

COMBINED FINANCIAL SERVICES GUIDE & PRODUCT DISCLOSURE STATEMENT

Financial Services Guide

Date: 27 January 2015

E-Trans Finance Ltd Incorporation Number: 677088
FINTRAC Registration Number: M08880270
Business Number: 87554 9909

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Address: Suite 60, 200 Granville Street, Vancouver, BC V6C 1S4, Canada.

This document forms Part 1 of the Combined Financial Services Guide and Product Disclosure Statement for **E-Trans Finance Ltd's (E-Trans)** foreign exchange products.

This Financial Services Guide is designed to provide you with important information regarding our services and is typically issued prior to E-Trans providing you with a financial product. The information contained within this guide includes the following:

- **who we are;**
- **what services we are authorised to provide;**
- **how we are remunerated for these services; and**
- **how we resolve complaints about our financial products and services.**

Please contact us if you would like further information on this FSG or on any of our services.

E-Trans is incorporated under the Companies Act and licensed as a Money Services Business with the City of Vancouver Council. We are regulated by the Financial Transactions and Reports Analysis Centre of Canada and authorised to provide the following financial products and services to retail and wholesale clients:

- provide general financial product advice in relation to non-cash payment products and foreign exchange contracts;
- deal in non-cash payment products and foreign exchange contracts; and
- make a market in foreign exchange contracts.

E-Trans currently provide the following products and services:

- spot foreign exchange contracts with retail and wholesale clients; and
- currency conversions and transfer payments.

Information in this FSG and the distribution of this FSG has been authorised by E-Trans.

Our advice policy

We will generally only provide factual information to you about applicable exchange rates.

Where advice about foreign exchange contracts is provided, the advice will be limited to general advice only. Such advice does not take into account your personal objectives, financial situation or needs. You should seek independent professional advice to ascertain whether our advice is appropriate. We neither collect, nor take into consideration, information regarding your financial circumstances and needs, except to the extent that they are relevant to processing your foreign exchange transaction request.

Please take every reasonable step to fully understand the outcomes of specific foreign exchange trades and strategies adopted in relation to utilising the advice provided by us.

Using our services

If you wish to utilise our services you may issue instructions in person, via the telephone or via such other method (e.g. fax, email or electronic facilities) as may be mutually agreed between us.

Other documents you may receive if we recommend you acquire a foreign exchange product is our Product Disclosure Statement ('PDS'), which contains information about foreign exchange products that are issued by us. This will help you make an informed decision about whether to acquire or utilise such products.

General transaction documents

We will provide you with the relevant documentation to facilitate the requested transactions. These may include, but not be limited to account opening forms, PDS, terms and conditions and transaction confirmations.

Who we act for

Any foreign exchange contracts will be entered into between you and E-Trans as principal. When entering into foreign exchange contracts and making a market, E-Trans acts on its own behalf and not as an agent for you.

Remuneration of other benefits received by our employees

Our employees who provide you with advice may receive remuneration for the provision of these

services. Our employees also receive salaries, performance-related bonuses and other benefits.

Transaction fees

Our Product Disclosure Statement provides further details regarding specific transaction fees and costs. However, please note that our fee is built into the exchange rates quoted when you seek to transact.

We reserve the right to charge a transaction fee up to \$20 per transaction. Details of all fees and costs will be disclosed to you prior to entering into a transaction.

Making a complaint

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. These should be directed to our Complaints Officer who will seek to resolve your complaint(s) amicably.

Our privacy policy

We are committed to protecting your privacy. We have systems and processes in place which safeguard against the unauthorised use or disclosure of your personal information.

Please contact us if you have any concerns or if you would like to see a copy of our privacy statement.

Product Disclosure Statement

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Address: Suite 60, 200 Granville Street, Vancouver, BC V6C 1S4, Canada.

This document forms Part 2 of the Combined Financial Services Guide and Product Disclosure Statement for **E-Trans Finance Ltd's** (E-Trans) foreign exchange products.

1 IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) has been prepared and issued by E-Trans. It provides you with key information about the foreign exchange products we may offer.

A reference in this PDS to "we, us, our or E-Trans" means a reference to E-Trans Finance Ltd.

The information contained in this PDS does not constitute a recommendation, advice or opinion and does not take into account your individual objectives, financial situation, needs or circumstances. This is an important document and should be read in its entirety before entering into a foreign exchange transaction or purchasing a foreign exchange product with us.

This document does not form part of the Master Agreement, nor should it be read instead of that Agreement. We will provide a paper copy of this PDS free of charge upon request. The information in this PDS is current as at January 2015 and may be updated from time to time where that information is not materially adverse to clients. We may issue a supplementary or replacement PDS as a result of certain changes, which will be available in paper copy upon request and free of charge by contacting us.

For information regarding our full range of products and services, please read the Financial Services Guide. If you have any queries regarding this, please contact us.

JURISDICTION

The distribution of this PDS may be restricted in certain jurisdictions outside Canada. Persons into whose possession this PDS comes are required to inform themselves of, and to observe, such restrictions. This PDS does not constitute an offer or to anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

If you are a non-resident of Canada dealing with us you should note:

- the law governing your dealings with us is the law of Canada;
- your rights against us are restricted as set out in the Master Agreement;
- moneys which you deposit with us are not loans to us, and will be regulated by the Canadian Laws;
- times are Canadian times, unless stated otherwise.

WARNING

You should not undertake foreign exchange transactions or enter into foreign exchange contracts unless you properly understand the nature of foreign exchange products and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a foreign exchange transaction to ensure this is appropriate for your objectives, needs and circumstances and in relation to the impact of any foreign exchange gains or losses on your particular financial situation.

The information contained in this PDS is for general information only. The information in the PDS has been prepared without taking into account your personal objectives, financial situations or needs. Before acting on any information contained in the PDS, you should consider the appropriateness of the information having regard to your personal objectives, financial situation and needs. You should consider this PDS in its entirety before making a decision to acquire any foreign exchange products issued by E-Trans.

USE OF EXAMPLES

The use of examples in this PDS is provided for illustrative purposes only and does not necessarily reflect current or future market prices or the prices that

we will apply to trade; nor how such trades have an impact on your personal circumstances.

ANTI-MONEY LAUNDERING

By opening an account and transacting with us we may require further information from you from time to time to comply with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA). You undertake to provide us with all additional information required to comply with the PCMLTFA Act. You also warrant that:

- you are not aware and have no reason to suspect that the monies used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Canadian laws, international law or convention or by agreement;
- the proceeds of your investment will be used to finance any illegal activities; and
- you are not a politically exposed person or organisation as the term is used in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) Rules.

Purpose and Contents of this Product Disclosure Statement

This PDS is designed to provide you with important information regarding us and the range of foreign exchange products we offer, including the following information:

- who we are;
- how you can contact us;
- which products we are authorised to offer,
- key features/risks/benefits of these products;
- fees and charges for these products;
- any potential conflicts of interest we may have; and
- our internal and external dispute resolution process.

Name and Contact Details of Issuer/Service Provider

We are the issuer of this PDS and the financial product provider. You can contact our office by any of the means listed below:

Writing to us at:

Suite 60, 200 Granville Street, Vancouver,
BC V6C 1S4, Canada.
Phone: +1 604 685 8266
Fax: +1 604 685 6566
Email: enquiries@etrans.co.nz

Representations

The information contained in this PDS is general advice only and does not take into account your particular financial objectives, needs and circumstances. You should obtain your own professional advice to ensure you fully understand the nature and risks of these products and determine their suitability for your situation.

Nature of Advice we Offer

We provide foreign exchange services to retail and wholesale clients. We are the issuer of this PDS and we are regulated by Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

We buy and sell foreign exchange contracts and foreign currency.

It is recommended that you take all reasonable steps to fully understand the outcomes of specific foreign exchange contracts and strategies adopted in relation to utilising the general information provided by us to you. You should obtain financial, legal, taxation or other professional advice.

2 Product Summary

We are authorised to buy and sell foreign currency on spot terms and to give product advice regarding the specific exchange transaction or product.

A summary table of the key characteristics of our foreign exchange contracts follows. However, you should ensure you read and understand this PDS in its entirety.

Issue	Summary	PDS Ref Section
Who is the issuer of this PDS and the foreign exchange products?	E-Trans Finance Ltd is the issuer of this PDS and the issue of foreign exchange contracts under this PDS.	1
What is a foreign exchange	Foreign exchange is about exchanging one currency for another.	3

Issue	Summary	PDS Ref Section
transaction?	In a foreign exchange transaction one currency can be bought or sold in exchange for another currency	
What foreign exchange products do we provide?	Foreign exchange spot contracts.	4&5
How do I enter into a foreign exchange contract?	Prior to transacting in foreign exchange, you must read and understand the Financial Services Guide, this PDS; the Client Account Opening Form, and the Master Agreement, which will be provided to you by us detailing the applicable terms and conditions. You must complete, sign and return the Client Account Opening Form and the documents referred to in it in order to set up an account with us. We reserve the right to refuse to transact with any person.	3
How do you place a foreign exchange transaction order?	We accept foreign exchange transaction instructions in any of the following ways: telephone (calls will be recorded), or.* in writing (including email , facsimile or electronically where agreed)	3
What fees and charges are payable in respect of a foreign exchange transaction or product?	Whilst we endeavour to include all fees and charges in the spread quoted, in some circumstances you may incur a transaction fee of up to \$20 in relation to the foreign exchange product. The exchange rate quoted has a variable buy/sell spread which takes into account our remuneration.	6
What will be the rate of the foreign currency	The exchange rate is the rate is the price at which the transaction takes place and will	

Issue	Summary	PDS Ref Section
transaction?	be quoted to you and agreed when the transaction is entered into.	
What will be the rate/ pricing for the foreign exchange product?	For foreign exchange spot contracts, the applicable exchange rate will be that agreed when the contract is entered into, with transaction settlement in normal circumstances occurring two business days later. Cleared client funds are required to be paid to us before we will execute the trade. Generally, funds will be remitted on the second business day after the Transaction date.	4
What are the key benefits?	Some of the key benefits for each type of foreign exchange contract offered by us are set out in section 4	4
What are the key risks?	Whilst it is acknowledged that the majority of deliverable foreign exchange transactions are a necessary aspect of some businesses, you should also be aware of some potential key risks of foreign exchange contracts, that may be applicable to your circumstances, as set out in section 4 & 5. You should obtain independent professional advice and carefully consider whether they are appropriate for you in light of your knowledge, experience and financial needs and circumstances.	4&5
What are the tax implications of foreign exchange transactions and products?	Foreign Exchange transactions and products may have tax implications. The taxation consequences can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent	8

Issue	Summary	PDS Ref Section
	taxation and accounting advice in relation to the Impact of foreign exchange transactions and products on your particular financial situation.	
Dispute resolution	We have an established policy for dealing with complaints.	12

3 General Information about Foreign Exchange Transactions and Products

Foreign exchange transactions

Foreign exchange is about exchanging one currency for another. In a foreign exchange transaction one currency can be bought or sold in exchange for another currency. The exchange rate is the price at which this transaction takes place. For example: if the current exchange rate for the Canadian dollar against the USA dollar is CAD/USD 0.9150, this means that a Canadian dollar is equal to, or can be exchanged for 0.9150 US dollars.

If you wish to enter into foreign exchange contracts with us you are required to:

1. open an account with us by executing an account opening form. As a part of the account opening process, you will be provided with the FSG, PDS and the Client Master Agreement you are required to acknowledge acceptance of the terms of these documents before we are able to provide foreign exchange services to you; and
2. when you make an order for foreign exchange, we will send you a spot contract note containing details in relation to your contract including the amount to be exchanged, the applicable exchange rate and the details of the person making the exchange. **You must confirm the spot contract note in writing (either electronically or personally) and pay cleared funds into our account before we are able to process the contract.**

We may, at our absolute discretion, refuse to open an account for you or refuse to enter into a particular transaction with you.

We deal in spot foreign exchange products only.

Foreign exchange products

The principal purpose of foreign exchange products is to enable individuals and entities with foreign exchange needs, to pay or receive international currencies for goods or services, convert moneys, manage their foreign currency risk and protect their funds against adverse exchange rate movements. These products enable future exchange risk to be hedged and provide a degree of certainty of foreign exchange rates and exposures.

Foreign exchange exposures

Foreign exchange exposures may arise from a number of different activities. A traveller going to visit another country has the risk that if that country's currency appreciates against their own, their trip will be more expensive. An exporter who sells its product in foreign currency has the risk that if the value of that foreign currency depreciates then the revenues in the exporter's home currency will be lower.

An importer who buys goods priced in foreign currency has the risk that the foreign currency will appreciate, thereby making the cost, in local currency terms, higher than expected.

Fund managers and companies who own foreign assets are exposed to falls in the currencies where they own the assets. This is because if they were to sell (repatriate) those assets at the depreciated exchange rate applicable to those assets, this would have a negative effect on the home currency value.

Other foreign exchange exposures are less obvious and relate to the exporting and importing in local currency, but where the negotiated price is being affected by exchange rate movements.

Nature of foreign exchange products

Foreign exchange contracts are not traded on a licensed financial market, or exchange, but are bilateral agreements between you and us, with each party responsible for assessing the credit standing and capacity of the other party before entering into the transaction.

Facilitation of Transactions

We will provide you with the requisite application, facilitate execution and provide confirmation documentation to facilitate requested transactions. If you wish to proceed with a foreign exchange transaction you will need to return a signed copy of the application which refers to the terms and conditions of the Master Agreement. You will then be bound by the Master Agreement.

4 Foreign exchange spot contracts

A spot contract enables an exchange of two currencies on agreed terms. The applicable exchange rate will be that agreed when the contract is entered into, with transaction settlement occurring in normal circumstances two business days later. Client funds are required before the transaction will be executed, with funds to be remitted generally on the second business day after the Transaction Date.

Benefits of spot contracts

The significant benefits of spot contracts are:

- they are a simple and efficient method of facilitating payments internationally;
- they can be used to provide advance payments to open account settlements; and
- settle letters of credit.

Risks of spot contracts

In addition to the general risks associated with foreign exchange transactions referred to later in this section, the significant risks of spot contracts are:

- whilst efficient, spot exchange rates can be volatile and unpredictable, even during a single trading day;
- utilising the spot market to manage future foreign exchange requirements may expose you to a high risk of unfavourable movements in foreign currency values, and
- there is no cooling off period.

Example of spot transaction

- ABC Ltd has an invoice due for immediate payment in foreign currency in the amount of USD10,000;
- ABC Ltd pays cleared CAD to us by its preferred settlement method (i.e. inward Telegraphic Transfer, Eftpos or Direct Debit) at the prevailing spot rate of 0.91500 which equals CAD10,928.96 (USD10,000/0.9150) (plus transmission costs if applicable);
- We send a written fax or email confirmation to ABC Ltd
- We remit USD10,000 to ABC Ltd.

General Risks of Foreign Exchange Contracts

Whilst there are numerous benefits for those with foreign exposures to manage in the course of their business activities, foreign exchange instruments and transactions entail a number of significant risks and are not suitable for all. You should seek prior independent advice and consider carefully whether trading in foreign exchange instruments is appropriate in terms of your experience, your financial objectives, needs and circumstances.

Some of the risks involved in trading foreign exchange instruments such as spot transactions and open-term exchange contracts, include the following:

Market Risk

In certain market conditions, it can become difficult or impossible to liquidate a position (this can, for example, happen when there is a significant change in prices over a short period of time). Consistent with market conditions, the prices of our products may be volatile and fluctuate rapidly over wide ranges. Price fluctuations may occur as a result of uncontrollable events or changes in a variety of conditions such as, but not limited to, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

Counterparty Risk

Counterparty risk is the risk that another party may default on their contractual obligations. In the event of a default due to bankruptcy, fraud, or liquidation of a company you may recover less than the amounts owing to you. In entering into a foreign exchange contract, you are responsible for assessing the credit standing and capacity of the other party.

Lack of Regulation

Department of Internal Affairs does not have jurisdiction over international foreign exchanges nor the power to compel enforcement of the rules of a foreign exchange or any applicable foreign law.

Regulatory Risk

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in our products.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or external events. Disruptions in our

processing may lead to delays in the execution and settlement of your transaction.

Those obligations to you under the Master Agreement and our products are unsecured obligations, meaning that you are an unsecured creditor of us. In the unlikely event that we become insolvent you will be an unsecured creditor in relation to the balance of the moneys owing to you.

What is an unsecured creditor?

In the event that you become an unsecured creditor of us, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your account statements.

The liquidator then assesses all proofs of debts to determine which creditors are able to share in the assets of the company, and to what extent depending on the amounts owing to them and any priority they may have to be paid. It is unlikely that you will be repaid in full of the amount you have paid to us.

Client instructions, statements and confirmations

We accept order instructions in any of the following ways:

- telephone (calls will be recorded and a follow up application will be required); or
- in writing (including email or facsimile, where agreed).

You will need to confirm all spot foreign exchange contract notes before we can process them.

It is your obligation to confirm with us that any order instructions you provide to us have, in fact, been received by us.

It is your obligation to immediately review order confirmations that we provide, to ensure their accuracy. Any order discrepancies identified must be reported to us immediately. Should you have any queries relating to your confirmations, we encourage you to contact us on +1 604 685 8266.

Should you wish, for any reason, to close-out or alter the foreign exchange contract you have entered into, you may incur additional fee.

5 Fees and charges

Our fee for foreign exchange products is built into the exchange rates quoted (buy/sell spread) when you seek to transact. Because we deal as principal, the exchange rate we offer you may not be the same as the

rate we obtain ourselves. The rate offered to you may depend upon a number of factors including transaction size, term of the product, our business relationship with you, the prevailing market rates and the differing interest rates applicable to the currency pair involved in the open-term exchange transaction.

Further, we reserve the right to charge a transaction fee of up to \$20 for processing a spot foreign exchange transaction.

Details of fees and costs will be disclosed to you prior to entering into a transaction.

You may also incur additional fees and charges from banks transmitting/receiving beneficiary funds. **We do not receive advance notice of, nor will be liable for, the imposition of such fees.** As these fees and charges are beyond our control it is not possible to predict whether or not they will be incurred or determine their amount.

If a client fails to make any payment required under the Master Agreement when it falls due, interest will be charged on the outstanding sum at a rate of five per cent per annum over the mortgage floating rate charged by the Royal Bank of Canada.

Interest accrues and is calculated daily from the date payment was due until the date the client pays in full and is compounded monthly.

6 Client Master Agreement

In order to open an account, you are required to sign the Application, under which you agree to be bound by the Master Agreement which is an important legal document containing the terms and conditions which govern our relationship with you.

We recommend that you consider seeking independent legal advice before entering into the Master Agreement, as the terms and conditions detailed therein are important and affect your dealings with us.

We note the following key terms, many of which have been summarised throughout this PDS:

- client acknowledgements regarding knowledge and suitability to trade foreign exchange products;
- client representations and warranties;
- client obligations regarding confirmations (discrepancies);
- our rights following a default event;
- client Indemnity in favour of us;
- fees and charges;
- restrictions on assignment of agreement; and
- Governing Canadian law.

7 Taxation considerations

Foreign exchange transactions and products may have tax implications. The taxation consequences of foreign exchange transactions and products can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of foreign exchange transactions and products on your particular financial situation.

8 Remuneration and other benefits received by our employees

Our employees who provide you with advice or transaction execution may receive commissions for the provision of these services. Our employees also receive salaries, performance-related bonuses and other benefits.

9 Disclosure of any relevant conflicts of interest

We do not have any relationships or associations which might influence us in providing you with our services.

However, we may share fees and charges with associates or other third parties or receive remunerations from them with respect to your dealings with us. We will always act as principal for its own benefit in respect of all foreign exchange transactions with you.

10 Making a complaint

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Complaints Officer (by telephone, facsimile or letter) at the address and telephone/fax numbers provided in this PDS.

We will investigate your complaint and provide you with our decision and the reasons on which it is based, in writing. We will seek to resolve your complaint within 14 days, which will be extended if necessary.

11 Our privacy policy

We collect personal information about you in order to transact in foreign exchange products with you.

When you make an application, we will collect personal information from you in the Application Form. We may also collect additional personal information from you by other means in the future.

We collect personal information about you for the purposes of transacting with you, including to process

and settle your foreign exchange contract. We may also collect, use and disclose your personal information to forward to you, from time to time (including by email), details of other products available to you from E-Trans. However, if you request, no information of that nature will be sent to you.

We may be required or authorised by law to collect certain personal information from you and/or disclose certain personal information. For example, we may be required to collect and disclose certain information in order to comply with the identification and verification requirements imposed under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA).

If you do not provide the personal information requested in the Application Form or provide incomplete or inaccurate information, we may not be able to accept or process your application or may be limited in the services we can provide.

Our policy sets out details of how we will collect, store, manage, use and disclose personal information it collects from you and is available by contacting us.

The types of organisations to which we may disclose the personal information it holds about you include your adviser and dealer group, or other related companies of E-Trans, any third party service providers we may engage to provide registry, administration, technology, auditing, mailing, printing or other services, Government authorities when and to the extent required by law and our professional advisers (including legal and accounting firms, auditors, consultants and other advisers).

We not currently disclose personal information to recipients located overseas or have established plans to do so. If we are likely to disclose personal information to recipients located overseas, our privacy policy will be updated regarding the likely disclosures (including, if it is practicable to do so, the countries in which such overseas recipients are likely to be located).

For queries or information regarding privacy matters please contact:

Privacy Compliance Officer
Phone: +1 604 685 8266
Fax: +1 604 685 6566
Email: enquiries@etrans.co.nz

12 No cooling off period

There is no cooling off period regime that applies to any of the products described in this PDS. You are, therefore, bound by the terms of a Foreign Exchange Contract, when you enter into it, despite the fact that settlement may occur at a later date.

13 Documents to be provided by account types

You must provide us with your Application, or at any time requested by us, such of the documentation as set out in the Application.