, ensuring all relevant diversification rules are being met.

The outcomes of the initial and periodic assessments are documented and contain recommendation of the Risk Manager as to establishment (or continuation) of cooperation and proposed monetary exposure limits, addressing the credit risk for

clients' assets. The outcomes are presented to the Company's Board of Directors for their approval.

4. Diversification

- 4.1. The Company is required on a periodic basis to assess whether its client money is appropriately diversified. Clients' money is held with several different banks, both within the EEA and/or Third Countries (as the case may be), and their performance is monitored on a regular basis.

Should a third party be the subject of a downgrade, the Company will review its position with the relevant institution and the matter will be escalated to the Treasurer and the StoneX Group's Chief Risk Officer and appropriate action will be taken.

5. Statement of Commitment

- 5.1. The Company is committed to ensuring that the way in which we handle client's funds is always in full compliance with all of SEL's legal and regulatory obligations and, in particular, is:
- Clearly disclosed to our clients in a manner that enables our clients to gain a thorough understanding of the risks involved in our handling of Client funds;
 - At all times consistent with our client funds disclosures to, and agreements with, our Clients;
 - Taken to be held on trust for the benefit of our Clients.
 - The Firm has zero risk appetite for compromising client funds requirements under the CySEC Law.

6. Amendment of the Policy

- 6.1. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate and/or at least annually.