



FOREIGN EXCHANGE DISCLOSURE STATEMENT

1. Introduction

The purpose of this Foreign Exchange Disclosure Statement ("Statement") is to clarify the nature of trading activities between clients and NCBA Bank Kenya PLC ("NCBA") and to disclose relevant practices of NCBA when acting as a dealer, on a principal basis, in the wholesale Foreign Exchange ("FX") markets with respect to the buying, selling and execution of FX Spot, FX Options, FX Forwards and FX Swaps (together, "FX Transactions") and orders for FX Transactions. NCBA believes that appropriate disclosure promotes the integrity and effective functioning of the wholesale FX market and this Statement provides transparency on how NCBA prices, handles and executes FX Transactions. This Statement shows how NCBA conducts its business in compliance with all applicable laws and supports industry best practices, including those set out in the Kenya Foreign Exchange Code ("the FX Code").

This Statement shall supplement but does not supersede contracts governing the relationships between clients and NCBA. In case of any conflict between this Statement and the contract concluded with the client, the relevant client contract shall take precedence.

2. NCBA's Role to transact with clients

NCBA enters into FX Transactions with clients as principal and on its own account. In this principal capacity, NCBA acts as an arm's length party to the transaction and does not act as the counterparty's agent, fiduciary, financial advisor or in any similar capacity.

We expect that each customer (or its agents) will independently evaluate the appropriateness of any transaction based on that customer's own facts and circumstances and an assessment of the merits of the transaction. NCBA will be truthful in its statements about any facts, but these statements should not be construed as recommendations or advice.

3. Order Handling

Unless otherwise specifically agreed, NCBA will exercise its reasonable discretion in deciding whether to work an order, which orders it would be willing to execute, when it would be willing to execute them, and how it would execute them, including whether to execute all or part of the order unless we have otherwise expressly agreed to different terms of execution. Key considerations include available market information, client-specific instructions, size and other relevant factors in which NCBA will take all reasonable steps to obtain the best possible execution outcome for clients. As such, NCBA's receipt of an order or any indication of working an order received from a counterparty does not create a contract between the counterparty and NCBA that commits NCBA to execute any or all of the order in any particular way. By placing the order with NCBA, the client explicitly agrees to the framework outlined in this Statement.

NCBA may seek to satisfy the requests of all of its counterparties and its independent risk management objectives, but it retains discretion with respect to how to satisfy its counterparties. NCBA is not required to disclose to a counterparty when the counterparty



attempts to leave an order that NCBA is handling other counterparties' orders or our own orders ahead of, or at the same time as, or on an aggregated basis with, the counterparty's order. NCBA is under no obligation to disclose to a counterparty why we are unable to execute the counterparty's order in whole or in part, provided that we will be truthful if we agree to disclose such information.

4. Market Making

As a market maker that manages a portfolio of positions for multiple counterparties' competing interests, as well our own interests, NCBA acts as principal and may trade prior to or alongside a counterparty's transaction to execute transactions for NCBA or to facilitate executions with other counterparties, to manage risk, to source liquidity or for other reasons. These activities can have an impact on the prices we offer a counterparty on a transaction and the availability of liquidity at levels necessary to execute counterparty orders.

5. Pre-hedging

To manage risks that NCBA may be exposed to on a standalone or portfolio basis, NCBA may engage in pre-hedging practices taking into account of factors such as the prevailing market liquidity, the size and nature of the anticipated transaction and NCBA's overall exposure. NCBA may continue to conduct on-going business, including but not limited to risk management, market making and execution of other orders while engaging in pre-hedging transactions. Any pre-hedging transactions entered into by NCBA, could be at different prices from the price at which NCBA executes your transaction, may affect the market price of or liquidity for the products you are buying or selling and may result in profit or loss to NCBA.

6. Pricing Factors

Unless otherwise agreed, any firm or indicative price quoted by NCBA to a client is an "all-in" price, inclusive of any margin applied to the price at which NCBA may be able to transact in the market, whether the price is quoted electronically or by sales, trading or other personnel. Such price will be inclusive of any mark-up, costs or fees associated with the transaction. Factors taken into account may include the size and nature of the transaction, the execution method, the prevailing market conditions, liquidity, the counterparty resource usage and other specific circumstances of that transaction. Taking into account these non-exhaustive factors, different clients may receive different prices for transactions that are the same or similar. NCBA's sales and trading personnel are not obligated to disclose the amount of revenue we expect to earn from a transaction, nor are they required to disclose the components of our all-in price. While we do not have any duties to disclose to a counterparty any mark-up included in the order price, we will be truthful with the counterparty if we make a disclosure about whether and how much mark-up is included in the price.

7. Communication Method

NCBA provides clients with the ability to execute foreign exchange transactions over the telephone and/or electronically. Counterparties selecting e-mail or another form of



electronic messaging (e.g., chats, instant messages, Bloomberg etc.) as the mode of communicating their foreign exchange orders should understand and accept that these orders, if accepted by NCBA, will only be actioned once the communication is read and acknowledged by the NCBA representative. During the period between the electronic transmission of an order or trade request and the point at which it is verified and acknowledged by NCBA, the client will be exposed to the risk that its order or trade request may not be filled (including where the market has moved in the client's favor), or may be filled at a less favorable level because market conditions have changed in the interim.

To maintain accurate records of customer interactions to address inquiries, resolve disputes and enhance overall service efficiency, all telephone conversations between the bank and customers will be recorded. Any information obtained during these recorded conversations will be treated with the utmost confidentiality and in compliance with applicable privacy laws and regulations.

8. Client Confidentiality

Protecting the confidentiality and security of counterparty information is an integral part of how NCBA does business. We have policies and controls that are designed to protect a counterparty's confidential information. NCBA will not disclose or use counterparty information provided to it except in accordance with applicable laws and regulations. NCBA may use information provided to it as principal in order to manage its legitimate business interests and to manage risk associated with transactions.. Specifically, unless otherwise agreed, NCBA may use the economic terms of a transaction (but not the counterparty identity) in order to source liquidity and/or execute risk-mitigating transactions. As part of its obligations as a regulated entity, NCBA will share counterparty information as may be required by its regulators and auditors. NCBA has robust policies and procedures in place to ensure that confidential information is protected and not disclosed or used improperly. Our Privacy Policy notice can be found here: <https://ke.ncbagroup.com/privacy-policy/>

This disclosure statement may be updated from time to time when required.

Should you have any questions concerning NCBA's dealings with you, please contact our Global Markets Team on contact@ncbagroup.com or 020 288444.