



RIFA FUTURES CO. LIMITED

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## CLIENT MASTER AGREEMENT

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Effective from July, 2016

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# RIFA FUTURES CO. LIMITED

## CLIENT MASTER AGREEMENT

In consideration of Rifa Futures International Co. Limited (the **"Broker"**) of Level 7, 28 Hennessy Road, Hong Kong (an Exchange Participant of Hong Kong Futures Exchange Limited registered under the category of Futures Commission Merchant and a Licensed Corporation (CE No. ARP340) licensed with the Securities and Futures Commission in respect of carrying on the regulated activity of dealing in futures contracts) agreeing to allow the Client identified in the Account Opening Form to open one or more accounts with the Broker and providing services to the Client in connection with futures trading, the Client HEREBY AGREES that all Transactions executed by the Broker for any Account shall be subject to the Client Master Agreement as amended from time to time and notified to the Client. The Broker's current provisions of the Client Master Agreement are hereinafter set out:

### 1. DEFINITIONS

1.1 In this Agreement, unless the context otherwise requires, the following words and phrases shall bear the following meanings:

<b>"Access Code(s)"</b>	such password(s), and/or form(s) of personal identification (in numeric, alpha-numeric or other format, usually known as login name) prescribed by the Broker from time to time, whether used alone or in conjunction with each other, for gaining access to the Electronic Trading Service;
<b>"Account(s)"</b>	any account opened by the Client with the Broker pursuant to this Agreement, which may be either with or without Electronic Trading Service;
<b>"Account Opening Form"</b>	account opening form prescribed by the Broker to be provided by or on behalf of the Client (notwithstanding the description of document);
<b>"Agreement"</b>	the written agreement between the Client and the Broker regarding the opening, maintenance and operations of the Account(s) as amended from time to time, including but not limited to the Client Master Agreement, the Account Opening Form, Disclaimers, Risk Disclosure Statement, Data Privacy Policy and any authority given by the Client to the Broker with respect to the Account(s);
<b>"Approved Debt Securities"</b>	Exchange Fund Bills or Notes issued by the Government of Hong Kong for the account of the Exchange Fund, Treasury Bills or Notes issued by the U.S. Government (other than U.S. Treasury Callable Corpus and Separate Trading of Registered Interest and Principal of Securities) and such other debt securities or instruments as may from time to time be approved by HKFE as a form of cover for the Margin;
<b>"Approved Securities"</b>	TraHK Units (units issued in accordance with the unit trust scheme named <b>"Tracker Fund of Hong Kong"</b> ) and such other securities as may from time to time be approved by HKFE as a form of cover for the Margin;
<b>"Authorized Person"</b>	the person or any of the persons designated in or pursuant to this Agreement to issue instructions in relation to an Account;
<b>"Broker Group"</b>	the Broker, its affiliates, its direct and indirect holding companies and subsidiaries of the holding companies; <b>"Broker Group Company"</b> means any of them;
<b>"business day"</b>	in relation to a Futures/Options Contract, any day during which the relevant Exchange is open for trading that contract; and in other cases, a day other than Saturday on which banks are open for general business throughout normal business hours in Hong Kong;
<b>"Clearing House"</b>	in relation to HKFE, HKCC or other body appointed by or established and operated by HKFE to provide clearing services to exchange participants of HKFE and, in relation to any other Exchange, any clearing house providing similar services for such Exchange;
<b>"Clearing House Margin"</b>	the amount of cash, non-cash collateral or security as required by way of margin and/or adjustment (howsoever described) under the rules and regulations of the relevant Exchange, and/or Clearing House to be taken by the Broker from the Client together with all sums of margin and/or adjustment (howsoever described) for which the Broker must account to the relevant Clearing House;
<b>"Client"</b>	the person(s) with whom the Broker has entered into this Agreement and such person's successors in title and (if appropriate) personal representatives whose name(s) and other identity details set out in the Account Opening Form and shall include each Authorized Person;
<b>"close out"</b>	the entering into of a Futures/Options Contract equal and opposite to a Futures/Options Contract previously entered into so as to create a level position in relation to the Commodities underlying the Futures/Options Contracts, or in relation to the Futures/Options Contracts themselves and fix the amount of profit or loss arising from such Futures/Options Contracts; and the terms "closed out Futures/Options Contract" and "closing out" shall be construed accordingly;

<b>"Code of Conduct"</b>	Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission issued by the SFC and as amended from time to time;
<b>"Commodity"</b>	any item and includes, without limitation, currencies, deposits, financial instruments, securities, energy, indices of any kind (whether stock exchange or otherwise), interest rates, exchange rates, physical assets (including without limitation: metals, agricultural produce, oil and land) or other investment traded, or rights or options in relation to which are traded, on any exchange and shall where the case requires include a Futures/ Options Contract in respect of any of the above and in each case whether or not the item is capable of being delivered;
<b>"Data Privacy Policy"</b>	the Broker's general policy in relation to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and any subsidiary legislation made thereunder as amended, consolidated or substituted from time to time and the policy is set out in Schedule III (Circular relating to Personal Data (Privacy) Ordinance);
<b>"Disclaimers"</b>	the disclaimers provided by the Broker to the Client before the opening of the Account and/or from time to time in form prescribed by HKFE from time to time with the current version set out in Schedule I;
<b>"Electronic Media"</b>	any electronic or telecommunications media, including but not limited to the internet, interactive television systems, telephone, wireless application protocol or any other electronic or telecommunications devices or systems as the Broker may from time to time determine and prescribe;
<b>"Electronic Trading Service"</b>	any facility and service (including without limitation those relating to dealing services, information services, e-mail and the software comprised in any of the foregoing) provided or to be provided by the Broker or Broker's contractor or agent or service provider from time to time under this Agreement which enables the Client to give instructions relating to any Transaction in the Account(s) or to obtain quotation on prices of Futures/Options Contracts and other investment products or other information through any Electronic Media;
<b>"Event(s) of Default"</b>	any of the events of default as specified in Clause 9 of the Client Master Agreement;
<b>"Exchange"</b>	HKFE and any other exchange, market or association of dealers in any part of the world on which Commodities are bought and sold;
<b>"Exchange Contract"</b>	a contract for a commodity approved by the SFC and HKFE for trading on the markets from time to time operated by HKFE and which may result in a Futures Contract or an Options Contract;
<b>"Futures Contract"</b>	a contract to: <ul style="list-style-type: none"> <li>(A) buy or sell for future settlement and/or delivery of a Commodity; and/or</li> <li>(B) pay or receive a sum of money on futures settlement by reference to an index or formula approved by the relevant Exchange;</li> </ul> and under the terms and subject to the conditions specified by the relevant Exchange or market;
<b>"Futures/Options Contract"</b>	a Futures Contract and/or an Options Contract;
<b>"Hong Kong"</b>	The Hong Kong Special Administrative Region of The People's Republic of China;
<b>"HKCC"</b>	HKFE Clearing Corporation Limited;
<b>"HKFE"</b>	Hong Kong Futures Exchange Limited;
<b>"HKFE Trades"</b>	transactions relating to or resulting from trading of Exchange Contracts in the markets established and operated by HKFE;
<b>"Investor Compensation Fund"</b>	the Investor Compensation Fund established pursuant to the SFO;
<b>"Margin"</b>	the amount, whether cash or non-cash collateral as may from time to time be demanded by the Broker from the Client by way of margin (including without limitation the initial margin and additional margin), variation adjustments or cash adjustments or otherwise in relation to Futures/Options Contracts for the purpose of protecting the Broker against any loss or risk of loss on present, future or contemplated obligations arising from Futures/Options Contracts of the Client including and not being less than the Clearing House Margin, and <b>"margin requirements"</b> means the requirements set by the Broker in respect of the collection and specifications of the Margin;
<b>"Non-HKFE Trades"</b>	transactions relating to or resulting from the trading of Futures Contracts and/or Options Contracts on markets operated by exchanges other than HKFE whether in Hong Kong or elsewhere;

<b>“Open Contract”</b>	a Futures Contract or an Options Contract which has not been closed out;
<b>“Options Contract”</b>	<p>a contract giving one party the right but not the obligation to buy or sell a Commodity at an agreed price on or (as the case may be) on or before an agreed date for;</p> <p>(A) settlement and/or delivery; or</p> <p>(B) payment or receipt of a sum of money on settlement by reference to an index or formula approved by the relevant Exchange;</p> <p>and under the terms and subject to the conditions specified by the relevant Exchange or market;</p>
<b>“Risk Disclosure Statement”</b>	the risk disclosure statement provided by the Broker to the Client before the opening of the Account and/or from time to time in form prescribed by the SFC from time to time with the current version set out in Schedule II;
<b>“Segregated Bank Account”</b>	includes (i) in respect of HKFE Trades, a current or deposit account kept with an authorized institution within the meaning of Section 2 of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) or with an organization approved by the SFC pursuant to the SFO, and (ii) in respect of Non-HKFE Trades, account kept with an authorised institution or an overseas bank or financial institution, in the name of the Broker and in the title of which the word "client", "segregated", "Non-House" or such other similar word or phrase appears;
<b>“Segregated Debt Securities Account”</b>	includes (i) in respect of HKFE Trades, a debt securities account kept with a recognized dealer registered with the Hong Kong Monetary Authority (in the case of Exchange Fund Bills or Notes) or any bank, depository or institution approved by the Clearing House from time to time (in the case of other Approved Debt Securities), and (ii) in respect of Non-HKFE Trades, a debt securities account kept with the aforesaid entity or an overseas securities broker, bank, depository or financial institution, in the name of the Broker and in the title of which the word "client", "segregated", " Non-House" or such other similar word or phrase appears;
<b>“Segregated Securities Account”</b>	includes (i) in respect of HKFE Trades, a securities account kept with a recognized participant of the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited or any other depository, institution or clearing house approved by HKCC from time to time, and (ii) in respect of Non-HKFE Trades, a securities account kept with the aforesaid entity or an overseas securities broker, bank, depository or financial institution, in the name of the Broker and in the title of which the word "client", "segregated", " Non-House" or such other similar word or phrase appears;
<b>“SFC”</b>	in relation to Hong Kong, The Securities and Futures Commission constituted under the SFO, in relation to any other regions, other statutory bodies performing similar functions as The Securities and Futures Commission and have jurisdiction over the relevant Exchanges;
<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder amended, consolidated or substituted from time to time; and
<b>“Transactions”</b>	the entering into of a Futures/Options Contract, closing out or effecting delivery and/or settlement of a Futures/Options Contract (which term shall include exercise or allocation of an Options Contract) and the general dealing in Futures/Options Contracts, Commodities, money or any other assets in the Accounts or in connection with this Agreement.

- 1.2 In this Agreement, words importing the singular shall, where the context permits, include the plural and vice versa and words importing gender or neuter include both gender and neuter. The expression "person" shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such person. References to "writing" shall include telex, cable and facsimile transmission and texts transmitted through Electronic Media. Headings are for convenience only. Any reference to Clauses or Schedules is a reference to the clauses of or the schedules to this Client Master Agreement, unless otherwise stated.

## 2. COMPLIANCE WITH LAWS AND REGULATIONS

- 2.1 All Transactions shall be subject to this Agreement and, in respect of those Exchanges and/or Clearing Houses where the Transactions are processed, the constitution, rules, regulations, practices, procedures and administrative requirements, as amended from time to time of the relevant Exchange and/or Clearing House (and in particular as regarding Transactions effected on HKFE the rules, regulations, practices, procedures and administrative requirements of HKFE and HKCC) and to all applicable laws whether imposed on the Client or the Broker, as amended from time to time. All Futures/Options Contracts and Transactions shall also be subject to the terms of business of dealer or other persons who have been involved in the processing of the Transactions where the Broker deems fit.
- 2.2 Client whose Transactions are executed in markets other than those organized by HKFE may have a markedly different level and type of protection in relation to those Transactions as compared to the level and type of protection afforded by the rules, regulations, practices, procedures and administrative requirements of HKFE and HKCC.
- 2.3 The Client confirms that:

- (A) in the event of any conflict between (I) this Agreement and (II) any constitution, rules, regulations, practices, procedures, administrative requirements of the relevant Exchange and/or Clearing House and laws (collectively the "**Regulations**"), the latter shall prevail;
  - (B) the Broker may take or omit to take any action it considers fit in order to ensure compliance with the Regulations including without limitation, adjusting any Account, disregarding any unexecuted orders or rescinding any executed Transactions;
  - (C) the Regulations as are so applicable and all such actions so taken shall be binding upon the Client; and
  - (D) the Client shall be responsible for obtaining in advance and maintaining any governmental or other consents required in connection with the Client's entering into of this Agreement or any Futures/Options Contract or the Broker effecting any Transaction in connection with this Agreement.
- 2.4 This Agreement shall not operate insofar as it removes, excludes or restricts any rights of the Client or obligations of the Broker under the laws of Hong Kong or any other relevant law. If any provisions hereof are or should become inconsistent with any present or future law, rule or regulation of HKFE, HKCC and/or any Exchange and/or any Clearing House or any other relevant authority or body having jurisdiction over the subject matter of this Agreement, such provision shall be deemed to be rescinded or modified in accordance with any such law, rule or regulation. In all other respects this Agreement shall continue and remain in full force and effect.
- 2.5 In the event that the Broker enters into a transaction for Futures/Options Contracts traded on the automated electronic trading system operated by the New York Mercantile Exchange ("**NYMEX**" and such contracts are hereinafter referred to as "**NYMEX Contracts**") for the account of the Client, such transactions will be subject to the rules of NYMEX governing NYMEX Contracts and, if the Client is dealing in NYMEX Contracts for the benefit of another person, the Client shall ensure that in its agreement with such other person there shall be a provision to the effect of this Clause 2.5.
3. **DEALING**
- 3.1 **Subject to the provisions of the SFO and any applicable law and provided that the trading is executed competitively on or through the facilities of and in accordance with the rules, regulations, practices, procedures and administrative requirements of the exchange governing the relevant markets, the Broker may take the opposite position to the Client's order whether on the Broker's own account, for the account of the Broker's associated companies or on behalf of other clients of the Broker.**
- 3.2 The Broker shall be authorized but not bound to act on an instruction given by the Client or the Authorized Person (if any) to carry out a Transaction (whether directly or through other dealer or otherwise). The Broker may at any time and from time to time impose any limits including position limits on any Account and the Client agrees not to exceed such limits. If any of the said limits are or will be exceeded or there is insufficient cleared funds in the Account for meeting initial Margin requirement or otherwise, the Broker may decline such an instruction and/or is entitled to close the open position of the Transactions concerned. The Broker may in its absolute discretion refuse to act on any of the instructions received from the Client without giving any reason and/or is entitled to close the open position of the Transactions concerned. The Broker is not in any circumstances be liable in any way for any loss of profit or gain, damage, liability or cost or expense suffered or incurred by the Client arising from or in connection with the Broker's refusal to act on such instruction or omitting to notify the Client of such refusal or taking action to close the open position. Except as directed by the Client in circumstances where the Client is not in default hereunder and no Event of Default has occurred, the Broker shall have no obligation to close out any Futures/Options Contract.
- 3.3 Because of physical restraints on any Exchange or the very rapid changes in the prices of Commodities that frequently take place, there may, on occasions, be a delay in making prices or in dealing. The Broker may not always be able to trade at the prices or rates quoted at any specific time or "at best" or "at market". The Broker shall not be liable for any loss howsoever arising by reason of its failing, or being unable, to comply with the terms of any limit order undertaken on behalf of the Client or under the circumstances contemplated in this Clause. Where the Broker is for any reason whatsoever unable to perform the Client's order in full, it may in its discretion effect partial performance only. The Client shall in any event accept and be bound by the outcome when any request to execute orders is made.
- 3.4 The Client acknowledges that it may not be possible to cancel or amend its instructions once given. The Client agrees to exercise caution before giving any instruction and accept full responsibility for the Transactions partially or fully executed prior to the processing of the Client's cancellation or amendment.
- 3.5 The Client hereby acknowledges that the Broker and Broker Group Companies and their directors, employees and/or their associates may from time to time trade on their own accounts. Furthermore, the Client acknowledges the existence of the Broker's interest, relationship or arrangement that is material in relation to any instruction received or Transaction effected for the Client. In particular, the Broker may, without informing the client:
- (A) effect Transactions through Broker Group Companies;
  - (B) effect Transactions with the Client as principal for account of the Broker and its related parties including but not limited to any Broker Group Company or its employees, or directors;
  - (C) take position opposite to the order of the Client either for its own account or others;
  - (D) match the Client's orders with those of other clients of the Broker; and/or
  - (E) combine the Client's order with orders of the Broker or of Broker Group Company or other clients of the Broker for execution,

and neither the Broker nor its related parties shall be obliged to account to the Client or any third party for any profits or benefits received in connection therewith. In event of insufficient Commodities to satisfy orders so combined as mentioned in the above paragraph (E), the Broker may in its absolute discretion allocate the transactions between clients, the Broker and Broker Group Company, having due regard to market practice and fairness to the concerned clients. The Client acknowledges and accepts that such combination and/or allocation may on some occasions operate to the Client's advantages and on other occasions to the Client's disadvantages.

- 3.6 The Client hereby acknowledges that HKCC may do all things necessary to transfer any Open Contract held by the Broker on the Client's behalf and any money and security standing to the credit of the Account to another exchange participant of HKFE in the event of the Broker's trading rights having been suspended or revoked by HKFE.
- 3.7 The Client acknowledges that the Broker is bound by the rules of HKFE which permit HKFE to take steps to limit the positions or require the closing out of the Futures/Options Contracts in respect of HKFE Trades on behalf of the Client if HKFE is of the opinion that the Client is accumulating positions which are or may be detrimental to any market or markets from time to time established and operated by HKFE or which are or may be capable of adversely affecting the fair and orderly operation of any such market or markets as the case may be.
- 3.8 All orders shall be made by the Client orally either in person or by telephone, or in writing, delivered by post, by hand or transmitted by facsimile or through Electronic Media (applicable to Account with Electronic Trading Service) at the Client's risk. The Broker may act on such instructions which the Broker believes to come from the Client without any duty to verify the capacity of the person giving the instruction. The Broker shall not be responsible for the non-performance of its obligations hereunder by reason of any cause beyond the Broker's control, including, without limitation, transmission or computer delays, errors or omissions, strikes and similar industrial action or the failure of any dealer, Exchange or Clearing House to perform its obligations. The Client hereby confirms and agrees that the Client shall be responsible to the Broker for all engagements, indebtedness and any other obligations made or entered into in the Client's name whether in writing or orally and howsoever communicated and purporting to be given as aforesaid. In addition, in the event of receipt of conflicting instructions, the Broker may refuse to act on any of such instructions until the Broker receives unequivocal instruction(s).
- 3.9 The Client understands and confirms its agreement that the Broker may record conversations with the Client whether conducted on the telephone or through any other media or otherwise by tape or electronic means for security, control or record purposes.
- 3.10 All instructions relating to purchase or sale of Commodities or otherwise given hereunder which may be executed on more than one Exchange may be executed on any Exchange the Broker selects. The Broker may also in its discretion direct the instructions of the Client to other dealers for execution without giving any notification to the Client.
- 3.11 The Broker shall not be liable in respect of matching Futures/Options Contracts or otherwise if the relevant Exchange, Clearing House and/or dealer has ceased for any reason (including setting off the Broker's positions with it) to recognize existence of any Futures/Options Contract or fails to perform or close out any Futures/Options Contract, but such cessation or failure shall not affect the Client's obligations and liabilities hereunder in respect of such Futures/Options Contracts which the Client has required the Broker to open and which have not been closed out or other obligations or liabilities of the Client arising therefrom.
- 3.12 The Broker may at any time without prior notice in its absolute discretion take such steps as it may consider necessary or desirable to comply with or perform, cancel or satisfy any obligations of the Broker to the relevant Exchange, Clearing House and/or dealer in respect of Futures/Options Contracts acquired on the instructions of the Client, including closing out, entering into any Transactions for hedging the current position, and/or performing any and all such Open Contracts, and may for such purpose:
- (A) buy or sell (in any manner howsoever and including from itself) the Commodity underlying any Open Contract; and/or
  - (B) borrow, buy or sell any currency; and/or
  - (C) apply any Margin in each case so that all sums expended by the Broker in excess of any sums held by the Broker on the Client's behalf shall be paid by the Client to the Broker forthwith on demand.
- 3.13 All the trading orders placed by the Client are good for the day and will be automatically cancelled at the close of business of the relevant Exchange to the extent not yet executed unless the Client has indicated to the Broker to the contrary.
- 3.14 Following execution of the orders of the Client, the Broker will send trade confirmations of the Transactions effected and relevant statements summarizing Transactions and Futures/Options and cash positions in the Account subject to Clause 5.8 for Account with Electronic Trading Service. Such trade confirmations and statements shall be conclusive and binding on the Client if not objected to in writing sent by registered mail to the Broker's office within three business days after transmission of the information contained in such confirmations and statements to the Client. The Broker may not provide the Client with monthly statements in relation to the Account in case during the relevant period there is no transaction or revenue or expense item and no outstanding balance or holding Commodities position in the Account.
- 3.15 Subject to the applicable laws and regulations, the Broker may in its absolute discretion determine the priority in the executions of the orders received from its clients, having due regard to the sequence in which such orders were received and the Client shall not have any claim of priority to another client in relation to the execution of any orders received by the Broker.
- 3.16 Upon receipt of request from the Client for provision of contract specifications, specification of the investment products, copies of prospectus or any other offering document relating to products comprised in any Transaction which may be entered into on behalf of the Client under this Agreement, the Broker shall provide such document and information to the Client.
- 3.17 The Client expressly acknowledges and agrees that no representations or warranties have been given or implied by the Broker as to the value, merit or suitability for the Client of any Futures/Options Contract entered into by the Broker on behalf of the Client and the Client shall, independently and without reliance on the Broker, make the Client's own judgement and decision with respect to the entering into and closing out of each Futures/Options Contract. The Client further acknowledges and agrees that the Client shall retain full responsibility for all trading decisions in relation to the Account and the Broker is only responsible for the execution, clearing and carrying out of transactions for the Account in accordance with Client's instruction and does not act as the Client's investment adviser, that the Broker has no responsibilities or obligations regarding any conduct, actions, representations or statements of any introducing firm, brokerage firm or any third party in connection with Transactions carried out for the Account. Any advice or information provided by the Broker, its employees or agents, whether or not solicited, shall not constitute an offer to enter into a transaction and the Broker shall be under no liability whatsoever in respect of such advice or information.
- 3.18 The Client acknowledges and consents that the Broker shall, at its absolute discretion, be entitled to claim margin offset for the Client's positions through the Client Offset Claim Account in DCASS.

#### 4. SETTLEMENT

- 4.1 The Client accepts that each Futures/Options Contract (and also all other Transactions made for the Account) contemplates actual performance in accordance with its terms including delivery and receipt of any Commodities and payment therefor. The Client shall take all necessary actions to enable the Broker to effect due settlements of each Open Contract which remains subsisting on its maturity date on behalf of the Client in accordance with the rules, regulations, practices, procedures and administrative requirements of the relevant Exchange and/or Clearing House unless the Client has given timely instructions to the Broker to close the open positions otherwise the Broker is entitled to take all necessary actions to complete the settlement and the Client is responsible for any claim for related loss, damages and expenses by the Broker against the Client.
- 4.2 Any amount (including, without limitation, any amount payable by the Broker to the relevant Exchange, and/or Clearing House and/or the Broker's dealers or agents) payable by the Client arising out of the closing of any Futures/Options Contract or the exercise of any Options Contract (whether initiated by the Client or executed by the Broker pursuant to the Agreement) shall become immediately due and payable to the Broker upon the closing out or exercise.
- 4.3 To exercise an option pursuant to an Options Contract entered into by the Broker on the Client's behalf, the Client shall deliver to the Broker a notice of exercise at least two business days before the cut-off date for the tender of exercise instructions prescribed by the writer of the option, the relevant Exchange, Clearing House, dealer (whichever prescribes the earliest cut-off date) together with the underlying Commodity or document of title therefore for making the delivery (in case of a put option), or sufficient immediately available funds to take delivery of the Commodity (in case of a call option) unless the outstanding obligations of the buyer or seller of an Options Contract are satisfied solely by cash settlement based on difference in price or value as required by the rules of the relevant Exchange or Clearing House.
- 4.4 The Client acknowledges that some Exchanges and Clearing Houses have established cut-off times for the tender of exercise instructions and that an option will become worthless if instructions are not delivered before such expiration time. The Client also acknowledges that certain Exchanges and Clearing Houses automatically will exercise "in-the-money" options unless instructed otherwise. Therefore the Client should familiarize himself with the rule and procedures of settlement established by the relevant Exchanges or Clearing Houses. The Client acknowledges full responsibility for taking action either to exercise or to prevent the exercise of an Options Contract, as the case may be; the Broker is not required to take any action with respect to an Options Contract, including without limitation any action to exercise a valuable option prior to its expiration date or to prevent the automatic exercise of an option, except upon the Client's express instructions. The Client further understands that the Broker has established cut-off times, which may be tighter than those established by Exchanges and Clearing Houses.
- 4.5 The Client acknowledges and is aware that having acquired a position (whether long or short) in a Futures/Options Contract, the Client may be required to make or take delivery, as the case may be, of the underlying Commodity represented thereby, unless before the maturity date specified in the Futures/Options Contract, the Client gives timely instructions to the Broker to close out the Client's open positions or in the case of an Options Contract, the Options Contract expires without being exercised.
- 4.6 With respect to any trading for the Account in Futures Contracts :
- (A) In the case of a cash settlement Futures Contract, the Client shall be liable for any deficit resulting from the Client's closing instructions and any deficit resulting from the expiry of the relevant Futures Contract.
  - (B) In the case of a physical delivery Futures Contract, the Client shall give timely instructions to close out any Open Contracts to avoid physical delivery. Any failure by the Client to give timely instructions to close out the Client's Open Contracts shall entitle the Broker to (but not obliged to) close out the Client's relevant Open Contract.
  - (C) In the case of a physical delivery Futures Contract, if the Client as seller intends to make physical delivery, the Client will provide to the Broker the type, quality and quantity of the underlying Commodity required to make delivery thereof; or if the Client as buyer intends to take physical delivery, the Client will provide to the Broker the amount of money necessary to pay for delivery thereof. Any failure by the Client to provide such underlying Commodity or payment to the Broker within the time required by the Broker shall entitle the Broker, without further notice or demand, to close out (but not obliged to) the relevant Futures Contracts.
  - (D) In the case of a physical delivery Futures Contract, if the Client is required to make or take physical delivery, the Client shall provide to the Broker the type, quality and quantity of the underlying Commodity required to make delivery thereof or to provide to the Broker the amount of money necessary to pay for delivery thereof. Any failure by the Client to provide such underlying Commodity or money to the Broker, within the time required by the Broker and notified to the Client, shall entitle (but not obliged to) the Broker, without further notice or demand, to forthwith :
    - (I) buy the underlying Commodity required for delivery at a price to be determined at the sole discretion of the Broker and deliver the underlying Commodity to satisfy the Client's obligation; or
    - (II) accept delivery of the underlying Commodity and sell the underlying Commodity at a price to be determined at the sole discretion of the Broker.
- 4.7 With respect to any trading for the Account in Options Contracts :
- (A) In the case of a cash settlement Options Contract and upon the exercise thereof, the Client as the seller shall make cash payment to the Broker of the difference (if any) between the exercise price of the Options Contract and official settlement price of the underlying Commodity (in the case of both a call and a put option) where official settlement price means price of the Commodity underlying an Options Contract quoted by the relevant exchange and used to determine the value of the underlying Commodity on exercise of the option.
  - (B) In the case of a physical delivery Options Contract, if the Client as buyer intends to exercise a put option to make physical delivery, the Client will provide to the Broker the type, quality and quantity of the underlying Commodity required to make delivery thereof; or if the Client as buyer intends to exercise a call option to take physical delivery, the Client will provide to the Broker the amount of money necessary to pay for delivery thereof. Any failure by the Client to provide such underlying Commodity or payment to the Broker within the time required by the Broker shall relieve the Broker of any obligation to give such notice of exercise on behalf of the Client.
  - (C) In the case of a physical delivery Options Contract, if the Client is assigned to make physical delivery as the seller of a call option, the Client will provide to the Broker the type, quality and quantity of the underlying Commodity required to make delivery thereof; or if the Client is assigned to take physical delivery as the seller of



a put option, the Client will provide to the Broker the amount of money necessary to pay for delivery thereof. Any failure by the Client to provide such underlying Commodity or money to the Broker within the time required by the Broker and notified to the Client, shall entitle (but not obliged to) the Broker, without further notice or demand, to forthwith :

- (I) buy the underlying Commodity required for delivery at a price to be determined at the sole discretion of the Broker and deliver the underlying Commodity to satisfy the Client's obligation; or
  - (II) accept delivery of the underlying Commodity and sell the underlying Commodity at a price to be determined at the sole discretion of the Broker.
- (D) The Client acknowledges that all short option positions may be subject to assignment, including positions established on the same day that exercises are assigned and that exercise assignment notices (where applicable) are allocated by the relevant Clearing Houses at any time during the day. The Broker will allocate such notices on a fair and reasonable basis. The Broker is not responsible for any delay with respect to the assignment by the Clearing House or the receipt by the Broker of such notices. The Client confirms that the Client will accept an allocation on this basis.
- 4.8 The Client shall be liable for any deficit resulting from any or all losses including but not limited to closing out transactions and/or transactions initiated by the Broker pursuant to the provisions in Clauses 4.6 and 4.7 hereof and any cost or expense (including but not limited to commissions and legal costs) incurred by the Broker on a full indemnity basis related thereto. In respect of Clauses 4.6 and 4.7, the Client shall have no claim against the Broker for losses arising from the Client's failure to provide the underlying Commodities or money to the Broker and the Broker's inability to give notice of exercise of Options Contract (where applicable) on behalf of the Client, or otherwise in connection with any other matter therewith howsoever arising.
- 4.9 In event of any failure in settlement for whatsoever reason or in howsoever way in respect of all or part of the Futures/Options Contracts entered by the Broker on behalf of the Client suffered by the Broker or the dealer appointed by the Broker on the scheduled settlement date, the Broker's obligations to make payment or to deliver any Commodity to the Client in respect of such contract shall thereupon and by virtue of such failure become obligations to make payment of such amount or delivery of such quantity of such Commodity as is equal to such payment or such quantity as is actually received by the Broker in respect thereof, unless the failure is caused by gross negligence or wilful default of the Broker.
- 4.10 The Broker may in its absolute discretion but shall not be bound to act on any instruction from the Client to take any action whatsoever or howsoever against any relevant person (including without limitation the relevant Exchange or Clearing House) in respect of such failure mentioned in Clause 4.9, provided that if any such action is taken by the Broker, the Client shall fully indemnify the Broker on demand in respect of all costs, claims, damages and expenses arising out of or in connection with the taking of such action.
- 4.11 In respect of Futures Contracts on global market, that is market outside Hong Kong ("Global Futures"), the Client acknowledges and agrees the following provisions :
- (A) The Broker shall not provide physical delivery service.
  - (B) Due to different trading hours for products of Global Futures, the Client shall be responsible to study the trading hours of each product before commencement of trading of such product, the Broker shall have no responsibility to provide the Client with the aforesaid information separately, the Client shall be fully responsible for all the losses whatsoever incurred as a result of any omissions and delay in notification regarding the Client with aforesaid relevant information, the Broker shall not be held responsible for any liability arising therefrom.
  - (C) Due to different settlement days for products of Global Futures, in order to avoid any inconvenience caused by the physical delivery of some futures products, the Client shall be responsible to close out the relevant Futures Contracts held by the Client on or before the first notice day (fixed by the related Exchanges) of the related products. The Client shall be fully responsible for all the losses, costs, charges and expenses whatsoever incurred as a result of any omissions for closing out any open contract and the Client shall fully indemnify the Broker as such.
5. **ELECTRONIC TRADING SERVICE**
- 5.1 The provisions in this Clause 5 apply only to any Account in respect of which the Client has requested and the Broker has agreed to provide with Electronic Trading Service on the terms and conditions of this Agreement.
- 5.2 When using the Electronic Trading Service, the Client warrants that the Client is the only authorized user of the Client's Access Codes and will be responsible for all instructions placed and all Transactions conducted with the use of the Access Codes. The Client shall be responsible for the confidentiality, security and use of the Access Codes issued to the Client by the Broker. The Broker may use authentication technologies in connection with the Electronic Trading Service. The Client shall comply with the procedure guide issued by the Broker (set out in Clause 5.10 below) in relation to the operations and security measures of Electronic Trading Service and the Client undertakes to logoff the Electronic Trading Service immediately following the completion of each Electronic Trading Service session.
- 5.3 The Client acknowledges that it may not be possible to change or cancel an instruction given through Electronic Trading Service and agrees to exercise caution before placing orders.
- 5.4 The Broker may (but not have obligations) monitor and/or record any of the Client's instructions given or orders transacted through the Electronic Trading Service. The Client agrees to accept such recording (or a transcript thereof) as final and conclusive evidence of the contents and nature of the relevant instructions and Transactions and as binding on the Client.
- 5.5 The Broker will not be deemed to have received or executed the instructions from the Client given through the Electronic Trading Service unless and until the Client has received the relevant acknowledgement or confirmation in such manner specified by the Broker from time to time (including without limitation by posting the status of the instructions in order journals on the website which is operated by the Broker and is freely accessible by the Client). The Broker is also entitled to correct any errors in such acknowledgement or confirmation without incurring any liability in connection therewith.
- 5.6 The Client shall immediately notify the Broker if:

- (A) an instruction has been placed through the Electronic Trading Service and the Client has not received an instruction number or acknowledgement of receipt of the instruction or of its execution from the Broker (whether by hard copy, electronic or verbal means); or
- (B) the Client has received acknowledgement of a Transaction (whether by hard copy, electronic or verbal means) which the Client did not instruct, or is inconsistent with the Client's instruction or the Client has any suspicion of unauthorized access to the Electronic Trading Service; or
- (C) the Client becomes aware of or suspicious of any loss, theft, or unauthorized disclosure or use of the Client's Access Codes;

or otherwise, the Broker or its agents, employees or representatives will not be responsible or liable to the Client or any other person whose claim may arise through the Client for any claim with respect to handling, mishandling or loss of instruction placed through the Electronic Trading Service.

Without limiting the generality of the foregoing, the Client acknowledges and agrees that it may not be possible to amend or cancel an instruction after it has been given through the Electronic Trading Service and that an instruction may only be amended or cancelled if it has not been executed by the Broker. In such circumstances, the Broker will use its reasonable efforts to amend or cancel the instruction according to the Client's intention but, notwithstanding an acknowledgement by the Broker in relation to the amendment or cancellation, there is no guarantee that the amendment or cancellation will occur. If the amendment or cancellation does not occur, the Client shall remain liable for the original instruction.

- 5.7 The Broker reserves the right to suspend the Electronic Trading Service if an incorrect Access Code has been input on or more than 3 occasions.
- 5.8 Notwithstanding any other provisions in this Agreement, where the Client is provided with Electronic Trading Service, following execution of the Client's trading orders, the Client accepts that the Broker may send to the Client and the Client agrees to receive trading confirmations and records (including but not limited to contract notes and statement of transactions) through electronic posting to the Account, the website operated by the Broker or the Client's email address (as provided in the Account Opening Form or notified by the Client from time to time) or other electronic means in lieu of printed documents. Any such information will be freely accessible by the Client after such sending by the Broker and the Client shall print out such documents or make its own arrangement forthwith without delay to maintain its own records if necessary. If the Client insists to receive its trading confirmation and records in printed documents, the Broker is entitled to charge a reasonable fee for providing such service.
- 5.9 The Client agrees that should Client experience any problems in reaching the Broker through the Electronic Trading Service or vice versa, the Client shall attempt to use an alternative method or device, as the Broker may make available, to communicate with the Broker to place the Client's orders and to inform the Broker of the difficulty the Client has experienced.
- 5.10 The Client acknowledges that the Client has read and understood the Broker's procedure guide relating to the use, operation, security measures and procedures of the Electronic Trading Service, and further acknowledges that such guide may be amended or supplemented by the Broker from time to time, which shall be binding on the Client in respect of the Client's use of the Electronic Trading Service.
- 5.11 The Client acknowledges that the Electronic Trading Service, the website operated by the Broker and the software comprised in them, are licensed or proprietary to the Broker and its agents, contractors and service providers. The Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way or gain unauthorized access to, any part of the Electronic Trading Service, the website operated by the Broker or any of the software comprised in them.
- 5.12 The Client acknowledges that the Client has fully understood the implications of the risks associated with the Electronic Trading Service as set out in the Risk Disclosure Statement but agrees that the benefits of using the Electronic Trading Service outweigh these risks and waives any claim the Client might have against the Broker or any Broker Group Company arising from:
  - (A) systemic failures (including hardware and software failures);
  - (B) the Broker's acceptance of any unauthorized instructions which appear or which the Broker believes to be from the Client;
  - (C) failure or delay in the execution of instructions from the Client or execution of the Client's instructions at prices different from those prevailing at the time the instructions were given;
  - (D) the Client's access to the website of the Broker or the Electronic Trading Service being limited or unavailable;
  - (E) failure to or delay in dispatch or delivery of any notice or information provided or requested via the Electronic Trading Service or any inaccuracy, error or omission in or from any such notice or in or from any information contained in any such notice;
  - (F) Client's failure to use the Electronic Trading Service in accordance with the Agreement or any relevant agreement between the Broker and the Client; and
  - (G) the Client's reliance, use or otherwise acting upon any information or materials provided via the Electronic Trading Service or the website operated by the Broker.

## 6. MARGIN

- 6.1 The Client shall at all times maintain with the Broker, in such amount and such form as the Broker may from time to time require, Margin in excess of the Client's indebtedness or obligations to the Broker whether by way of trading or otherwise howsoever for the compliance of the margin requirements set by the Broker and the amount of which may be greater than that required by any relevant Exchange, Clearing House Margin or other dealer. The Broker may also change margin requirements in its absolute discretion without prior notice.

- 6.2 Client agrees to provide Margin in form of cash. Margin in form of asset other than cash will only be accepted by the Broker in its absolute discretion and the Broker has absolute discretion to assign a notional value to such assets for determining the amount of required Margin which may not correspond to its market value.
- 6.3 All amounts (including Margin) payable by the Client in connection with this Agreement shall be due on demand and in the currency of the Broker's choice subject only to any restrictions which may be imposed, by the appropriate Exchange and/or relevant Clearing House, if any, upon which the Futures/Options Contract concerned was executed on the Client's behalf. Demands for Margin must be met not later than the close of business on the next following business day or such shorter period as the Broker may in its absolute discretion determine and specify to the Client. Failure to meet any demand for Margin within the period specified by the Broker or at the time of making such call or demand for Margin will constitute an Event of Default and the Broker may exercise any of its rights under Clause 9.2 and may close out any Open Contracts in respect of which demand for Margin has not been met. The Client agrees that in such closing out of Open Contracts on behalf of the Client, the Brokers owes no obligation of whatsoever nature to the Client to minimize or eliminate loss suffered by the Client. The Broker may be required to report to HKFE and/or the SFC particulars of all open positions in respect of which two successive Margin calls are not met within the period specified by the Broker.
- 6.4 Notwithstanding Clauses 6.1 and 6.3, in the event that it is in the sole opinion of the Broker that it is impracticable for the Broker to make demand on the Client for additional Margin pursuant to Clause 6.3, the Broker shall be deemed to have made such demand of additional Margin in such form and amount as the Broker may determine and such demand shall become immediately due and payable by the Client. The aforesaid impracticability may be due to the following (without limitation) rapid changes or development involving prospective changes:
- (A) in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of the Broker likely to result in a material or adverse fluctuation in the stock market, currency market, commodities or futures market in Hong Kong and/or overseas; or
  - (B) which is or may be of a material adverse nature affecting the conditions of the Client, performance of a Futures/Options Contract in the Account or operations of the Account.
- 6.5 The Client agrees that no previous margin requirements shall establish any precedent and change in margin requirements (increase or decrease) shall apply to existing positions as well as to the new positions in the Futures/Options Contracts which are affected by such change.
- 6.6 In respect of HKFE Trades, the Client further acknowledges and agrees that :
- (A) margin is calculated at the end of each business day or other shorter interval as directed by HKFE or determined by the Broker in its discretion from time to time and more frequently during active markets;
  - (B) the Broker will not transact any Futures/Options Contracts for the Client until and unless the Broker has received from that Client sufficient cash to cover that Client's expected trading liabilities, Initial Margin and/or Variation Adjustments;
  - (C) the Broker in its absolute discretion may require more Initial Margin and/or Maintenance Margin and/or Variation Adjustments than the Initial Margin or Maintenance Margin or Variation Adjustments specified by the HKFE and/or the HKCC;
  - (D) the Broker is entitled to change the Initial Margin and/or Maintenance Margin and/or Variation Adjustments in its sole discretion at any time without assigning any reason therefor;
  - (E) for the avoidance of doubt, failure by the Client to meet Maintenance Margin on Margin Calls made by the Broker or any other accounts payable hereunder shall give the Broker the right (without prejudice to other rights) to close out any open positions in respect of which any Margin Calls are not met without notice to the Client and to dispose of any or all assets held for or on behalf of the Client and to apply the proceeds and/or any cash deposits to pay the Broker all outstanding balances owing to the Broker;
  - (F) the Broker is obliged to report to the HKFE and the SFC particulars of all open position in respect of which two successive Margin Calls and/or demands for Variation Adjustments are not met within that period specified by the Broker; and
  - (G) if at the close of business on any business day, the aggregate amount of the Client's Maintenance Margin at that time exceeds the aggregate of the Client's Equity Balance at that time, the Broker may require the Client to deposit with the Broker, not later than the close of business on the next following business day or any shorter period as the Broker may specify, an amount in cash not less than the amount of the excess between the Initial Margin and the Equity Balance.
  - (H) For the purpose of Clause 6.6,
 

<b>"Equity Balance"</b>	is the balance in the Client's ledger account at any time, plus any floating profit or less any floating loss, and after adjusting for any income credited to and charges levied against the Account; and the amount of any Equity Balance is a positive amount where the balance is payable to the Client and it is a negative amount where the balance is payable by the Client
<b>"floating profit"</b>	means unrealized profits calculated by marking to market Futures/Options Contracts
<b>"floating loss"</b>	means unrealized losses calculated by marking to market Futures/Options Contract
<b>"Initial Margin"</b>	means the minimum amount required to be deposited by the Client with the Broker for each Futures/Options Contract
<b>"Maintenance Margin"</b>	means the minimum balance which must be maintained for each Futures/Options Contract by the Client subsequent to the deposit of the Initial Margin

**“Variation Adjustment”**

means the amount payable to the Broker by the Client, calculated at least once daily based on the market price at the end of each day or at other interval as directed by the HKFE from time to time in respect of each open Futures/Options Contract in the Account

**“Margin Calls”**

means Broker's demand on the Client using margin to deposit additional cash or non-cash collateral so that the Account is brought up to the minimum Maintenance Margin. Margin calls occur when the balance in the Account falls below Maintenance Margin required by the Broker from time to time

**7. CLIENT ASSETS**

7.1 All monies, securities or other property received by the Broker from the Client or from any other person (including the Clearing House) for the account of the Client shall be held by the Broker as trustee, segregated from the Broker's own assets and paid into a Segregated Bank Account, a Segregated Debt Securities Account or a Segregated Securities Account (as the case may be), and that all monies, securities or other property so held by the Broker shall not form part of the assets of the Broker for insolvency or winding up purposes but shall be returned to the Client promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of the Broker's business or assets.

7.2 Any monies, Approved Debt Securities or Approved Securities received by the Broker from the Client or from any other person (including the Clearing House) shall be held in the manner specified under paragraphs 7 to 12 of the Schedule 4 to the Code of Conduct and the Client authorises the Broker to apply any monies, Approved Debt Securities or Approved Securities which the Client may pay or deposit with the Broker in the manner specified under paragraphs 14 to 15 of Schedule 4 to the Code of Conduct. In particular, you may apply any such monies, Approved Debt Securities or Approved Securities in or towards meeting the Broker's obligations to any party insofar as such obligations arise in connection with or incidental to business of dealing in Futures/Options Contracts on the Client's behalf.

7.3 The Client authorizes the Broker to withdraw from the Segregated Bank Account, the Segregated Debt Securities Account or the Segregated Securities Account and to apply any monies, any Approved Debt Securities or any Approved Securities paid or deposited by the Client to the Broker for the following manner:

- (A) properly required to meet obligations of the Broker to the Clearing House, an executing agent or any other party arising in connection with or incidental to Futures Contracts or Options Contracts transacted by the Broker on the instructions or behalf of the Client, provided that no withdrawal may be made which would have the effect that Clearing House Margin requirements, variation adjustment or other applicable adjustment requirements, or trading liabilities in respect of Futures Contracts or Options Contracts conducted on behalf of the Client are thereby financed by other clients' money;
- (B) properly required to meet commission, brokerage, levies and other proper charges directly relating to Futures Contracts or Options Contracts transacted by the Broker on the instructions of the Client (whether or not payable to the Broker);
- (C) to transfer monies to another Segregated Bank Account, to transfer Approved Debt Securities to another Segregated Debt Securities Account or to transfer Approved Securities to another Segregated Securities Account;
- (D) to pay to or in accordance with the directions of the Client but in such a case, notwithstanding the Client's directions, no monies, no Approved Debt Securities and no Approved Securities may be paid or deposited into another account of the Broker unless it is a Segregated Bank Account, a Segregated Debt Securities Account or a Segregated Securities Account (as the case may be); and
- (E) the Broker's retaining of such amounts of interest derived from the holding of the Client's money.

In particular, the Client acknowledges that the Broker may apply such monies, Approved Debt Securities or Approved Securities in or towards meeting the Broker's obligations to any party insofar as such obligations arise in connection with or incidental to all Futures/Options Contracts transacted on the Client's behalf. The Client agrees that all the interest derived from the holding of the Client's money belongs to the Broker who has right to retain all such interest.

7.4 The Client acknowledges that in respect of any account of the Broker maintained with the Clearing House, whether wholly or partly in respect of Futures Contracts or Options Contracts transacted on behalf of the Client and whether or not monies, Approved Debt Securities or Approved Securities paid or deposited by the Client has been paid to or deposited with the Clearing House, as between the Broker and the Clearing House, the Broker deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of the Client. Monies, Approved Debt Securities and Approved Securities paid to or deposited with the Clearing House are thereby free from the trust referred to in Clause 7.1.

7.5 The Client, as beneficial owner, charges in favour of the Broker by way of first fixed charge all securities, Commodities, Margin, or other properties from time to time deposited by or on behalf of the Client with the Broker, or purchased for or otherwise being held in or by or under the order or control of the Broker for the Account or any other account otherwise, including any and all rights, title and interest, present or future, therein (collectively, **“Charged Assets”**) as continuing security for all of the Client's liabilities and obligations due, owing or incurred towards the Broker of whatever nature and from time to time (including without limitation the margin and delivery obligations arising from the futures and options positions of the Client) and the Client hereby assigns and releases to the Broker all such securities, Commodities, Margin, or other properties. The Broker is entitled to, without further notice, sell, realise or dispose of all or any of the Charged Assets at any time and in any manner which the Broker deems expedient for discharge of any indebtedness of the Client owing towards the Broker if the Client fails to comply with any terms of the Agreement or to pay any debts to the Broker.

7.6 The Broker has absolute discretion whether to pay or not to pay to the Client interest accrued on any money of the Client in the Account. No interest on the money in the Account shall be paid to the Client unless the Broker has resolved to pay interest at interest rate determined by the Broker from time to time at its absolute discretion taking into consideration of prevailing market rates.

**8. CHARGES, COSTS AND EXPENSES**

8.1 The Client agrees to pay to the Broker all commissions, brokerage or other remuneration payable on all Transactions (including those pursuant to Clause 9) at the rates established from time to time by the Broker. The Client also agrees to

reimburse the Broker on a full indemnity basis for all applicable levies (including but not limited to levies imposed by the Exchanges, Clearing Houses and the SFC), fees, stamp duties, expenses and other charges in respect of or in connection with the Transactions. Commissions and brokerage are subject to change from time to time and can be ascertained by contacting the Broker. The Broker may impose additional charges for special services furnished at the request of the Client.

8.2 In addition to the charges payable under Clause 8.1, the Client agrees to pay the Broker the following:

- (A) all subscription, service and usage fees are payable in advance in the manner as prescribed by the Broker and such fees are non-refundable;
- (B) any fee/levies charges by Exchanges or other authorities,
- (C) any other reasonable fees and charges imposed by the Broker from time to time for services and facilities rendered to the Client; and
- (D) interest on all outstanding sums at such rate and at such mode as the Broker shall determine,

and the Broker may at its discretion vary the rate of such fees and subscription at any time and from time to time without notice.

8.3 The Client acknowledges:

- (A) that every HKFE Trade is subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the SFO and the cost of each such charge and levy attributable to the Client shall be borne by the Client; and
- (B) that in the case of a default committed by the Broker or its associated persons in connection with futures contracts (as defined under SFO) traded on a recognized futures market (including HKFE) as defined under SFO and related assets of such futures contracts and the Client having suffered pecuniary loss thereby, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules and accordingly that there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part, or at all. For Transactions which are effected in an exchange other than a recognized futures market (as defined under the SFO), the Client hereby acknowledges and accepts that the valid claims in event of any default on the part of the Broker or its associated person will be subject to the rules in the relevant market.

8.4 The Client hereby agrees to the imposition upon its Account or Accounts from time to time as the Broker may determine, of a minimum charge in respect of Accounts that maintain only average credit balances of less than such minimum amount as the Broker may from time to time determine.

8.5 The Client agrees that the Broker is entitled to solicit, accept and retain for the Broker's own benefit any rebate, brokerage, commission, fee benefit, discount and/or other advantage from any Transaction effected by the Broker. The Broker may also offer at its absolute discretion any benefit or advantage to any person in connection with such Transaction.

## 9. **DEFAULT**

9.1 The following shall constitute events of default (the “**Events of Default**”) :

- (A) if, in respect of any Client Contract, the Client fails:
  - (I) to provide Margin under this Agreement or when called upon to do so; or
  - (II) to make or take delivery of any Commodity when required under such contract; or
  - (III) to pay any purchase price, option premium or other payment thereunder when due;
- (B) (for Client being an individual) the death of the Client or the Client becoming incapacitated from due performance of the terms and conditions of the Agreement;
- (C) the filing of a petition in bankruptcy or, as the case may be, winding up or the commencement of other analogous proceedings, or the appointment of a receiver, in respect of the Client;
- (D) the levying of an attachment against any Account;
- (E) default by the Client in the due performance or observance of any of the terms and conditions of this Agreement;
- (F) any representation or warranty made in or in pursuance of this Agreement or in any certificate, statement or other document delivered to the Broker being or becoming incorrect in any material respect;
- (G) any of the consents, authorizations, approvals, licenses, or board resolutions required by the Client to enter into this Agreement being modified in a manner unacceptable to the Broker or being wholly or partly revoked, withdrawn, suspended or terminated or expiring and not being renewed or otherwise failing to remain in full force and effect;
- (H) the continued performance of this Agreement becomes illegal or claim by any government authority to be illegal;
- (I) the Client being in breach, voluntary or otherwise, of any of the conditions contained herein or of the constitutions, rules and regulations of any Exchange or Clearing House;
- (J) material adverse change in the financial position of the Client; and
- (K) the occurrence of any event which, in the Broker's sole discretion, the Broker feels shall or might put in jeopardy the Broker's rights conferred under this Agreement.

9.2 Without prejudice to any other right or remedy which the Broker may have, if any one or more Events of Default occur, all amounts owing by the Client to the Broker with interest shall become immediately due and payable without any notice or

demand and the Broker shall be authorized, in its absolute discretion, to take one or more of the following actions no matter separately, successively or concurrently (but shall not be bound to take any such action):

- (A) sell or liquidate any or all Open Contracts, Commodities or properties of the Client held or carried for the Client or purchase or cover any or all Client's Futures/Options Contracts or Commodities held or carried as a short position for the Client;
- (B) cancel any or all outstanding orders or contracts or any other commitments made on behalf of the Client and/or decline to take any orders from the Client;
- (C) call upon any security including but not limited to any guarantees and letters of credit which may have been issued to or in favour of the Broker as security for the Account(s);
- (D) set-off, combine, consolidate, realise and/or sell all or any of the accounts maintained by the Client with the Broker and any Broker Group Company (including any money or client securities or Commodities or other properties under such accounts);
- (E) close out without recourse any or all open positions under the Account;
- (F) borrow or buy in any property whatsoever found necessary by the Broker or required to make delivery against any sale (including a short sale) effected for the Client;
- (G) exercise any option (call or put) arising from any Option Contract held for the Client;
- (H) exercise any of its rights under this Agreement; and/or
- (I) terminate this Agreement forthwith,

**PROVIDED ALWAYS THAT** a prior tender, demand for original or additional Margin or call of any kind from the Broker, or prior or outstanding demand or call from the Broker, or notice of the time and place of a sale or purchase shall not be considered a waiver of any of the Broker's rights granted by this Agreement. The Client undertakes to pay to the Broker any deficiency if the net proceeds of sale and/or liquidation of Client's assets are insufficient to cover all the outstanding balances owed by the Client to the Broker.

9.3 In the event of sale of any properties of the Client, closing out of the Client's Futures/Options Contracts, liquidation of the Account or purchase of any properties in Clauses 6, 9.2 and 10, the Broker shall not be responsible for any loss occasioned thereby howsoever arising if the Broker has already used reasonable endeavours to sell or dispose of any of the Client's properties and/or close out or liquidate any outstanding position in the Account under the prevailing market conditions. The Broker is also entitled to exercise its own judgement in determining the time of the aforesaid sale or disposal or closing out or liquidation and to sell or dispose of any of such properties at current market price to any Broker Group Company (including the Broker) without any responsibility for any loss occasioned or being accountable for any profit made by any Broker Group Company.

9.4 After deducting all costs and expenses incurred in connection with taking any action referred to in Clause 9.2, the Broker may apply any remaining proceeds to the payment of any liabilities the Client may have to the Broker; and in the event such proceeds are insufficient for the payment of liabilities the Client shall promptly upon demand and notwithstanding that the time originally stipulated for settlement may not then have arrived pay to the Broker and indemnify and hold the Broker harmless against any differences or deficiencies arising therefrom or in any Account, together with interest thereon and all professional costs (including solicitor's and counsel's fees on a full indemnity basis should the Broker in its absolute discretion refer the matter to legal advisers) and/or expenses incurred by the Broker in connection with the enforcement of any outstanding position in the Account which shall be for the account of the Client and properly deductible by the Broker from any funds of the Client in its possession.

9.5 Without prejudice to Clause 9.4, the Broker may place any of the proceeds obtained from performing any actions in Clause 9.2 to the credit of a suspense account with a view to preserve the rights of the Broker to prove for the whole of the Broker's claim against the Client in the event of any proceedings in or analogous to bankruptcy, liquidation or arrangement for so long as the Broker in its absolute discretion determines without any obligation to apply the same or any part thereof in or towards discharge of any debts or liabilities due to or incurred by the Client to the Broker.

9.6 The Client acknowledges that the rights the Broker is entitled to exercise under this Clause 9 are reasonable and necessary for its protection having regard to the nature of the business in Futures/Options Contracts, in particular the volatility in the prices of Futures/Options Contracts and the underlying Commodities.

## 10. LIEN AND SET OFF

10.1 In addition to and without prejudice to any general liens, right of set-off or other similar rights to which the Broker is entitled under law or this Agreement, all Commodities, receivables, money (in any currency) and other property of the Client (held by the Client individually or jointly with others) held by or in possession of the Broker at any time shall be subject to a general lien in favour of the Broker as continuing security to offset and discharge all of the Client's obligations, arising from the Transactions or otherwise, to the Broker and any Broker Group Company.

10.2 In the event that the Client has more than one account (of any nature whatsoever including accounts of other clients guaranteed by the Client and whether in single or joint names) maintained with the Broker or any Broker Group Company, in addition to and without prejudice to any general liens or similar rights, the Broker may by itself or as agent of any Broker Group Company at any time, and without notice to the Client, combine or consolidate all or any of them and set-off or transfer any monies or any other properties standing to the credit of any one or more of them in or towards satisfaction of any of the liabilities to the Broker or Broker Group Company of the Client on any such accounts or in any other respect, including liabilities under facilities or accommodation for any unexpired fixed term or in respect of dealings in Futures/Options Contracts or under guarantees or indemnities or any other instruments whatsoever given or assumed by the Broker at the Client's request, whether such liabilities are present or future, actual or contingent, primary or collateral and joint or several.

10.3 Where any such set-off or combination requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange (as determined by the Broker and binding in all respects upon the Client) utilized by the Broker in the Broker's normal course of business for such currencies at the time of the combination or set-off.

- 10.4 The right of set off in this Clause 10 is a continuing security and is in addition and without prejudice to any security interest the Broker may now or hereafter hold. In respect of any payments to set off any liabilities or obligations of the Client to any other Broker Group Company, the Broker shall not be concerned with whether or not such liabilities or obligations exist provided demand has been made on the Broker by any other Broker Group Company.
- 10.5 Nothing herein shall restrict the operation of any general lien or other rights or lien whatsoever which the Broker may have, whether by law or otherwise, and the rights of set-off hereby conferred are in addition and without prejudice to any general right of set off arising by law or rights granted to the Broker by Clause 9 or 10 or any lien, guarantee, bill, note, mortgage or other security now or hereafter held by the Broker.
- 11. ASSIGNMENT AND SUCCESSION**
- 11.1 The Client shall not assign any rights or obligations under this Agreement or any Futures/Options Contract of the Client without prior consent of the Broker.
- 11.2 Subject to the provisions of the SFO and any applicable law, the Broker may assign any rights or obligations under this Agreement to another person after written notice to the Client.
- 11.3 All the provisions of this Agreement shall survive any changes or successions in the Broker's business and shall be binding, where the Client is a corporation upon its successors, where the Client is a partnership upon the partners and their personal representatives, and where the Client is an individual upon his personal representatives.
- 12. NO WAIVER**
- The Client acknowledges that no act, omission to act or forbearance by the Broker or any of its employees, servants or agents shall be, or be deemed to be, a waiver by the Broker of any rights against the Client or against Margin, or any assets of the Client on hand with the Broker.
- 13. LIABILITIES AND INDEMNITY**
- 13.1 Neither the Broker, nor its directors, employees, agents or representatives (the "**Relevant Persons**") shall under any circumstances whatsoever be liable to the Client (whether under contract, in negligence or otherwise) in the absence of bad faith or wilful default of or by the Relevant Persons in respect of any loss, damage, injury sustained or liability incurred by the Client by reason of :
- (A) any act, advice, statement (express or implied), default or omission of the Relevant Persons, whether such loss, damage, injury or liability be caused by breach or otherwise by the Relevant Persons or howsoever caused; or
  - (B) any conditions or circumstances which are beyond the reasonable control or anticipation of the Relevant Persons including but not limited to any delay in transmission of orders due to whatsoever reason, failure of electronic or mechanical equipment, telephone or other interconnection problems, unauthorized use of Access Code, prevailing fast moving market conditions, governmental agency or exchange actions, theft, war, severe weather, earthquakes and strikes; or
  - (C) the Broker exercising any of its rights conferred by the terms of this Agreement.
- 13.2 The Client agrees to indemnify the Relevant Persons against and hold the Relevant Persons harmless from all expenses, liabilities, claims and demands arising out of the following, in the absence of bad faith or wilful default of or by the Relevant Persons:
- (A) anything lawfully done or omitted to be done by the Relevant Persons in connection with this Agreement; or
  - (B) any breach by the Client of its obligations under this Agreement.
- 14. WARRANTIES AND UNDERTAKINGS**
- 14.1 The Client hereby undertakes, represents and warrants on a continuing basis that:
- (A) the information given by the Client, or on the Client's behalf, to the Broker in the Account Opening Form or otherwise in connection with the opening of any Account is true, full and complete and the Broker shall be entitled to rely on such information until the Broker receives written notice from the Client of any changes thereto;
  - (B) it has the authority and capacity to enter into and execute this Agreement and no one except the Client (unless otherwise disclosed to the Broker pursuant to Clause 16) has an interest in the Account(s);
  - (C) save as disclosed by the Client to the Broker pursuant to Clause 16 with the consent given by the Broker:
    - (I) the Client enters this Agreement as a principal and is trading on its own account and does not do so as nominee or trustee for any other person and there exist no arrangements whereby any person other than the person(s) signing this Agreements as the Client has or will have any beneficial interest in this Agreement; and
    - (II) the Client is the ultimate beneficiary of the Account and the person ultimately responsible for originating instruction about Transactions;
  - (D) this Agreement and its performance and the obligations contained in it do not and will not contravene any applicable laws and regulations, contravene any provisions of the memorandum and articles or bye-laws (for corporate client), or constitute a breach or default under any agreement or arrangement by the Client is bound;
  - (E) subject to any security interest of any Broker Group Company and the information disclosed to the Broker, all properties including but not limited to Commodities provided by the Client for selling or crediting into the Account(s) are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client and the Client will not charge, pledge or allow to subsist any charge or pledge or grant any option over such properties without the Broker's prior consent;

- (F) the Client has received, read and understood the contents of the Risk Disclosure Statement and the Disclaimers and the Client has sufficient experience to assess the suitability of the Transactions contemplated under this Agreement;
- (G) where the Client or any one of them is a body corporate (in respect of such person):-
- (I) it is a corporation duly organized and is validly existing under the laws of the country of its incorporation and in every other country where it is carrying on business;
  - (II) this Agreement has been validly authorized by the appropriate corporate action of the Client and when executed and delivered will constitute valid and binding obligations of the Client in accordance with the terms herein;
  - (III) the certified true copies of the Client's certificate of incorporation or registration, charter, statute or memorandum and articles or other instrument constituting or defining its constitution and the board resolutions of the Client delivered to the Broker are true and accurate and still in force; and
  - (IV) no steps have been taken or are being taken to appoint a receiver and/or manager or liquidator over the assets of, or to wind up the Client;
- (H) where the Client or any one of them is an individual, the Client is legally capable of validly entering into and performing this Agreement and is of sound mind and legal competence and is not a bankrupt; and
- (I) where the Client is a partnership and business is carried on under a firm's name, this Agreement shall continue to be valid and binding for all purposes notwithstanding any change in the partnership or constitution of the firm by the introduction of a new partner or by the death, insanity or bankruptcy or a retirement of any partner for the time being carrying on the business of or constituting the firm or otherwise.
- 14.2 The Client undertakes to notify the Broker immediately upon the occurrence of any material changes in the information supplied in this Agreement and/or the Account Opening Form. In particular, the Client agrees to inform the Broker of any change in contact information (including address and telephone number) upon occurrence of such changes. In event that in exercising its rights or discharging its duties under this Agreement, the Broker cannot communicate with the Client using the latest contact details provided by the Client for over a period of seven (7) days, the Client agrees that this provides sufficient evidence of material breach of the Agreement by the Client which constitutes an Event of Default under Clause 9.1(F).
- 14.3 The Broker will notify the Client of any material change to: (a) the name and address of its business; (b) its registration status with the SFC and its CE number; (c) the description of the nature of services provided by it; or (d) the description of the remuneration payable to the Broker and the basis for such payment.
- 14.4 If the Client operates the Account for its customer(s) not the Client itself for dealing in HKFE Trades ("**omnibus account**"), the Client hereby warrants that it is authorized under the SFO or the laws of its jurisdiction to operate an omnibus account and shall inform the Broker whether it is a dealer registered under the SFO or under the laws of its relevant jurisdiction. If such Client is not an Exchange Participant of HKFE, it hereby undertakes, represents and warrants on a continuous basis that in respect of HKFE Trades, the Client shall:
- (A) in the Client's dealings with the person(s) from whom it receives instructions with respect to the omnibus account, comply with and enforce the Margin and Variation Adjustment (as defined in Clause 6.6) requirements and procedures as stipulated in the Rules of HKFE as though the Client were an exchange participant of HKFE and as though the person(s) for whose account or benefit such instructions are given were clients;
  - (B) cause Exchange Contracts to be entered into in fulfillment of such instructions, so that there shall in no circumstances be any dealing with the instructions in a manner which constitutes unlawful dealing in differences in market quotations of commodities under the laws of Hong Kong or any other applicable jurisdiction or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items in contravention of Hong Kong laws or any other applicable laws; and
  - (C) ensure that the persons from whom the Client receives instructions comply with the Margin and Variation Adjustment requirements as stipulated in the Rules of HKFE, with the result that, as between HKFE and the Broker, the Broker should be responsible for ensuring that such requirements are complied with by all persons through whom instructions pass with respect to the omnibus account as if each in turn was the Client for whom such omnibus account was operated.
15. **INFORMATION GIVEN TO CLIENT**
- 15.1 The Broker may provide financial market data, quotes, news, research or other information, including graphic images (collectively, the "**Information**"), to Client by means of hardcopy, conversation, Electronic Media, website operated by the Broker or otherwise (no matter in writing or verbally). The Client acknowledges that the rights in the Information are the property of the Broker Group, the information providers or the licensors (the "**Information Providers**") and are protected by applicable copyright and other intellectual property laws and the Client is allowed to use the Information on the agreement of not engaging in any actions which may infringe the rights of the Information Providers.
- 15.2 The Client acknowledges that none of the Information Providers makes any representation or warranty of any kind (including but not limited to warranties of merchantability or fitness for any particular use) and does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of the Information. In particular owing to market volatility and possible delay in data-transmission process, the market data containing in the Information may not be real-time market quotes for the relevant products. Whilst the Broker believes such data to be reliable, it has no independent basis to verify the accuracy or completeness of the Information provided. No recommendation or endorsement from the Broker shall be inferred from such data.
- 15.3 The Client acknowledges that the Information is provided for informational purpose only and should not be used as a basis for making business, investment or any kind of decision and the Information Providers do not accept any responsibility or liability for any loss or damage howsoever arising from any person acting or refraining from acting in reliance on the Information.
16. **DISCLOSURE OF INFORMATION ABOUT CLIENT**
- 16.1 Subject to the provisions of this Agreement, the Broker will keep the information relating to the Accounts confidential. The Client acknowledges that there are laws, rules and regulations of the relevant markets and Exchanges which contain



provisions requiring the Broker upon the request of HKFE, the SFC and/or any other regulator in any jurisdiction (collectively, “**relevant regulators**”) having jurisdiction over the Transactions, to disclose details of the Transactions, the name of the Client, beneficial identity of the Transactions and such other information concerning the Client as any such relevant regulators may require and that the Client agrees to provide such information concerning the Client as the Broker may require in order for the Broker to comply with the requirements. In particular, the Broker may be required to report to HKFE and the SFC particulars of all open positions (i) in respect of which two successive margin calls are not met within the period specified by the Broker; and (ii) for compliance with the requirements on large open positions.

16.2 Without limiting the disclosure to anything provided in Clause 16.1, the Client hereby irrevocably authorizes the Broker and any other Broker Group Company, without further notice and consent from the Client, to disclose to any person information, reports, records or documents pertaining to the Account together with such other information as may be required or the Broker may deem appropriate and to produce computerized record or other document relating to the Client and the Account if that disclosure is required by the relevant regulators for the purpose of assisting them with any investigation or enquiry they are undertaking or by a court of competent jurisdiction or if the disclosure is in the public interest or in the Broker's or the Client's interest or is made with the Client's expressed or implied consent.

16.3 The Client further agrees that the Broker may, whether during the continuance or after the termination of this Agreement, without notice to the Client, disclose any information relating to the Client and the Account(s) to any other Broker Group Company, or to any assignee of any of the rights or obligations of the Broker under this Agreement.

16.4 The Client shall provide the information about the identity, address and contact details (“**identity details**”) of the persons or entities which (i)

- (A) are the Client,
- (B) are ultimately responsible for originating the instructions in relation to the Transactions, or
- (C) stand to gain the commercial or economic benefit of the transactions and/or bear its commercial or economic risk;

or such other information concerning the Client as any relevant regulator may require in order for the Broker to comply with the applicable laws and regulations and the Client authorizes the Broker to provide such information about the Client to such relevant regulator without further consent from or notification to the Client.

16.5 Without prejudice to Clause 16.4, if the Client effects transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with any clients of the Client, the Client agrees that, in relation to a transaction where the Broker has received an enquiry from the relevant regulators, the following provisions shall apply:

- (A) Subject to as provided below, the Client shall, immediately upon request by the Broker, inform the relevant regulators of the identity details of the client for whose account the transaction was effected and (so far as known to the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the relevant regulators of the identity details of any third party (if different from the client/the ultimate beneficiary) originating the transaction.
- (B) If the Client effects the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall
  - (I) immediately upon request by the Broker, inform the relevant regulators of the identity details of the person(s) who, on behalf of the scheme, account or trust, has instructed the Client to effect the transaction; or
  - (II) as soon as practicable, inform the Broker when its discretion to invest on behalf of the scheme, account or trust has been overridden, and the Client shall immediately upon request by the Broker, inform the relevant regulators of the identity details of the person who has given the instruction.
- (C) If the Client is a collective investment scheme, discretionary account or discretionary trust and in respect of a particular transaction, the discretion of the Client or its officers or employees has been overridden, the Client shall, as soon as practicable, inform the Broker when its discretion to invest on behalf of the beneficiaries of such scheme, account or trust has been overridden and immediately upon request by the Broker, inform the relevant regulators of the identity details of the person who has given the instruction in relation to the relevant transaction.
- (D) If the Client is aware that its client is acting as intermediary for its underlying clients, and the Client does not know the identity details of any underlying client for whom the transaction is effected, the Client confirms that:
  - (I) the Client has legally binding arrangements in place with its client which entitle the Client to obtain the information set out in Clauses 16.5(A), (B) and/or (C) from its client immediately upon request or procure that it be so obtained; and
  - (II) the Client will, upon request from the Broker in relation to a transaction, promptly request the information set out in Clauses 16.5(A), (B) and/or (C) from its client on whose instructions the transaction is effected, and provide the information to the relevant regulators as soon as it is received from its client or procure that it be so provided.

16.6 The Client hereby agrees that the Broker shall not be in any way liable for any consequences arising out of any disclosure made under this Clause 16.

16.7 The Client acknowledges HKFE has the right to require the Broker to close out or request HKCC to effect closing out of or impose such margin surcharge on any or all the open contracts of the Client if the Client fails to comply with the requirements set out in Clauses 16.4 and 16.5 in respect of HKFE Trades.

16.8 The Client understands that the Client has supplied or may from time to time supply to the Broker or any other Broker Group Company personal data about the Client (the “**Personal Data**”), within the meaning ascribed in the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong), in connection with the opening or maintenance of any Account(s) or the provision of services to the Client by the Broker or any other Broker Group Company. The Client acknowledges that the Client is not required to provide any Personal Data to the Broker and any other Broker Group

Company unless the Client chooses to do so. However, if the Client fails to supply any such Personal Data, the Broker may not be able to open or maintain an Account(s) for the Client and/or provide the Client with any services.

16.9 The Client acknowledges that the Client has read the Data Privacy Policy of the Broker and agreed to the terms in it.

16.10 The terms contained in this Clause 16 shall continue in effect notwithstanding the termination of the Agreement.

#### 17. **TRANSACTIONS CONDUCTED IN FOREIGN CURRENCY**

In the event that any Transaction effected by the Broker on behalf of the Client involves conversion of a foreign currency (i.e. currency other than Hong Kong Dollars), the Client agrees that:

- (A) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the Client's account and risk;
- (B) any conversion from one currency to another required to be made for performing any action or step taken by the Broker under this Agreement may be effected in such manner and at such time as it may in its absolute discretion decide; and
- (C) when such a contract is liquidated and which is denominated in a currency other than that of the Account, the Broker is authorized to debit or credit the Account in the currency in which such Account is denominated at a rate of exchange determined by the Broker in the Broker's sole discretion on the basis of the then prevailing money markets rates of exchange between such currencies.

#### 18. **AMENDMENTS**

18.1 To the extent permitted by law, the Broker may from time to time amend or supplement (whether by the addition of schedules to this Agreement or otherwise) any of the terms and conditions of this Agreement by notifying the Client in accordance with Clause 20. If the Client does not accept the same, the Client may terminate this Agreement by notifying the Broker in writing within seven (7) business days from the Client's receipt or deemed receipt of the notice in accordance with Clause 20. If the Client does not terminate this Agreement within such time or if the Client continues to operate the Account after receipt or deemed receipt of notice of the amendment or supplement, the Client shall be deemed to have accepted such amendment or supplement and shall continue to be bound by this Agreement as so amended or supplemented.

18.2 Subject to Clause 18.1, no provision of this Agreement may be amended or supplemented unless agreed to in writing signed by the Broker's authorized representative(s).

#### 19. **JOINT CLIENT**

19.1 Where the Client consists of more than one person:

- (A) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any one of them;
- (B) the Broker is entitled to, but shall not be obliged to, act on instructions or requests from any of them;
- (C) any notice, payment or delivery by the Broker to any one of the Client shall be a full and discharge of the Broker's obligations to notify, pay or deliver under this Agreement; and
- (D) the Broker is entitled to deal separately with any one of the Client on any matter including the discharge of any liability to any extent without affecting the liability of any others.

Notwithstanding the above paragraph (B) and any agreement between any person of the Client with the Broker, the Broker reserves the right to demand all the persons of the Client to give instructions or requests in writing or in any such other manner determined by the Broker before the Broker's accepting or acting on such instructions.

19.2 Where the Client consists of more than one person, on the death of any of such persons (being survived by any other such persons), the death of one person does not operate to terminate this Agreement automatically unless terminated in accordance to other provisions of this Agreement but such death constitutes an Event of Default (Clause 9.1(B)) and the interest in the Account of the deceased will thereupon vest in and ensure for the benefit of the surviving person(s) of the Client provided any liabilities incurred by the deceased person of the Client shall be enforceable by the Broker against such deceased person's estate.

#### 20. **NOTICES**

20.1 In the event of the Broker being required to give any reports, written confirmations, notice to, or make any demand or request of the Client or otherwise being obliged to contact the Client in connection with this Agreement notice (including any demand for any outstanding indebtedness or Margin) may be personally delivered, transmitted by post, telex or facsimile or by telephone or through Electronic Media in each case to the address or telex, facsimile, telephone numbers or email address set out in the Account Opening Form or otherwise as notified to the Broker in writing from time to time.

20.2 Notices to be delivered by the Client to the Broker may be personally delivered, transmitted by post, telex or facsimile or by telephone in each case to the address or telex, facsimile or telephone numbers set out in this Agreement or otherwise as notified by the Broker from time to time.

20.3 All notices and other communications shall be deemed to be given at the time of transmission if delivered personally, by telex, facsimile or telephone or through Electronic Media or two days after the date of posting if transmitted by mail whichever shall be the first to occur; provided that any notice or other communication to be given to the Broker shall be effective only when received by the Broker.

#### 21. **TERMINATION**

21.1 Without prejudice to Clauses 9 and 18, the Broker and the Client may terminate this Agreement by giving to the other written notice. This does not affect the undertakings and indemnities given by and obligations of the Client under this Agreement (including but not limited to Clauses 13, 14, 15 and 16) and any rights and obligations under this Agreement outstanding as of the date of termination, all of which shall survive the termination.

- 21.2 Without prejudice to Clause 21.1 but subject to Clause 21.4, any termination shall not affect the rights or liabilities of either party arising out of or in connection with any Transactions entered into before the time of termination, including as to Margin, until all such contracts have been closed out or settlement and/or delivery has been effected and all such liabilities fully discharged.
- 21.3 Notwithstanding Clause 21.1, the Client has no right to terminate this Agreement if the Client has sums owing to the Broker, open position or any other outstanding liabilities or obligations.
- 21.4 Upon termination of the Agreement, all monies owed by the Client shall become immediately due, including but not limited to any interest which may accrue and payable to the Broker under the Agreement.
- 22. OTHER TERMS**
- 22.1 This Agreement sets forth the entire agreement and understanding between the parties hereto as to the matters set out herein and the opening, maintenance and operations of the Account(s), and supersedes all previous representations, agreements, understandings, whether oral or written or otherwise, between them.
- 22.2 This Agreement may be translated into Chinese language but in the event of any conflict arising the English version shall prevail.
- 22.3 Time shall in all respects be of the essence in the performance of all the Client's obligations under or in connection with this Agreement, in particular for the Client's obligation in providing adequate Collateral to the Broker within the prescribed time limit.
- 22.4 Except where the Broker is given express written instructions to the contrary, in accordance with the terms of this Agreement, it may make payment of any amounts owing to the Client by crediting the same to the Account, details of which are specified in this Agreement. Payment to such Account shall constitute payments to the Client for all purposes.
- 22.5 All sums payable by the Client in connection with this Agreement shall be exclusive of all taxes, duties or other charges of similar nature. If any tax, duty or other charge of similar nature is required by law to be withheld from such payments, the amount payable by the Client shall be increased to the extent necessary to ensure that, after the making of any withholding, the Broker receives on the due date a net sum equal to what it would have received and retained had no deduction been made.
- 22.6 Any provision in this Agreement which is invalid for any reason in any jurisdiction shall be ineffective to the extent of such invalidity and shall be severed from this Agreement in that jurisdiction without affecting the validity of the remaining provisions of this Agreement in that jurisdiction or affecting validity of such provision in any other jurisdiction.
- 22.7 The Client hereby declares that he has read this Agreement in the language of the Client's choice of English or Chinese and that the Client understands and agrees to be bound by the terms of this Agreement.
- 22.8 The Client hereby irrevocably appoints the Broker with full power and authority as the Client's attorney, to the fullest extent permitted by law, to act for and on behalf of the Client for the purpose of carrying out the provisions of this Agreement and taking any action and executing any document or instrument in the name of the Client or the Broker which the Broker may deem necessary or desirable to accomplish the purposes of this Agreement.
- 23. DISPUTES AND GOVERNING LAW**
- 23.1 This Agreement and its enforcement shall be governed by the laws of Hong Kong and its provisions shall be continuous, shall cover individually and collectively all Accounts which the Client may open or re-open with the Broker, and shall inure to the benefit of, and bind the Broker, the Broker's successors and assigns, whether by merger, consolidation or otherwise as well as heirs, executors, administrators, legatees, successors, personal representatives and assigns of the Client.
- 23.2 Any dispute, controversy or claim arising under or in connection with this Agreement including the validity, invalidity, breach or termination thereof, shall be settled by arbitration or by court proceedings in the Broker's absolute discretion which shall be binding absolutely on the Client.
- 23.3 Any dispute, controversy or claim which, in the Broker's discretion, is referred to arbitration shall be settled at the Hong Kong International Arbitration Centre conducted in Hong Kong according to Hong Kong International Arbitration Centre Administered Arbitration Rules ("Arbitration Rules") in force when the Notice of Arbitration is submitted in accordance with the Arbitration Rules. The Client hereby expressly agree to accept the finding of any such arbitration as absolute and final.
- 23.4 By execution and delivery of this Agreement the Client hereby irrevocably submits to and accepts unconditionally the non-exclusive jurisdiction of the courts of Hong Kong. In the event of any legal proceedings being brought in the courts of Hong Kong this Agreement shall in all respects be governed by and construed in accordance with the laws of Hong Kong PROVIDED ALWAYS THAT the Broker shall have the right to proceed against the Client in any other court which has jurisdiction over the Client or any of the Client's assets and the Client hereby submits to the non-exclusive jurisdiction of such courts.

## SCHEDULE I - HKFE DISCLAIMERS

### **DISCLAIMER delivered pursuant to the relevant provisions of the regulations for trading Futures and Options Contract based on existing & subsequent indices developed by the Hong Kong Futures Exchange Limited**

Stock indices and other proprietary products upon which contracts traded on Hong Kong Futures Exchange Limited ("Exchange") may be based from time to time be developed by the Exchange. The HKFE Taiwan Index is the first of such stock indices developed by the Exchange. The HKFE Taiwan Index and such other Indices or proprietary products as from time to time be developed by the Exchange ("Exchange Indices") are the property of the Exchange. The process of compilation and computation of each of the Exchange Indices is and will be the exclusive property of the proprietary to the Exchange. The process and basis of compilation and computation of the Exchange Indices may at any time be changed or altered by the Exchange without notice and the Exchange may at any time require that trading in and settlement of such futures or options contracts based on any of the Exchange Indices as the Exchange may designate be conducted by reference to an alternative index to be calculated. The Exchange does not warrant or represent or guarantee to any Participant or any third party the accuracy or completeness of any of the Exchange Indices or their compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever relating to any of the Exchange Indices is given or may be implied. Further no responsibility or liability whatsoever is accepted by the Exchange in respect of the use of any of the Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspensions, changes or failures (including but not limited to those resulting from negligence) of the Exchange or any other person or persons appointed by the Exchange to compile and compute any of the Exchange Indices in the compilation and computation of any of the Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Participant or any third party dealing with futures or options contracts based on any of the Exchange Indices. No claims, actions or legal proceedings may be brought by any Participant or any third party against the Exchange in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party engages in transactions in futures and options contracts based on any of the Exchange Participant or any third party engages in transactions in futures and options contracts based on any of the Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Exchange in respect of such transactions.

### **DISCLAIMER in Relation to Trading of Stock Index Futures Contracts**

Hang Seng Indexes Company Limited ("HSIL") currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indexes"). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS, HSIL has granted to the Exchange by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of futures contracts based on any of the Hang Seng Indexes respectively (collectively, "Futures Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Futures Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant of any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Futures Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Futures Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Futures Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.

### **DISCLAIMER in Relation to Trading of Stock Index Option Contracts**

Hang Seng Indexes Company Limited ("HSIL") currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indexes"). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS, HSIL has granted to the Exchange by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on any of the Hang Seng Indexes respectively (collectively, the "Option Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Option Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant of any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Option Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Option Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.

(Note: In the event of any difference in interpretation or meaning between the Chinese and English version of this disclaimers, the English version shall be prevailed.)

## **SCHEDULE II - RISK DISCLOSURE STATEMENT**

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you (refer to the Client) should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

### **General**

#### **RISK OF TRADING FUTURES AND OPTIONS**

The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position(s) may be liquidated. You will remain liable for any resulting deficit in your account. You therefore agree to study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your financial position and investment objectives. You will trade in options only if you understand the exercise and expiration procedures and the rights and obligations upon exercise or expiry.

#### **RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG**

Your assets received or held by the Broker or its nominee(s) outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap. 571) and the rules made thereunder. Consequently, such assets may not enjoy the same protection as that conferred on your assets received or held in Hong Kong.

#### **RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES**

If you provide the Broker with an authority to hold mail or to direct mail to third parties, it is important for you to promptly collect in person all contract notes and statements of your account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

### **Futures**

#### **EFFECT OF 'LEVERAGE' OR 'GEARING'**

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the Futures Contract so that transactions are 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

#### **RISK-REDUCING ORDERS OR STRATEGIES**

The placing of certain orders (e.g. 'stop-loss' orders, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

### **Options**

#### **VARIABLE DEGREES OF RISK**

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ('writing' or 'granting') an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures above). If the option is 'covered' by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

### **Additional Risks Common to Futures and Options**

#### **TERMS AND CONDITIONS OF CONTRACTS**

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for

exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

#### **SUSPENSION OR RESTRICTION OF TRADING AND PRICING RELATIONSHIPS**

Market conditions (e.g. illiquidity) and /or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the Futures Contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

#### **DEPOSITED CASH AND PROPERTY**

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

#### **COMMISSION AND OTHER CHARGES**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

#### **TRANSACTIONS IN OTHER JURISDICTIONS**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

#### **CURRENCY RISKS**

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

#### **TRADING FACILITIES**

Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

#### **ELECTRONIC TRADING**

Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. In particular, your attention is drawn to the following:

- (A) the internet is, and any other Electronic Media may also be, an inherently unreliable medium of data transmission and communication and that, accordingly, there are risks in conducting Transactions in the Account through the Electronic Trading Service or otherwise communication through the internet or any other Electronic Media;
- (B) access to the website operated by the Broker or the Electronic Trading Service may at any time and from time to time be limited, delayed or unavailable, including during periods of peak demand, market volatility, systemic failures (including hardware and software failures), systems upgrades or maintenance or for other reasons;
- (C) instructions given or transactions conducted through the internet or other Electronic Media may be subject to interruption, transmission blackout, delayed transmission or incorrect data transmission due to, where applicable, unpredictable traffic congestion, the public nature of the media used or other reasons;
- (D) instructions given through the internet or other Electronic Media may not be executed or may be delayed so that they are executed at prices different from those prevailing at the time the instructions were given;
- (E) communications and personal data may be accessed by unauthorized third parties; and
- (F) instructions given through the internet or other Electronic Media may be executed without being subject to human review; and
- (G) the status of your instructions or orders for Transactions in the Account or execution thereof and your cash position, commodity position or other details relating to your Account as reflected in any acknowledgement, confirmation or other record posted on the Broker's website may not be updated immediately. Such acknowledgement, confirmation or other record will only reflect Transactions in your Account conducted through the Electronic Trading Service and that, in the case of doubt, you should contact the Broker to ascertain the status of your other Transactions in your Account or other details relating to your Account.

#### **OFF-EXCHANGE TRANSACTIONS**

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position. To assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transaction may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

## **RISKS OF TRADING OF GLOBAL FUTURES AND OPTIONS**

You should only undertake the trading of global futures and options ("derivatives") if you understand the nature of global derivatives trading and the extent of your exposure to such risks. In particular, global derivatives trading is not regulated by the HKFE and the SFC and will not be covered by the Investor Compensation Fund (established under the Securities and Futures Ordinance) despite the fact that the broker is an exchange participant of HKFE and a corporation licensed with the SFC. You should carefully evaluate whether such trading is appropriate for you in light of your investment experience, risk profile and other relevant circumstances and seek independent professional advice if you are in doubt.

**SCHEDULE III – DATA PRIVACY POLICY**  
**CIRCULAR RELATING TO PERSONAL DATA (PRIVACY) ORDINANCE**

- (1) As a client (the “**Client**”) of the Rifa Futures Co. Limited (the “**Broker**”), it is necessary from time to time for the Client to supply his/her personal data (“**Personal Data**”), within the meaning ascribed in the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) (the “**Privacy Ordinance**”) to the Broker or Broker Group Companies when opening or continuation of accounts, or in the establishment, continuation or provision of investment, dealing or related services.
- (2) Failure to supply Personal Data may result in the Broker being unable to open or continue accounts or establish, continue or provide investment, dealing or related services.
- (3) Personal Data may also be collected in the ordinary course of continuation of the business relationship with Broker Group.
- (4) Subject to the provisions of the Privacy Ordinance, any Personal Data may be used for the following purposes:
  - (a) the daily operation of the services provided to the Client;
  - (b) conducting credit checks;
  - (c) ensuring ongoing credit worthiness of the Client;
  - (d) marketing investment, dealing or related services or products;
  - (e) supporting any statements made in any documents in connection with the services of the Broker;
  - (f) assisting other relevant parties, professionals, institutions or relevant regulatory authorities to verify certain facts in connection with the services of the Broker;
  - (g) meeting the requirements to make disclosures under the requirements of any laws and/or regulations binding on the Broker;
  - (h) forming part of the records of the recipient of the data as to the business carried on by it; and
  - (i) any other purposes relating to or incidental to any of the above.
- (5) The Broker will keep Personal Data confidential but the Broker may provide Personal Data to the following persons in furtherance of the purposes set in the above paragraph (4):
  - (a) any agent or third party service provider who provides services to the Broker in connection with the operation of its business;
  - (b) an appropriate person under a duty of confidentiality to the Broker including any Broker Group Company which has undertaken to keep such information confidential;
  - (c) any person or institution with which the Client has or proposes to have dealings;
  - (d) credit reference agencies and debt collection agencies (in the event of default payment);
  - (e) any regulatory authorities or exchanges which relate to or govern any business of the Broker and any Broker Group Company;
  - (f) any assignee, transferee, delegate, successor or person to whom the account of the Client is transferred and the authorised person of the Client; and
  - (g) any of the Broker’s actual or proposed assignee or participant or sub-participant or transferee.
- (6) The Personal Data may be transferred to any place outside Hong Kong, whether for the processing, holding or use of such data outside Hong Kong, and also to service providers which offer services to any Broker Group Company in connection with the operation of its business.
- (7) To the extent permitted by law, the Personal Data collected by the Broker from time to time may be used and disclosed in accordance with the Data Privacy Policy.
- (8) **USE OF PERSONAL DATA IN DIRECT MARKETING**

The Broker intends to use personal data of the Client in direct marketing and may not so use the data unless it has received the Client’s consent (which includes an indication of no objection) to the intended use. Please note that:

- (a) the name, contact details (telephone number, fax number, email address and address), products and services portfolio information, transaction pattern and behaviour, financial background and demographic data which are held by the Broker from time to time may be used in direct marketing;
- (b) the following classes of services, products and subjects may be marketed:
  - (i) securities, futures, investment, financial, credit and related services and products; and
  - (ii) reward, incentive or promotional programs and related services and products;
- (c) the above services, products and subjects may be provided by the Broker or Broker Group Companies; and
- (d) in addition to marketing the above services, products and subjects by itself, the Broker also intends to provide the data described in paragraph (8)(a) above to Broker Group Companies for use by them in marketing those services, products



and subjects, and the Broker may not so provide the data unless it has received Client's (being an individual) written consent (which includes an indication of no objection) to the intended provision.

**If the Client (being an individual) does not wish the Broker to use or provide to other persons his/her data for use in direct marketing as described above, The Client may exercise his/her opt-out right by notifying the Broker through the channel specified in paragraph (10) below.**

- (9) In accordance with the terms of the Privacy Ordinance, any individual has the right to:
- (a) check whether the Broker holds data about him/her and access to such data;
  - (b) require the Broker to correct any data relating to him/her which is inaccurate;
  - (c) ascertain the Broker's policies and practices in relation to data and be informed of the kind of personal data held by the Broker; and
  - (d) in relation to customer credit, request to be informed which items of personal data are routinely disclosed to credit reference agencies or debt collection agencies, and be provided with further information to enable the making of an access and correction request to the relevant credit reference agency or debt collection agency.
- (10) In accordance with the Privacy Ordinance, the Broker has the right to charge a reasonable fee for the processing of any data access request. All requests for : (i) access to data or correction of data (when client considers that his/her personal data, supplied by the Broker following a data access request, are inaccurate), or (ii) information regarding policies and practices and kinds of data held, or (iii) exercising his/her opt-out right in relation to direct marketing, should be addressed as follows:

Data Privacy Officer  
Rifa Futures Company Limited  
Level 7, 28 Hennessy Road, Hong Kong  
Telephone number: (852) 3900 1701