



Regulation Safeguarding Collateral Foundation Franx

Version 2.0

Franx B.V.
Hessenbergweg 73
1101 CX Amsterdam
088-440 5500
service@franx.com

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1000 EA Amsterdam





I. GENERAL

1.1 In this Regulation Safeguarding Collateral Foundation the following terms have the following meanings:

“Safeguarding Collateral Foundation Bank Account” a cash account held on behalf of the Customers at a credit institution in the name of Safeguarding Collateral Foundation.

“Customer” a Customer who has entered into a Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx.

“Margin Account” an administrative account in the name of the Customer that has entered into a Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx and on which the Margin deposited by the Customer is administered.

“CFEDSP” The Conditions of Foreign Exchange Derivatives Service Provision ABN AMRO through Franx.

1.2 Unless otherwise defined in this Regulation Safeguarding Collateral Foundation, terms written with a capital letter in this Regulation Safeguarding Collateral Foundation have the same meaning as in the General Terms and Conditions, the CFEDSP or the Regulation Safeguarding Payment Funds Foundation.

1.3 This Regulation Safeguarding Collateral Foundation must be read in conjunction with the General Terms and Conditions, the Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx, the CFEDSP and the Regulation Safeguarding Payment Funds Foundation.

2. MARGIN ACCOUNT

2.1 At the time the Customer enters into a Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx and has complied with the other formalities prescribed by Franx and ABN AMRO, Safeguarding Collateral Foundation will open a Margin Account, in which claims against the Safeguarding Collateral Foundation can be administered for the account of the Client, in the amount of the Margin. The Margin administered in the Margin Account are obligations of Safeguarding Collateral Foundation towards the Customer concerned. Where reference is made below to a Customer, it concerns a Customer who has concluded a Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx.

2.2 The Customer's claims against Safeguarding Collateral Foundation in the amount of the Margin

are obtained by Franx depositing Margin on behalf of the Customer from such Customer's Custodian account into such Customer's Margin account. Safeguarding Collateral Foundation holds a Margin account for each Customer. The balance seen by the Customer in its Franx payment account will correspond to the balances in the Custodian account and the Margin account. The Customer will have no corresponding claim against Franx.

2.3 The Safeguarding Collateral Foundation shall keep at all times such amount of funds in the Safeguarding Collateral Foundation Bank Account as corresponds to the total of all Margin administered on the Margin Accounts.

2.4 Safeguarding Collateral Foundation acts solely in the interests of the Customers. The costs arising from or relating to the funds held by Custodian Foundation Collateral are borne by Franx and ABN AMRO, so that Safeguarding Collateral Foundation runs no economic or commercial risk whatsoever with regard to the funds it holds.

2.5 A Customer is not entitled to or the owner of the funds that are kept by the Safeguarding Collateral Foundation on behalf of the Customer in the Safeguarding Collateral Foundation Bank Account. These are monies of the Safeguarding Collateral Foundation. For the record: the Customer is entitled to the funds administered in the Margin Account.

2.6 In the context of and for the benefit of the services of Franx and ABN AMRO to the Customer, including the provision of security, Franx, ABN AMRO and Safeguarding Collateral Foundation can, as far as necessary on behalf of the Customer, dispose of the Margin account of the Customer. This means among other things that Margin administered on the Margin Account can be transferred back to the Custodian Account of the Customer.

2.7 Safeguarding Collateral Foundation is liable towards Customers for the damage suffered by them, insofar as this damage is the result of its culpable failure to fulfil its obligations.

3. DISPOSING OVER MARGIN

3.1 Customers cannot dispose over the deposited Margin. Franx will return the Margin to the custody account of the Customer if the Foreign Exchange Derivative Transaction has been settled and there are no more outstanding obligations of the Customer towards ABN AMRO. Franx does this on behalf of ABN AMRO. ABN AMRO is independently authorised to perform these actions.

4. SEPARATE ASSETS OF FRANX; NO SECURITIES GIRO TRANSACTION ACT PROTECTION DERIVATIVE ASSETS

- 4.1 Because the Margin is kept by Safeguarding Collateral Foundation, if Franx were to go into bankruptcy, the Margin would not fall into the bankruptcy of Franx.
- 4.2 If a Customer enters into a Foreign Exchange Derivative Transaction with ABN AMRO through Franx, Franx acts as an investment firm (tied agent with ABN AMRO) that receives and transmits orders to ABN AMRO.
- 4.3 ABN AMRO does not act as an intermediary within the meaning of Section 3b of the Securities Giro Transaction Act. This means that, in the event of the bankruptcy of ABN AMRO, the Customer cannot recover any claims against ABN AMRO from a segregated estate and therefore does not enjoy any protection under the Securities Giro Transaction Act (*Wet giraal effectenverkeer*).
- 4.4 For the avoidance of doubt, the Customer has no claim on the Safeguarding Collateral Foundation other than in respect of the Margin deposited by the Customer.

5. PARALLEL STRUCTURE

- 5.1 In order to enable Safeguarding Collateral Foundation to hold the Margin, ABN AMRO and Safeguarding Collateral Foundation set up a parallel structure which is detailed below. However, this structure does not affect the fact that the Customer must, in principle, pay his or her obligations arising from the Foreign Exchange Derivative Transactions directly to ABN AMRO. Furthermore, this parallel structure does not change the extent of the Customer's financial obligations, as explained below.
- 5.2 The Customer hereby irrevocably and unconditionally undertakes to accept as a debt to Safeguarding Collateral Foundation any debt owed by the Customer to ABN AMRO from time to time on any basis whatsoever, including pursuant to the Foreign Exchange Derivative Transactions entered into by the Customer through Franx. Any such debt owed by the Customer to Safeguarding Collateral Foundation is called a "**Parallel Debt**".
- 5.3 A Parallel Debt shall become due and payable at the same time as the corresponding debt of the Customer to ABN AMRO (the "**Corresponding Debt**"). A default in the performance of the Corresponding Debt shall also result in a default in the performance of the Parallel Debt.
- 5.4 Although a Parallel Debt is a debt to Safeguarding Collateral Foundation that is independent and separate from the Corresponding Debt, and is a separate claim of Safeguarding Collateral Foundation

on the Customer, a Parallel Debt will never exceed the Corresponding Debt. In other words, if the Customer discharges (part of) his/her debt to ABN AMRO, then the Customer's debt to Safeguarding Collateral Foundation will also be discharged (for the same part).

6. TERMINATION

- 6.1 In the event of termination of the relationship between Franx, ABN AMRO, Safeguarding Collateral Foundation and the Customer or the termination of the Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx, insofar as not limited thereto by any (limited) right of ABN AMRO, the funds underlying the claim of such Customer on Safeguarding Collateral Foundation shall be transferred from the Safeguarding Collateral Foundation Bank Account via the Franx payment account of such Customer to the Counter Account of such Customer. If Franx has been declared bankrupt or has been granted suspension of payment, the funds shall be transferred directly to the Current Account.

7. NON-TRANSFERABILITY

- 7.1 A Customer may not transfer or pledge or otherwise encumber with a limited right its claims against Safeguarding Collateral Foundation to third parties, other than to or for the benefit of ABN AMRO, Franx or Safeguarding Collateral Foundation. This provision has the effect of property law within the meaning of Section 3:83(2) of the Dutch Civil Code.

8. PLEDGE

- 8.1 Pursuant to the Foreign Exchange Derivatives Service Provision Agreement ABN AMRO through Franx and the CFEDSP, the Customer has established a pledge for the benefit of ABN AMRO on all present and future rights and claims of the Customer against Safeguarding Collateral Foundation and for all that ABN AMRO is or will be able to claim from the Customer for whatever reason. Safeguarding Collateral Foundation is hereby notified of this pledge. Franx and ABN AMRO may authorise and instruct Safeguarding Collateral Foundation to transfer funds from the Margin Account of a Customer to the Custodian Account of that Customer.

9. WARRANTY

- 9.1 ABN AMRO guarantees to the Customers the fulfilment of all obligations of Safeguarding Collateral Foundation towards the Customers.

10. COOPERATION OF SUPERVISORY AUTHORITIES

- 10.1 The Safeguarding Collateral Foundation may be required by the AFM, DNB or the ECB to provide all cooperation, including the provision of information that is necessary for the correct exercise by the AFM, DNB and ECB of their legal duties and powers. The Customer grants permission in advance to the Safeguarding Collateral Foundation to provide information or otherwise provide all cooperation that is necessary for the proper exercise by the AFM, DNB and ECB of their statutory duties and powers.

11. ADMINISTRATION

- 11.1 In accordance with the General Terms and Conditions, Safeguarding Collateral Foundation may have its own administration, the administration of the Franx payment accounts or the actual execution of its other tasks and acts, wholly or partially, carried out by Franx, by ABN AMRO or by a third party to be appointed with the prior written consent of ABN AMRO. The Customer gives its consent for this in advance to the Safeguarding Collateral Foundation.

12. INVESTOR COMPENSATION SCHEME

- 12.1 By law, certain Customer balances relating to the Foreign Exchange Derivatives Service Provision and Foreign Exchange Derivative Transactions fall under the investor compensation scheme. The investor compensation scheme provides for compensation of up to EUR 20,000 per Customer if the conditions laid down are met and Franx or ABN AMRO can no longer meet their obligations. For more information on the investor compensation scheme, see the website of DNB: www.toezicht.dnb.nl/2/50-202210.jsp.

13. ASSUMPTION OF CONTRACT OR OF DEBT

- 13.1 The Customer grants its cooperation and consent in advance for a takeover by a third party of all or part of its legal relationship with the Safeguarding Collateral Foundation or what the Safeguarding Collateral Foundation owes the Customer.

14. CHOICE OF LAW AND FORUM

- 14.1 This Regulation Safeguarding Collateral Foundation and any legal relationship arising therefrom are governed exclusively by Dutch law.
- 14.2 All disputes that may arise between the Customer, Franx and/or Safeguarding Collateral Foundation in connection with this Regulation Safeguarding Collateral Foundation shall be submitted exclusively to the competent court in Amsterdam.

15. GENERAL INFORMATION FRANX AND SAFEGUARDING COLLATERAL FOUNDATION

- 15.1 The full statutory name of Franx is Franx B.V. Franx has its registered office in Amsterdam and its principal place of business in Amsterdam at Hessenbergweg 73, 1101 CX, Amsterdam. Franx is registered in the trade register of the Chamber of Commerce under number 67283101.
- 15.2 The full statutory name of ABN AMRO is ABN AMRO Bank N.V. ABN AMRO has its registered office in Amsterdam and its principal place of business in Amsterdam at Gustav Mahlerlaan 10, 1000 EA, Amsterdam. ABN AMRO is registered in the trade register of the Chamber of Commerce under number 34334259.
- 15.3 The full statutory name of Safeguarding Collateral Foundation is Stichting Derdengelden Franx Collateral. Safeguarding Collateral Foundation has its registered office in Amsterdam and its principal place of business in Amsterdam at Hessenbergweg 73, 1101 CX, Amsterdam. Safeguarding Collateral Foundation is registered in the trade register of the Chamber of Commerce under number 67372821.

This Regulation Safeguarding Collateral Foundation shall enter into force on 26 June 2021.