



申萬宏源香港
SHENWAN HONGYUAN

SHENWAN HONGYUAN FUTURES (H.K.) LIMITED

TERMS AND CONDITIONS
for Futures Account

Shenwan Hongyuan Futures (H.K.) Limited

Exchange Participant of Hong Kong Futures Exchange Limited and
A licensed corporation to carry on Type 2 (dealing in futures contracts)
regulated activity by the Securities and Futures Commission
CE Number AAF420

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**PLEASE READ THIS DOCUMENT CAREFULLY,
ITS TERMS ARE IMPORTANT!**

Terms and Conditions for Futures Account

These terms and conditions set out the rights and obligations of you as the Client and us the Broker, in connection with the operation of your account(s) opened or to be opened with us for dealing in and with Futures Contracts and Options Contracts. All the terms and conditions below are legally binding, please read them carefully before you agree to be bound by them.

1. Interpretation

1.1 In these terms and conditions, the following words and phrases shall bear the following meanings:-

“Access Codes” means collectively the Password, the Login Name and such other codes or information which are used by the Client in order to access the Online Services;

“Account” means any trading account or sub-account opened or to be opened in the name of the Client with the Broker pursuant to the Account Opening Form;

“Account Opening Form” means the account opening form entered into by the Client with the Broker for opening of one or more trading account(s) which include(s) a cash account, a margin account, a futures account and a stock options account, together with any declaration, information, notes and statements thereto (including risk disclosure statements) to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

“Asset” means currencies, commodities, financial instruments, deposits, indices of any kind and other interests from which the relevant Futures Contracts and Options Contracts derive their market value which may be physical or notional;

“Authorised Person” means, if the Client consists of one or more individuals, each such individual and any other person(s) as may from time to time be appointed by the Client and notified to the Broker in writing or, if the Client is a body corporate, any director or other person specified as an Authorised Person in the Account Opening Form or in any document of authorisation of that body corporate, and in either case such other person(s) as appointed in substitution therefor or in addition thereto and notified in writing to the Broker by an Authorised Person from time to time provided that any such appointment of other Authorised Person(s) shall be effective from the time of actual receipt of notification by the Broker;

“Beneficial Identity” means the ultimate beneficiary of an individual client account or in the case of a company or body corporate, the individuals who are the ultimate beneficial owners of the share capital of the company or body corporate and includes a beneficiary holding an interest through a nominee or trust;

“Broker” means Shenwan Hongyuan Futures (H.K.) Limited;

“Broker’s Group Company” means the holding companies of the Broker and each and every subsidiary of such holding companies;

“Business Day”	means any day except a Saturday, Sunday or public holiday on which banks are open for transaction of business in Hong Kong;
“Charges”	means sums payable to the Broker in respect of fees or commissions (whether as broker or as dealer) charged under these Terms of Business;
“Charged Securities”	means such securities, investments and financial instruments (including the benefit of any foreign exchange contracts, commodities contracts or futures contracts or options contracts or any other property whatsoever) as the Client may, with the agreement of the Broker, deposit with or transfer to the Broker by way of security to protect the Broker against any loss or risk of loss on present, future or contemplated Contracts and/or Client Contracts;
“Clearing House”	means, in relation to HKFE, HKCC and, in relation to any other Exchanges, any clearing house providing similar services for such Exchange;
“Clearing House Margin”	means the amount of cash required by way of margin, variation adjustment and/or interest rate cash 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, variation adjustment and/or interest rate cash adjustment (howsoever described) for which the Broker must account to the relevant Exchange or Clearing House;
“Client”	means the person or persons who have signed an Account Opening Form to open a Futures Account with the Broker, and where the Futures Account is opened by more than one person, “Client” means all of such persons collectively and any personal representative or successor in title thereof and permitted assign thereof;
“Client Agreement”	means these terms and conditions, the PDPO Circular and the Account Opening Form duly signed by the Client which shall be read together as one document;
“Client Contract”	means a Futures Contract or Options Contract between the Broker and the Client which is matched by a Contract and is identical in its terms except as to price and/or parties;
“Client Money Rules”	means the Securities and Futures (Client Money) Rules (Chapter 571I of the Laws of Hong Kong) made by the Commission under section 149 of the Securities and Futures Ordinance as amended from time to time;
“Client Money Standing Authority”	means the client money standing authority granted by the Client to the Broker in the terms set out in clause 7 as amended from time to time;
“Close out”	means the entering into another Contract equal and opposite to a Contract previously entered into (and each matching a Client Contract) so as to create a level position in relation to the Assets underlying the

	Contracts, or in relation to the Contracts themselves and fix the amount of profit or loss arising from such Contracts (and with respect to the corresponding Client Contract); and the terms “closed out Contract” and “closing out” shall be construed accordingly;
“Code of Conduct”	means the Code of Conduct for Persons Licensed by or Registered with the Commission, as amended from time to time;
“Commission”	means the Securities and Futures Commission of Hong Kong;
“Contract”	means a Futures Contract or Options Contract entered into through a Licensed Corporation;
“Deposited Securities”	means Charged Securities, the certificates or documents of title to which the Client has deposited by way of Margin;
“Electronic Means”	means electronic mail and any facility approved by the Broker which enable the Client to give Instructions electronically;
“Event of Default”	shall bear the meaning ascribed thereto in clause 6.1;
“Exchange”	means HKFE and any other exchange, market or association of dealers in any part of the world on which Assets are bought and sold;
“Futures Account”	means any trading account or sub-account opened or to be opened by the Client with the Broker for dealing in and with Futures Contracts and Options Contracts;
“Futures Contract”	means a contract to: <ul style="list-style-type: none"> (a) buy or sell for future settlement and/or delivery of an Asset; and/or (b) pay or receive a sum of money on future settlement by reference to an index or formula approved by the relevant Exchange;
“HKCC”	means HKFE Clearing Corporation Limited;
“HKFE”	means Hong Kong Futures Exchange Limited;
“HKFE Rules”	means, collectively, the Rules, Regulations and Procedures of HKFE as issued and amended from time to time;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Instructions”	means any instructions given by the Client or any Authorised Person, which in any way relate to, arise out of and/or are in connection with these Terms of Business, the Futures Account or (without limitation to the sense of the foregoing) any services to be provided by the Broker, whether such instructions are given orally, in writing, by facsimile and/or Electronic Means. Any such instructions given by an Authorised Person shall be subject to any specific limitations as from time

	to time specified by the Broker, or by the Client as approved by the Broker;
“Investor Compensation Fund”	means the Investor Compensation Fund established pursuant to the Ordinances;
“Licensed Corporation”	means such exchange participant of HKFE and/or Clearing House as is instructed by the Broker to enter into Futures Contracts or Options Contracts on an Exchange, and/or clear the same;
“Login Name”	means such login name assigned by the Broker to the Client to access the Online Services;
“Margin”	means the amount of cash, approved debt securities, approved securities, variation adjustments, interest rate cash adjustments or any other form of non-cash collateral as may from time to time be demanded by the Broker from the Client for the purpose of protecting the Broker against any loss or risk of loss on present, future, or contemplated Contracts and/or Client Contracts and not being less than the relevant Clearing House Margin;
“Online Services”	means any Online Services that may from time to time be provided by the Broker which enables the Client to give electronic instructions to purchase, sell and otherwise deal with Contracts and/or Client Contracts and all other Broker’s information services;
“Open Contract”	means a Contract and/or Client Contract which has not been closed out;
“Options Contract”	means a contract giving one party the right but not the obligation to buy or sell an Asset at an agreed price on, or before an agreed date for: <ul style="list-style-type: none"> (a) settlement and/or delivery; or (b) payment or receipt of a sum of money on settlement by reference to an index or formula approved by the relevant Exchange;
“Ordinances”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder as the same may be from time to time amended or re-enacted;
“Password”	means the personal password used by the Client for identification purposes when accessing the Online Services;
“Physical Delivery”	means the physical delivery of and full payment for the Asset;
“PDPO Circular”	means the Circular to Client relating to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) issued by the Broker, as amended and updated from time to time;
“Segregated Account”	means one or more segregated accounts established and maintained under section 4(1) and (2) of the Client Money Rules for receiving or holding client money with an authorised financial institution or any other person approved by the Commission;

“Taxation”	means taxes, duties and charges of any nature, whether of Hong Kong or elsewhere in the world, including any tax to be withheld by the Broker;
“Terms of Business”	means these terms and conditions and any other terms and conditions as contained in the Client Agreement which shall be read together as one document;
“Transaction”	means the entering into a Client Contract or Contract, closing out or effecting delivery and/or settlement of a Client Contract or Contract (which term shall include exercise or allocation of an Options Contract) in connection with these Terms of Business;
“Transferred Securities”	means Charged Securities title of which the Client has transferred or may from time to time transfer to the Broker or its nominee by way of Margin;
“U.S. Person”	means any person that falls within the definition of a U.S. person as defined in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time; and
“Web Site”	means any web site designated by the Broker for the provision of Online Services.

1.2 Terms and expressions defined in the Ordinances or the HKFE Rules shall unless the context otherwise requires, have the same meanings when used in these Terms of Business. Further, where the context allows, in these Terms of Business, references to any agreement or document is to include such agreement or document as the same may have been, or may from time to time be, amended, varied, novated, replaced or supplemented and references to statutory provisions are to include those provisions as modified or re-enacted and in force from time to time.

1.3 Words importing the singular shall, where the context permits, include the plural and vice versa. The expression “person” shall include any firm, partnership, association of person and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such person. Where the Client comprises two or more persons the liabilities and obligations under these Terms of Business shall be joint and several. References to “writing” shall include cable, facsimile transmission and transmission by Electronic Means. Headings are inserted for convenience only.

1.4 The Broker is an exchange participant of HKFE and is a Licensed Corporation to carry on Type 2 (dealing in futures contracts) regulated activity under the Ordinances.

2. Transactions subject to Laws, Rules of Exchanges, etc.

2.1 All Client Contracts, Contracts and all Transactions, shall be subject to these Terms of Business and, in respect of those Exchanges and/or Clearing Houses of which the Broker is a member or participant, the constitution, rules and regulations of the relevant Exchanges and/or Clearing Houses (and in particular as regards Transactions effected on HKFE, the rules, regulations and procedures of HKFE) and to all applicable laws, rules and regulations (whether or not having the force of law) whether imposed on the Client or the Broker. The HKFE Rules contain provisions which requires the Broker, upon the request of HKFE or the Commission, to disclose the name, Beneficial Identity and such other information concerning the Client as HKFE or the Commission may require and the Client agrees to provide such information concerning it as the Broker may require in order for the Broker to comply with all the HKFE Rules and Ordinances, and that in the event that the Broker

fails to comply with the disclosure requirement under Rule 606(a) or 613(a) of the HKFE Rules, the Chief Executive of HKFE may require the closing-out of positions held by the Broker on behalf of the Client or the imposition of a margin surcharge on the positions of the Client. The Client acknowledges that Transactions which are executed on Exchanges other than HKFE or in markets other than those organized by the HKFE may have a markedly different level and type of protection in relation to such Transaction as compared to the level and type of protection afforded by the rules and regulations of HKFE. Furthermore: -

- (a) in the event of any conflict between (i) these Terms of Business and (ii) any such constitutions, rules, regulations and laws, the latter shall prevail;
- (b) the Broker may take or omit to take any action it considers fit in order to ensure compliance with such constitutions, rules, regulations and laws including, without limitation, adjusting the Futures Account, disregarding any unexecuted orders or rescinding any executed Transactions;
- (c) such constitutions, rules, regulations and laws 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 entering into these Terms of Business or any Client Contract or the Broker effecting any Transaction in connection with these Terms of Business.

2.2 The Client consents to the disclosure of any information the Broker may have concerning the Client by the Broker and its agents as may be required from time to time by any applicable rules, regulations and laws or as required by order or direction of any court, governmental or regulatory authorities.

2.3 If any provisions of these Terms of Business are or should become inconsistent with any present or future law, rule or regulation of HKFE and/or any Exchange or any other relevant authority or body having jurisdiction over the subject matter of these Terms of Business, such provision shall be deemed to be rescinded or modified in accordance with any such law, rule or regulation. In all other respects, these Terms of Business shall continue and remain in full force and effect.

3. Dealing and Clearing

3.1 Subject to the provisions of the Ordinances and any applicable law and provided that the trading is executed competitively on or through the facilities of an Exchange in accordance with the rules and regulations of such Exchange governing the relevant markets, the Broker may take the opposite position to the Client's order whether on the Broker's own account or for the account of any Broker's Group Company or other clients of the Broker.

3.2 The Broker shall be entitled but not bound to act on a request from the Client to carry out a Transaction (whether directly or through a Licensed Corporation). Accordingly, the Broker shall have the right (at the absolute discretion of the Broker, and without assigning any reason therefor) to refuse to act for the Client in any particular transaction. The Broker may at any time and from time to time impose any limits including position limits on the Futures Account and the Client agrees not to exceed such limits. Except as directed by the Client in circumstances where the Client is not in default under these Terms of Business and no Event of Default (as defined in clause 6.1 below) has occurred, the Broker shall have no obligation to close out any Contract or Client Contract.

- 3.3 Because of physical restraints on any Exchange and because of the very rapid changes in the prices of Assets that frequently take place, there may, on occasions, be a delay in dealing or in providing market-makers' quotes. 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. 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 (including any non-performance or partial performance of the Broker) when any request to execute orders is made.
- 3.4 The Broker shall not be liable for any expense, loss or damage suffered by the Client or to account to the Client for any profit or gain accruing to the Broker as a result of the Broker: -
- (a) trading or dealing in Futures Contracts or Options Contracts or in any Asset underlying any Contract or Client Contracts; and
 - (b) dealing in respect of Contracts or Client Contracts with the Client.
- 3.5 The Client shall indemnify the Broker and its directors, employees and agents against all expenses, liabilities, claims and demands arising out of anything lawfully done by the Broker or such persons in connection with these Terms of Business.
- 3.6 The Client acknowledges that the Broker may from time to time trade on its own account on any Exchange or with any Licensed Corporation or on the account of any of the Broker's Group Company. A director or an employee of the Broker may trade on its own account on any Exchange or with any Licensed Corporation.
- 3.7 The Client 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 Futures Account to another exchange participant of HKFE in the event that the rights of the Broker as an exchange participant of HKFE are suspended or revoked.
- 3.8 The Client acknowledges: -
- (a)
 - (i) that every Contract executed on HKFE is subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the Ordinances;
 - (ii) that every Contract executed on any other exchange, market or association of dealers in any part of the world is subject to the charge of any applicable overseas levy, charges or fees;
 - (iii) that the Client shall pay to the Broker brokerage commission and such other levy, charges and fees at such rate or rates as the Broker may from time to time notify the Client;
 - (iv) that the cost of each such levy, charges or fees attributable to the Client shall be borne by the Client; and
 - (b) that, as regards HKFE, if the Broker commits a default as defined in Part XII of the Securities and Futures Ordinance and a qualifying Client thereby suffers a pecuniary loss, the qualifying Client shall have a right to claim under the Investor Compensation Fund, subject to the terms of the compensation fund as effected from time to time. The qualifying Client's right to claim under the Investor Compensation Fund shall be restricted to the extent provided for in the Securities and Futures Ordinance and its rules and regulations. The Client further

acknowledges 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.

- 3.9 The Client acknowledges that the Broker is bound by the HKFE Rules which permits HKFE to take steps to limit the positions or require the closing out of Contracts 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 particular market or markets or which are or may be capable of adversely affecting the fair and orderly operation of any market or markets as the case may be.
- 3.10 All orders whether made by cable, facsimile, mail, Electronic Means or made orally are accepted and transmitted at the Client's risk. The Broker shall not be responsible for the non-performance of its obligations under these Terms of Business 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 Licensed Corporation, Exchange or Clearing House to perform its obligations.
- 3.11 Unless otherwise approved by the Broker, any one of the Authorised Persons shall have the authority to give trading (including buying and selling) Instructions for the Futures Account for and on behalf of the Client, regardless of any specific instructions of the Client in the Account Opening Form or in any document of authorisation; any one of the Authorised Persons or any designated Authorised Person(s) may be authorised by the Client to give non-trading (including withdrawal or transfer of funds and account settlement) Instructions for the Futures Account for and on behalf of the Client in accordance with any specific instructions of the Client in the Account Opening Form or in any document of authorisation. The Client undertakes with the Broker from time to time and at all times to ratify and confirm any Instructions whatsoever given or purported to be given by any of the Authorised Persons for and on behalf of the Client, including without limitation, any Instructions which may be given or purported to be given by an Authorised Person between the revocation of the authority of such Authorised Person and the actual receipt by the Broker of notice of such revocation. Any Instructions given or purported to be given by any Authorised Person after revocation by the Client of his authority shall be valid and effectual in favour of the Broker if the Broker at the time of the receipt of such Instructions did not have actual notice of such revocation. The Client agrees to indemnify the Broker and hold the Broker harmless from and against all losses, costs and expenses (including legal costs) reasonably incurred by the Broker in reliance thereupon.
- 3.12 Unless otherwise proven beyond all doubt to the contrary, the Client acknowledges and agrees that any dealing in or with Futures Contracts or Options Contracts effected by the Broker pursuant to the Instructions of the Client or any Authorised Person shall not have resulted from the advice of the Broker.
- 3.13 The Client confirms and agrees that, for mutual protection of the Broker and the Client, the Broker may electronically monitor or tape record all conversations with the Client and/or any Authorised Person whether conducted on the telephone or through any other Broker approved media and save in the case of manifest error, the Client will accept the contents of any such electronic record or tape recording as final and conclusive evidence of the Instructions of the conversation concerned and its content.
- 3.14 Any day order placed by the Broker at the request of the Client that has not been executed in full within the current trading day of the relevant Exchange or such other expiration date required by the relevant exchange or such other later time as the Client and the Broker may agree shall be deemed to have been cancelled automatically (to the extent not executed if executed in part).

- 3.15 All orders given pursuant to these Terms of Business which may be executed on more than one Exchange may be executed on any Exchange the Broker selects.
- 3.16 The Broker shall not be liable (in respect of matching Client Contracts or otherwise) if the relevant Exchange, Clearing House and/or Licensed Corporation has ceased for any reason (including setting off the Broker's positions with it) to recognize the existence of any Contract or fails to perform or close out any Contract, but such cessation or failure shall not affect the Client's obligations and liabilities under these Terms of Business in respect of such 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.
- 3.17 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 Licensed Corporation in respect of Contracts acquired on the Instructions of the Client, including closing out 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 Asset underlying any Open Contract;
 - (b) borrow, buy or sell any currency; and/or
 - (c) apply any Margin or Charged Securities 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.
- 3.18 The Broker's written confirmations of Contracts and/or Client Contracts entered into and settlement statements and statements of open and/or closed positions in respect of the Futures Account shall be conclusive against the Client if not objected to in writing by the Client within fourteen (14) days after transmission of the information contained in such confirmations whether by telephone, mail, electronic mail or otherwise to the Client. The records of the Broker shall in the absence of manifest error be conclusive and binding on the Client as to the amount standing to the debit or credit of the Futures Account.
- 3.19 Upon request from the Client, the Broker shall provide the specifications of, and copies of any prospectus or other offering document relating to products comprised in any Transaction which may be entered into on behalf of the Client under these Terms of Business and a full explanation of margin procedures and the circumstances under which the Client's positions may be closed out without the Client's consent.
- 3.20 The Client acknowledges and agrees that the Broker shall, at its absolute discretion, be entitled to solicit, accept and retain any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of these Terms of Business, including any commissions, benefits of spread, rebates or similar payments, or soft dollars received in connection therewith, and rebates from standard commissions charged by brokers or other agents to their clients. The Broker shall also, at its absolute discretion, be entitled to offer any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of these Terms of Business, including any benefit relating to the commission or similar payments in connection therewith.
- 3.21 The Client acknowledges and agrees that the Broker may in its discretion at any time without prior notice open, maintain, close, combine or otherwise any sub-account for the Client for any of the following purposes:
- (a) facilitating administration of the Futures Account;

- (b) carrying out Instructions of the Client;
- (c) clearing and settlement;
- (d) complying with applicable laws, rules and regulations; or
- (e) in connection with any other purposes the Broker deems fit.

4. Delivery

The Client accepts that each Client Contract and/or Contract (and also other Transactions made for the Futures Account) contemplates actual performance in accordance with its terms including delivery and receipt of any Assets and payment therefor.

5. Margins/Payments

- 5.1 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 and the amount of which may be greater than any relevant HKFE and/or Clearing House Margin.
- 5.2
 - (a) All amounts (including Margin) payable by the Client in connection with these Terms of Business 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 relevant Exchange and/or relevant Clearing House, if any, upon which the Client Contract or Contract concerned was executed on the Client's behalf. The Broker may in its absolute discretion make a call or demand for Margin, which must be met within twenty-four (24) hours or such shorter period as the Broker may in its absolute discretion determine to be necessary and specify to the Client. The Broker may close out all Open Contracts in respect of which demands for Margin are not met within the period specified by the Broker or at the time of making such call(s) or demand(s); or close out all Open Contracts without notice to the Client.
 - (b) The Broker is obliged to report to HKFE and the Commission particulars of all open positions in respect of which two successive margin calls, demands for variation adjustments and interest rate cash adjustments are not met within the period specified by the Broker.
 - (c) The Broker may require more margin or variation adjustments than that specified by the relevant Exchange and/or the Clearing House and may close out open positions in respect of which any margin calls and demands for variation adjustments are not met within such period determined by the Broker.
- 5.3 All amounts held by way of Margin shall be held on trust to apply the same for the following purposes: -
 - (a) to pay to the relevant Exchange and/or Clearing House all Clearing House Margin due from the Broker to it, or to any Licensed Corporation all margin demanded by it from the Broker, in each case on such terms as the Broker may think fit and in respect of all Contracts held by the Broker for all Clients and for its own account and all repayments of Clearing House Margin shall be held on the trusts hereof;
 - (b) to apply in or towards satisfaction, or in reimbursement of the Broker, of all costs, damages, losses, liabilities and expenses incurred under or in respect of all and any Contracts, Transactions and/or Client Contracts and all liabilities and expenses (including Charges) incurred as a result of the performance by the Broker of its duties or the exercise by the Broker of its rights, powers and/or privileges under these Terms of Business (irrespective of the currency in which the same may be denominated); and

- (c) subject to the Broker being satisfied that all such costs, damages, losses, liabilities and expenses referred to in clause 5.3(b) have been satisfied, discharged or otherwise released, to repay any surplus which is, in the absolute opinion of the Broker, attributable to such Transaction, Contract or Client Contract to the Client.
- 5.4 The Broker shall in its discretion as to the terms thereof and any rate of return earned thereon have power to invest, realise such investment and/or reinvest any amounts paid by way of Margin in any investment, security, currency or deposit as it thinks fit; and whether or not by leaving the same on deposit with the Clearing House. The limitations on the type of or method of investment contained in the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) shall not apply. The Broker shall not be liable to account to the Client for any interest or other profit earned or derived from or accrued to any such sums.
- 5.5 All sums payable by the Client in connection with these Terms of Business shall be exclusive of all Taxation. If any Taxation 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.
- 5.6 All monies paid to the Broker whether on deposit or howsoever described shall not be entitled to earn interest from the Broker. Any debit balances and/or any part of the Margin or additional Margin not paid or deposited in the form of cash in the Futures Account shall be charged with interest at such rate as may be notified from time to time to the Client or failing such notification, at a rate per annum equivalent to 6.5% or such other rate as notified by the Broker from time to time above the higher from time to time of either the prevailing borrowing interest rate of the currency concerned, quoted by a pre-dominant bank that the Broker may select and as specified by the Broker from time to time, or the cost of funding of the Broker (as determined and certified by the Broker).
- 5.7 All monies, securities and 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 and segregated from the Broker's own assets, and such monies, securities and 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 part of the Broker's business or assets.
- 5.8 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 Schedule 4 to the Code of Conduct and the Client authorises the Broker to apply such monies, approved debt securities or approved securities in the manner specified under paragraphs 14 to 15 of Schedule 4 to the Code of Conduct. In particular, 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 Futures Contracts and/or Options Contracts transacted on the Client's behalf.
- 5.9 The Client acknowledges that in respect of any account of the Broker maintained with the Clearing House, whether or not such account is maintained 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 and monies, approved debt securities or approved securities paid to or

deposited with the Clearing House are thereby freed from any trust referred to in clause 5.7.

6. Default

6.1 The following shall constitute Events of Default:

- (a) if, in respect of any Client Contract and/or Contract, the Client shall fail:
 - (i) to provide Margin when called upon to do so;
 - (ii) to make or take delivery of any Asset when required under such contract; or
 - (iii) to pay any purchase price or other payment thereunder when due;
- (b) the death or insanity (in the case of an individual) and/or the filing of a petition for bankruptcy, winding up or the commencement of other analogous proceedings or the appointment of a receiver in respect of the Client and/or any person who is a guarantor of the Client's obligations to the Broker, a Broker's Group Company or any relevant party;
- (c) the levying of an attachment or execution against the Futures Account;
- (d) default by the Client in the due performance or observance of any of the terms and conditions of these Terms of Business;
- (e) any representation or warranty made by the Client in pursuance of these Terms of Business or in any certificate, statement or other document delivered to the Broker being or becoming untrue or inaccurate in any material respect;
- (f) any of the consents, authorizations, approvals, licences, or board resolutions required by the Client to enter into these Terms of Business or any Client Contract and/or Contract 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;
- (g) the Client being in breach, voluntary or otherwise, of any of the conditions contained in these Terms of Business or of the Ordinances, the byelaws, rules and regulations of any Exchange or Clearing House; and
- (h) the occurrence of any event which, in the Broker's sole opinion, the Broker considers that it might adversely affect any of the Broker's rights or remedies under these Terms of Business or there appears to be a material adverse change in the Client's business, assets or financial condition.

6.2 Without prejudice to any other right or remedy which the Broker may have, if any Event of Default shall occur, the Broker shall be authorised, in its absolute discretion (in whatever manner, time, order, method or priority as the Broker thinks fit), to take one or more of the following actions but shall not be bound to take any such action:

- (a) satisfy any obligation or liability the Client may have to the Broker out of any Charged Securities either alone or jointly with others and any other collateral security deposited with the Broker or the Broker's Group Company;

- (b) sell any or all Client Contracts or Assets held or carried for the Client or purchase any or all Client Contracts or Assets held or carried as a short position for the Client;
- (c) cancel any or all outstanding orders or Contracts or any other commitments made on behalf of the Client;
- (d) 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 Futures Account;
- (e) combine, consolidate and liquidate any accounts of the Client;
- (f) close out without recourse any or all Client Contracts and any corresponding Contracts;
- (g) 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;
- (h) exercise any rights granted by clauses 5, 7, 8, 9, or 10 of these Terms of Business; and/or
- (i) terminate the Futures Account and/or any accounts of the Client immediately.

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 these Terms of Business.

- 6.3 After deducting all costs and expenses incurred in connection with taking any action referred to in clause 6.2, 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 the Futures Account or any Client Contract, together with interest thereon and all professional costs (including solicitor's and counsel's fees 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 each Contract which shall be for the account of the Client and properly deductible by the Broker from any funds of the Client in its possession.

7. Client Money Standing Authority

- 7.1 The Client Money Standing Authority covers all money held or received by the Broker and/or the Broker's Group Company in Hong Kong (including any interest derived from the holding of the money which does not belong to the Broker) in one or more segregated Futures Account(s) on the Client's behalf ("Monies").

- 7.2 The Client authorises the Broker to:-

- (a) where the Client and the Client's Group Company has more than one account with the Broker or any Broker's Group Company, combine or consolidate any or all such accounts of the Client and/or the Client's Group Company, of any nature whatsoever maintained by the Broker or any of the Broker's Group Company and set-off or transfer any sum of the Monies to the credit of any one or more of such accounts to meet any obligations or liabilities owed by the Client to the Broker, any Broker's Group Company or any relevant party in respect of any

other accounts whether such obligations and liabilities are actual, contingent, primary or collateral, secured or unsecured;

- (b) transfer any sum of Monies to any futures trading/clearing/settlement account(s) maintained by the Broker with its agent broker(s) and/or clearing agent(s) for the purpose of dealing in global futures transactions for and on behalf of the Client; or
- (c) transfer any sum of Monies interchangeably between any of the segregated accounts maintained at any time with the Broker or any of the Broker's Group Company.

7.3 The Client Money Standing Authority shall be valid for a period of 12 months from the date when the relevant authorization is given or when these Terms of Business become effective, whichever is the latest, subject to renewal in accordance with clause 7.5.

7.4 Provided that there are no outstanding debts or obligations owed by the Client to the Broker, any Broker's Group Company or any relevant party, the Client Money Standing Authority may be revoked by giving the Broker written notice addressed to the Documentation Control Department at the Broker's address specified in the Account Opening Form or such other address which the Broker may notify the Client in writing for this purpose. Such notice shall take effect seven (7) Business Days after the date of the Broker's actual receipt of such notice unless otherwise determined by the Broker.

7.5 The Client Money Standing Authority shall be deemed to be renewed continuously upon expiry provided that it is not expressly revoked in accordance with Clause 7.4 and that the Broker gives a written notice to the Client fourteen (14) days prior to the expiry of the Client Money Standing Authority reminding the Client of the impending expiry and informing the Client that unless the Client objects, the Client Money Standing Authority will be deemed to be renewed upon expiry and extended upon the same terms and conditions for a further twelve (12) months.

8. Lien and Power of Sale

8.1 The Broker shall have a general lien on all of the Client's interest in any Contracts, funds, securities, commodities, monies or other property in any Futures Accounts whether in the Client's name solely or jointly with others or which may be held by or in possession of the Broker at any time and for any purpose as security for payment of debt or liability of the Client to the Broker, any Broker's Group Company or any relevant party.

8.2 The Broker shall have the right to sell such interest in the Futures Accounts and to do all such things necessary in connection with such sales and utilize the proceeds of sale thereof and discharge all of the obligations and liabilities of the Client to the Broker, any Broker's Group Company or any relevant party.

9. Set-Off and Consolidation

9.1 Without prejudice and in addition to any remedies, authorities or rights to which the Broker may be entitled by law or contract, the Broker shall, subject to applicable rules and regulations, be entitled at any time without notice to utilise the monies and securities in the Futures Accounts and/or any accounts of the Client and the proceeds of sale thereof to set-off or discharge all of the obligations and liabilities of the Client to the Broker or to any Broker's Group Company whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several, regardless of whether any other person is interested in or the Broker has made advances in connection with such property, and irrespective of the number of Futures Accounts and/or other accounts the Client may carry with the Broker.

- 9.2 In respect of any payments by the Broker to set-off and discharge any obligations of the Client to any Broker's Group Company, the Broker shall not be concerned whether or not such obligation exists, provided demand has been made on the Broker by such Broker's Group Company.
- 9.3 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 from time to time determined by the Broker and binding in all respects upon the Client) utilised by the Broker in the Broker's normal course of business for such currencies at the time of the combination or set-off.
- 9.4 Without prejudice to the general right of set-off conferred upon the Broker by the foregoing sub-clauses, the Client expressly agrees that in any one or more of the following events, that is to say:-
- (a) if any attempt shall be made by the Client, without the Broker's express prior written consent and approval, to assign, and/or charge, and/or otherwise alienate all or part of any sum or sums standing to the credit of any one or more of such Futures Accounts as aforesaid;
 - (b) the commencement of bankruptcy/winding-up or analogous proceedings or the appointment of a receiver in respect of the Client and/or any person who is a guarantor of the Client's obligations to the Broker, a Broker's Group Company or any relevant party;
 - (c) an encumbrance taking possession of, or a receiver being appointed over, the whole or any part of the Client's undertaking, property or assets, or
 - (d) any event shall occur which, in the Broker's sole opinion, the Broker considers that it might adversely affect any of the Broker's rights or remedies under these Terms of Business,

then immediately and without demand or notice to the Client or upon the occurrence of any other Event of Default referred to in clause 6.1, all of the Client's then existing Futures Accounts and/or any accounts of the Client shall automatically and forthwith be deemed consolidated together as one and shall (together with all of the Client's liabilities above referred to) be deemed (if applicable) to mature and in all cases become due and payable, and all sums standing to the credit of any such Futures Accounts and/or other accounts shall automatically and forthwith on the occurrence of such event be set-off and shall be deemed to have been transferred by the Broker in satisfaction of all such of the Client's liabilities to the Broker, the Broker's Group Company or any relevant party as aforesaid or in any other respect.

- 9.5 Nothing in these Terms of Business 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 conferred by these Terms of Business are in addition and without prejudice to any general right of set-off arising by law or rights granted to the Broker by clauses 5, 7, 8, 9 and 10 or any lien, guarantee, bill, note, mortgage or other security now or hereafter held by the Broker.

10. Security

- 10.1 The Client as beneficial owner and as continuing security for all its liabilities and obligations under these Terms of Business charges in favour of the Broker, free of all encumbrances and adverse interest whatsoever: -
- (a) by way of first fixed equitable charge all Deposited Securities; and
 - (b) by way of first fixed legal charge all Transferred Securities.
- 10.2 The Client shall, upon request by the Broker, forthwith execute all such transfers and other documents as may be necessary to enable the Broker or its

nominee to be registered as the owner of, or otherwise obtain a legal title to, Deposited Securities.

10.3 The Broker shall hold all Charged Securities for the purposes of these Terms of Business and may, without prior notice, free of any interest of the Client therein:-

- (a) deposit, charge or pledge the same with or to the order of any Exchange, Clearing House or Licensed Corporation and on terms that such Exchange, Clearing House or Licensed Corporation may enforce such deposit, charge or pledge in satisfaction of all or any obligations of the Broker to such Exchange, Clearing House or Licensed Corporation; and
- (b) register, sell, realise, charge or borrow against the same upon such terms (including as to the consideration received therefor) as it may in its absolute discretion think fit (without being responsible for any loss or diminution in price) and any consideration received therefor shall be treated as Margin payable by the Client.

If Charged Securities are denominated in a different currency from that in which any relevant cost, damages, loss, liability or expense is denominated, the Broker may convert such amount at its current buying rate for such currency at the relevant time.

10.4 Any Charged Securities may be commingled with the securities, foreign exchange contracts, commodities contracts, futures contracts or options contracts or other property of the Broker's other customers without retaining in the Broker's possession or control a like amount of securities, foreign exchange contracts, commodities contracts, futures contracts or options contracts or other property.

10.5 Pending the application of Charged Securities pursuant to clause 10.3, the Broker shall account to the Client for all amounts in respect of dividends, interest or other monies in the nature of income received by the Broker in respect of such Charged Securities net of any Taxation payable by the Broker (whether by withholding or otherwise) in respect of such income.

10.6 The Client undertakes not to create or have outstanding any security interest whatsoever on or over any of the Charged Securities (except for the security created by these Terms of Business).

10.7 Subject to the Broker being satisfied that all costs, damages, losses, liabilities and expenses payable by the Client in connection with these Terms of Business have been satisfied, discharged or otherwise released, the Broker may re-transfer or, as the case may be, redeliver any certificates or documents of title relating to any relevant Charged Securities to the Client at any time and shall do so upon request.

11. No Assignment, Succession

11.1 The Client may not assign any rights or obligations under these Terms of Business or any Client Contract.

11.2 All these Terms of Business 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,

Charged Securities or any other assets of the Client which are in the possession of the Broker.

13. Charges

- 13.1 The Broker shall be entitled to deduct Futures Account commission in respect of all Transactions carried out by the Broker for or on behalf of the Client under these Terms of Business at such rate as shall be notified to the Client from time to time.
- 13.2 The Client agrees to the imposition upon the Futures Account from time to time as the Broker may determine, of a minimum charge in the event that the Futures Account maintains only average credit balances of less than such minimum amount as the Broker may from time to time determine in any time period from time to time specified by the Broker or the Futures Account shall remain dormant for such period of time as the Broker shall determine from time to time. The Broker shall be entitled to debit Charges and all other fees payable by the Client from any Futures Account of the Client with the Broker or any other Broker's Group Company at any time. Without prejudice to any other right of the Broker, if the Client has insufficient funds in the Futures Account to cover Charges and all other fees payable by the Client, the Broker shall be entitled to terminate or suspend the Futures Account or the whole or part of the services provided by the Broker without prior notice to the Client.
- 13.3 All bank charges shall be for the account of the Client.

14. Liability and Indemnity

- 14.1 In the absence of bad faith or wilful default of or by the Broker, the Broker shall not under any circumstances whatsoever be liable to the Client in respect of any loss, damage, injury sustained or liability incurred by the Client by reason of any act, advice, statement (express or implied), default or omission of the Broker or its directors, employees, agents or representatives, whether such loss, damage, injury or liability is caused by breach or otherwise by the Broker or its directors, employees, agents or representatives or howsoever caused.
- 14.2 The Broker and its directors, employees or agents shall not under any circumstances whatsoever be liable (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client as a result of:
- (a) the Broker acting or relying on any Instruction given by the Client whether or not such Instruction was given following any recommendation, advice or opinion whether expressed or implied given by the Broker or its directors, employees, agents or representatives; or
 - (b) the Broker and any of Broker's Group Company shall not be responsible for any consequences whether resulting directly or indirectly from any uncontrollable or force majeure events including without limitation to government restrictions, imposition of emergency procedures, Exchange rulings, banking operation third party conducts, suspension of trading, breakdown or collapse of communication facilities, war, strike, market conditions, civil disorder, act or threatened acts of terrorism, natural disasters, or any other circumstances beyond Broker's control whatsoever, including any error, deficiencies associated with data, computations, output, operations and other functions of equipments and related software of the Broker and/or its agents, suppliers, vendors or counterparts.
- 14.3 Without limiting the generality of clauses 14.1 and 14.2, neither the Broker nor any of its directors, employees agents or representatives shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client arising out of or alleged to be arisen out of or in connection with any inconvenience, delay, malfunction or loss of use of

the Online Services or any delay or alleged delay in acting or any failure to execute any Instruction.

- 14.4 The Client undertakes to indemnify and keep the Broker indemnified in respect of any costs, claims, demands, damages and expenses whatsoever which may be reasonably suffered or incurred by the Broker directly or indirectly arising out of or in connection with any transaction entered into by the Broker as agent on behalf of the Client or otherwise arising out of anything done or omitted to be done by the Broker in accordance with the Terms of Business or pursuant to any Client's Instruction or communication. The Client also agrees to pay promptly to the Broker, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) incurred by the Broker in the enforcement of any of the provisions of these Terms of Business.
- 14.5 The Client agrees to indemnify the Broker and the Broker's directors, employees, agents and representatives against and hold them harmless from all damages, costs, expenses, liabilities, claims and demands arising out of or in connection with any breach or default by the Client of its obligations under these Terms of Business, including any legal costs and collection agency fees on a full indemnity basis and any other costs incurred by the Broker in enforcing its rights and recovering any debts due to the Broker in connection with the Futures Account.
- 14.6 In relation to the purchase and /or sale of any product, the Broker may solicit the sale of or recommend a product or provide advisory services to you in accordance with clause 14.7(a);and/or the Client may enter into the transaction without or inconsistent with any solicitation or recommendation from the Broker in accordance with clause 14.7(b). Making available to the Client any advertisements, market or promotional materials, market information or other information shall not, by itself, constitute solicitation of the sale or recommendation of any product or service.
- 14.7 Transaction entered into with the Broker to buy or sell products:
- (a) If the Broker solicit the sale of or recommend any financial product to you, the financial product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of these Terms and Conditions or any other document the Broker may ask the Client to sign and no statement the Broker may ask the Client to make derogates this clause.
 - (b) If the Client enters into a transaction with the Broker to buy and/or sell a product without or inconsistent with any solicitation or recommendation from the Broker, the Broker will not have any obligation or duty to assess whether or ensure that the product is suitable for the Client. The Client acknowledge and agree that it is the Client's sole responsibility to assess and to satisfy that the transition if appropriate for the Client.
 - (c) By enter into a transaction with the Broker to buy or sell a product, the Client confirms that any information the Client provides to the Broker is complete, accurate and up-to-date. When the Broker assesses suitability, the Broker will rely on the Client's confirmation.
- 14.8 Unless agreed by the Broker at its sole and absolute discretion, the Broker does not facilitate any Physical Delivery on the Client's position. The Client shall be responsible for off-setting Futures Contracts and Options Contracts before the first notice day or last trading day (whichever is earlier), and the Client shall provide off-setting instructions to the Broker to avoid Physical Delivery by a date, to be determined by the Broker, before the first notice day or the last

trading day (as the case may be). Failure by the Client to provide such instructions to the Broker by the required date shall entitle the Broker, without further notice or demand, to initiate and execute orders as necessary to off-set the relevant Futures Contracts and Options Contracts.

14.9 This clause shall survive and subsist despite the termination of these Terms of Business.

15. Use of the Access Code and the Online Services

15.1 Subject to this clause 15, the Client may use the Online Services after the Broker has issued the Access Code to the Client. The Access Code shall remain effective until (i) actual receipt of a notice of amendment from the Client by any means stipulated by the Broker; or (ii) amendment by the Broker. This clause is made without prejudice and in addition to other clauses in these Terms of Business.

15.2 The Client shall keep the Access Codes confidential and shall not disclose them to any person not authorised to operate the Futures Accounts. The Client shall not store the Access Code on any computer which may be accessed by any unauthorised person. The Client shall be solely responsible for all consequences arising from or in connection with any disclosure of the Access Codes to any third person or any unauthorised use of Access Codes.

15.3 So long as the Access Code is used in identification of the source of Instructions, such Instructions shall be deemed to have originated from the Client, as authentic, complete, accurate and binding on the Client whether or not such Instructions was in fact given by the Client.

15.4 The Client shall review all Instructions carefully before giving them to the Broker. Instructions may only be revoked before its execution and with the Broker's consent. The Broker shall only be deemed to have received Instructions after it has or has had a reasonable opportunity to confirm the Access Code and/or other relevant information. The Broker may require the Client to supplement or confirm Instructions by any methods, in which case the Broker shall only be deemed to have received the Instructions after it has or has had the reasonable opportunity to verify such supplemented or confirmed Instructions.

15.5 The Client agrees that (i) the use of the Access Codes and the Online Services is at the Client's sole risk; and (ii) the Broker's only duty in relation to Instructions is to check the Access Code which has been used to identify the source of the Instructions and the Broker has no other responsibility whatsoever to investigate or verify the authenticity, signature, proper authorization, accuracy or completeness of Instructions.

15.6 The Client shall ensure and represent that all Instructions will be given in compliance with any applicable laws of the relevant jurisdiction from which the Instructions are given and shall where necessary consult legal advisers of the relevant jurisdiction.

15.7 In the event that the Online Services become temporarily inaccessible, the Client may during such period continue to operate the Futures Accounts by telephone, or other communication devices subject to the right of the Broker to obtain such information for verification of the identity and Instructions of the Client as the Broker may from time to time think fit.

15.8 The Client agrees to pay any taxes or charges payable to relevant authorities in respect of any Instructions given. The Broker shall be entitled to charge the Client a fee for using the Online Services as may be notified to the Client from time to time.

15.9 As and when the Broker allows the Client to open a Futures Account with Online Services, the Client agrees to return to the Broker the hard copy of the Account Opening Form duly completed and executed should the Broker so require.

- 15.10 Unless otherwise agreed between the Broker and the Client, the Broker may not execute any trading orders of the Client until there are sufficient cleared funds, commodities or other assets acceptable to the Broker in the Client's Futures Account to settle the Client's transactions and upon receipt of the required documents stated in Clause 15.9.
- 15.11 The Broker will not be deemed to have received the Client's Instructions or have executed the Client's orders unless and until the Client is in receipt of the Broker's message acknowledging receipt or confirming execution of the Client's orders, either electronically or by hard copy.
- 15.12 The Client shall forthwith notify the Broker if:
- (a) the Client fails to receive an accurate and complete confirmation of Instructions before the end of the Business Day following the day on which the Instruction was given;
 - (b) the Client receives a confirmation of Instructions in respect of which the Client has not given any Instructions; and
 - (c) the Client becomes aware of any unauthorised use, loss or theft of the Access Codes.
- 15.13 The Client acknowledges and undertakes that: -
- (a) the Broker shall not be liable to the Client for: (i) any delay or error in the execution of Instructions; or (ii) non-execution of Instructions, due to any error, interruption or non-availability of any equipment, facilities or other circumstances which are not actually foreseen by or actually known to the Broker or which are beyond the control of the Broker;
 - (b) the Broker has not made any representation or guarantee in relation to the timeliness, accuracy, sequence, completeness, reliability or content of any information disseminated or accessible through the Online Services and the Broker shall not be liable for all liabilities arising out of or in connection with any reliance on such information;
 - (c) the Broker may use authentication technologies as appropriate with respect to the Online Services;
 - (d) all Instructions are based on the Client's own judgment and independent investment decisions and any information disseminated by the Broker or accessible through the Online Services does not constitute the Broker's recommendation to purchase, sell or otherwise deal in any Contracts or Client's Contracts;
 - (e) if required by the laws rules and regulations of any relevant jurisdiction or on any other reasonable ground, the Broker may in its sole discretion and without prior notice restrict, suspend or terminate the Client's use of the Online Services;
 - (f) the Client is only a licensee in respect of all software and other materials, such as user guides, manuals and training videos, provided to the Client for using the Online Services and the Broker retains all intellectual property rights over such software and materials;
 - (g) the Client shall not, and shall not seek to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way the Online Services or the software and materials provided to the Client nor to gain unauthorised access to the Online Services;
 - (h) the Client shall forthwith notify the Broker if the Client becomes aware of any of the acts described in clause 15.13(g) above is being perpetrated by any person;

- (i) the Client shall indemnify the Broker, on a full indemnity basis and on demand, for all losses or damage the Broker may suffer as a result of the use of the Online Services;
- (j) the Client shall comply with the operational rules and procedures of the Online Services as may be formulated by the Broker from time to time;
- (k) the Client assumes full responsibility and risk of loss, damage and liabilities of any kind whatsoever resulting from its use of, or access to data, files, information, content, or other materials on or through the Online Services; and
- (l) Exchanges and certain associations assert proprietary interests and rights over all market data they furnish to parties who disseminate such data and agree not to do any act which would constitute any infringement or encroachment of such rights or interests. The Client also understands that the Broker does not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to the Client through the Online Services). The Broker shall not be liable in any way for any loss arising from or caused by (1) any inaccuracy, error in or omission from any such data, information or message; (2) any delay in the transmission or delivery thereof; (3) any suspension or congestion in communication; (4) any unavailability or interruption of any such data, message or information whether due to any act of the Broker; (5) any forces beyond the control of the Broker.

16. Representation and Warranties

16.1 The Client represents to and warrants and undertakes with the Broker that:

- (a) as regards all Clients:
 - (i) all information stated in the Account Opening Form, all answers given to questions put to the Client (orally and/or in writing) and all other information provided to the Broker and/or to any Broker's Group Company by the Client is true, accurate and complete and the Broker is entitled to and will rely on such information until the Broker has received written notice from the Client of any changes in the information or answers supplied. The Client accordingly further undertakes to notify the Broker immediately of any changes in such information and/or of the occurrence of an Event of Default;
 - (ii) save as disclosed in writing by the Client to the Broker, the Client is trading on its own account and does not do so as nominee or trustee for any other person and there exists no arrangement whereby any person other than the Client has or will have any beneficial interest in the Futures Account or any Contract made pursuant to these Terms of Business. No one other than the Client has any interest in the Contracts in the Futures Account;
 - (iii) all necessary consents and authorisations which may be required for the execution of the Account Opening Form and ancillary documents and to cause these Terms of Business to be effective have been obtained and are in full force and effect; and
 - (iv) the Client has the authority, power and legal capacity to enter into and perform the obligations under these Terms of Business and these Terms of Business set out obligations of the Client, all of which obligations are legally binding on the Client;

- (b) where the Client or any one of them is a body corporate (in respect of such person):
 - (i) that it is a corporation duly organised 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) that the opening of account with the Broker has been validly authorised by the appropriate corporate action of the Client and these Terms of Business constitute valid and binding obligations of the Client;
 - (iii) that the certified true copies of the Client's certificate of incorporation or registration, charter, statute or memorandum and articles or other instruments constituting or defining its constitution and the board resolutions of the Client delivered to the Broker are true and accurate and are still in force; and
 - (iv) that 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;
- (c) where the Client or any one of them is an individual, that the Client is legally capable of validly entering into and performing these Terms of Business and that he or she has attained the age of 18 years and is of sound mind and legal competence and is not a bankrupt;
- (d) where the Client consists of more than one person:
 - (i) that the liability and obligations of each such person shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;
 - (ii) that any one of them shall have full authority to give any Instructions with respect to the Futures Account including but not limited to Instructions with respect to buying or selling or withdrawals of excess funds; to receive demands, notices, confirmations, reports, statements and other communications of any kind it being understood and agreed that such demands, notices, confirmations, reports, statements and other communications if addressed to the Client shall be binding on each of them notwithstanding that they have not been sent to or received by every one of them; and generally to deal with the Broker in connection with these Terms of Business as fully and completely as if the other joint account holder or holders had no interest in these Terms of Business;
 - (iii) each of them shall be bound even though any other such person is not for whatever reason so bound;
 - (iv) the Broker shall be entitled to deal separately with each such person on any matter including the discharge of any liability to any extent without affecting the liability of an other person;
 - (v) any delivery of assets, payments or securities to any one of such persons shall be a valid and complete discharge of the Broker's obligations to each person regardless of whether such delivery is made before or after the death of any one or more of such persons;
 - (vi) any notices and communications sent to one such person will be deemed notice to all persons holding the Futures Account;

- (vii) upon the death of any of such person:-
 - (1) these Terms of Business shall not be terminated;
 - (2) the Broker shall hold the Client's assets, monies or Contracts in the Futures Account to the order of the survivor(s) notwithstanding the claim of any legal representatives without prejudice to any of the Broker's rights arising out of any lien, charge, set-off, counterclaim or otherwise howsoever. Payments, delivery of assets or Contracts to the survivor(s) shall be a complete discharge of the Broker's obligations; and
 - (3) the surviving client(s) shall give the Broker written notice immediately upon any of them becoming aware of any such death.
- (viii) that the Broker shall be under no duty or obligation to inquire into the purpose or propriety of any Instructions given and shall be under no obligation to see the application of any funds delivered by the Client in respect of the Futures Account;
- (e) where the Client is a partnership and business is carried on under a firm's name, that these Terms of Business 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;
- (f) where the Client trades any Contracts traded in the United States, that the Client is not a U.S. Person, and that in the event that the Client becomes a U.S. Person, the Client will notify the Broker immediately and will transfer all of his holdings in Contracts traded in the United States within a month of the occurrence of the event or any other period as determined by the Broker, and the Client acknowledges that in that case all the income, proceeds, interest and distribution arising from such Contracts shall be subject to the maximum withholding tax rate or any other withholding tax rate as determined by the Broker from time to time;
- (g) the Client is not a director or officer, or shareholder who holds 10% or more of the interests in the shares of, a company listed on any stock exchange in the United States;
- (h) the Client is not:
 - (i) registered or qualified with the Securities and Exchange Commission of the United States, the Commodities Futures Trading Commission of the United States, any state securities agency, any Exchange or association, or any commodities or futures contract market or association;
 - (ii) employed by a bank or other organization exempt from registration under Federal and/or state securities laws to perform functions that would require him to be so registered or qualified if he were to perform such functions for an organization not so exempt;
 - (iii) a person who is subject to any other limitations in respect of trading in the Contracts in Hong Kong or in any other jurisdiction; and

in the event the Client becomes so registered, qualified, engaged, employed or any changes in the aforementioned status of the Client occurs, he will notify the Broker immediately. In the event that the Client is or becomes deemed by any market data provider to be so registered, qualified, engaged or employed the Client agrees

that the Broker shall have the right to pass on to the Client any additional market data subscription fees and any other fees and costs incurred as a result of or in connection with the foregoing.

16.2 Without prejudice to clause 2.1, 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 transaction 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 any Exchange, regulatory authority or government body of Hong Kong (“Hong Kong Regulators”), the following provisions shall apply:

- (a) Subject to as provided below, the Client shall, immediately upon request by the Broker (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of any information as required by the Hong Kong Regulators, including but not limited to the identity address, occupation and contact details of the client for whose account the transaction is 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 Hong Kong Regulators of any information as required by the Hong Kong Regulators, including but not limited to the identity, address, occupation and contact 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, immediately upon request by the Broker (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of any information as required by the Hong Kong Regulators, including but not limited to the identity, address, occupation and contact details of the person(s) who, on behalf of the scheme, account or trust, has instructed the Client to effect the transaction.
- (c) If the Client effects the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, as soon as practicable, inform the Broker when its discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client’s investment discretion has been overridden, the Client shall, immediately upon request by the Broker (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of any information as required by the Hong Kong Regulators, including but not limited to the identity, address, occupation and contact details of the person(s) who has or have given the Instructions.
- (d) 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 beneficiary(ies) of such scheme, account or trust has been overridden. In case where the Client’s investment discretion has been overridden, the Client shall, immediately upon request by the Broker (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of any information as required by the Hong Kong Regulators, including but not limited to the identity, address, occupation and contact details of the person(s) who has or have given the Instructions in relation to the relevant transaction.
- (e) If the Client is aware that its client is acting as intermediary for its underlying client(s), and the Client does not know the information

including the identity, address, occupation and contact details of the underlying client(s) 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 clause 16.2 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 clause 16.2 from its client on whose instructions the transaction is effected, and provide the information to the Hong Kong Regulators as soon as it is received from its client or procure that it be so provided.
- (f) Without affecting the generality of these Terms of Business, clause 16.2 shall survive and continue in effect notwithstanding the termination of the Futures Account.

16.3 The Client undertakes to notify the Broker immediately upon the occurrence of any material change in the information supplied to the Broker and the Broker undertakes to inform the Client of any material change to the information provided in these Terms of Business or to its business which may affect the services provided by the Broker to the Client.

16.4 The Client shall be responsible for notifying the Exchange or other relevant regulators if the Client holds a reportable positions as defined in the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap.571Y of the Laws of Hong Kong) or other applicable laws, rules or regulations.

17. Omnibus Account

The Client agrees that the following sub-clauses, the relevant provisions in the SFC Code of Conduct and other Codes and Guidelines and any Rules stipulated by the Exchange on Omnibus Accounts shall apply where the Client declares that a Futures Account shall be an Omnibus Account:

17.1 The Client shall keep the Broker informed regarding its financial standing and shall immediately report to the Broker any information that indicates that it is insolvent, or threatened with insolvency or guilty of any irregularities or practices affecting the good name of the Exchange.

17.2 In the case where the Client is not an Exchange Participant:

- (a) the Client shall in its dealings with the person(s) from whom it receives instructions with respect to the Futures Account, comply with and enforce the margin and variation adjustment requirements and procedures as stipulated in the Rules of the Exchange and the Clearing House as if it were an Exchange Participant and as if the person(s) for whose account or benefit such instructions were given were Clients as defined in those Rules;
- (b) the Client shall cause any Client Contract or Contract to be entered into in fulfillment of instructions with respect to the Omnibus Account, 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) the Client shall impose the requirements in this clause 17.2, and ensure that they are complied with by, the person(s) from whom it receives,

instructions including ensuring that such persons comply with the margin and variation adjustment requirements as stipulated in the Rules of the Exchange and the Clearing House, with the result that, as between the Exchange and the Broker, the Broker shall 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 were the Client for whom the Omnibus Account was operated.

- 17.3 Without prejudice to clause 2.1, the Client will disclose to the Broker before dealing in any futures business details of persons who are ultimately beneficially interested in the Omnibus Account and those persons or entities who are ultimately responsible for originating the instruction in relation to a transaction or such other information as the Exchange or Commission may require from time to time. The Client acknowledges that in the event that it fails to comply with this disclosure requirement, the Chief Executive of the Exchange may require the Broker to close out any or all of the Open Contracts held by the Broker on behalf of the Client or request the Clearing House to effect such closing out on behalf of the Broker, or the Chief Executive of the Exchange may impose such margin surcharge on any or all of the positions held by the Broker on behalf of the Client as the Chief Executive of the Exchange thinks fit.
- 17.4 The Client hereby agrees to submit to the supervision of the Broker to the same degree of supervision as if the Broker were the Exchange and the Client were an Exchange Participant and to supply all information and do all acts to enable and facilitate the Broker to comply with all the requirements of the relevant exchanges and clearing houses for the operation of the Omnibus Account by the Broker.
- 17.5 For the avoidance of doubt, the Client shall maintain separate margin requirements for each of its clients, and in no case may it offset or net any of its clients' positions against those of another client for margin purposes.
- 17.6 The Client hereby agrees to immediately notify the Broker in writing when the Futures Account ceases to be an Omnibus Account; such cessation shall not affect any liability whatsoever of the Client to the Broker under these Terms of Business prior to the receipt by the Broker of the written notice of such cessation.

18. Currency Transactions

In the event that the Client directs the Broker to enter into any Contract on an Exchange on which Transactions are effected in a foreign currency:

- (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) Margin shall be recorded in such currency or currencies, in such amounts as the Broker may in the Broker's sole discretion elect;
- (c) the Broker is authorised to convert funds in the Futures Account into and from foreign currency at a rate of exchange determined by the Broker in the Broker's sole discretion on the basis of the prevailing money market rates; and
- (d) the Broker may further charge the Client a conversion charge of no more than 1% or such other rate as notified by the Broker from time to time of the amount converted.

19. Time of Essence

- 19.1 Time is of the essence as regards every obligation of the Client but no delay or omission by the Broker to exercise any right, power or remedy shall

impair such right, power or remedy, or be construed as a waiver of, or as an acquiescence in, any default. If the Broker on any occasion agrees to waive any such right, power or remedy, such waiver shall not in any way preclude any further exercise thereof or the exercise of any other right, power or remedy. Any waiver by the Broker of any terms or conditions of these Terms of Business and any consent or approval given by the Broker, shall only be effective if given in writing, specifically refers to this clause and even then only for the purpose and upon the terms for which expressly specified.

- 19.2 In the event that any document sent or despatched by the Client to the Broker in connection with the Futures Account or any order made by the Client or any Client Contract or Contract made on the Futures Account is for any reason undated the time and date as shown on the Broker's time-chop as imprinted on such document at the time of its receipt by the Broker shall be conclusive evidence of the time and date of the said document and the Broker is empowered on the Client's behalf to insert such time or date on such document accordingly.

20. Negative Pledge

The Client agrees (unless with the Broker's prior written consent) not to, and not to purport to, sell, grant an option over or otherwise deal in any way with or create or allow to subsist a charge, pledge or other encumbrance over the Futures Account or anything in it other than pursuant to these Terms of Business.

21. Suspension & Termination

- 21.1 The Broker reserves the right at any time and from time to time, without having to give any reason or explanation, to suspend the operation of the Futures Account and/or any services provided to the Client under these Terms of Business.
- 21.2 The rights and obligations of the Client and the Broker in respect of the Futures Account may be terminated by at least three (3) Business Days written notice given at any time by the Client to the Broker (or vice versa) without prejudice to any rights, powers or duties of the Broker or the Client in connection with the Futures Account prior to receipt of such notice, and such rights, powers and duties will survive such termination and subsist under these Terms of Business until they are discharged in full.

22. Further Assurance

The Client undertakes with the Broker to do and execute any act, deed, document or thing which the Broker may require the Client to do in connection with the implementation, execution and enforcement of any of the terms and any rights conferred by these Terms of Business. The Client irrevocably authorises the Broker to do and execute all such acts, deeds, documents or things on behalf of the Client as the Broker considers necessary or desirable in connection with such implementation, execution and enforcement and agrees to ratify or confirm all such acts, deeds, documents or things so done by the Broker acting lawfully and in good faith.

23. Compliance with Laws

- 23.1 The Client shall not instruct the Broker to do anything which is a breach of, or would or is likely to involve a breach of, the Ordinances, the HKFE Rules, the Rules of the Clearing House or any other laws, rules or regulations in force (including but not limited to the U. S. Foreign Account Tax Compliance Act of 2010 and U. S. Securities Act of 1933, as amended) and/or applicable to the conduct of the business of dealing in Futures Contracts or Options Contracts (whether or not having the force of law) or any act which, in the sole opinion of the Broker would be adverse to the Broker's lawful interest or its rights under these Terms of Business.

- 23.2 The Client shall at all times ensure that all transactions, dealings and/or actions in connection with the Account are compliant with the applicable laws, rules or regulations in force. Should the Client at any time become aware of any non-compliance, breach or contravention of any such laws, rules or regulations on the part of the Client, the Client shall forthwith notify the Broker in writing particulars of such non-compliance, breach or contravention.

24. Communications

- 24.1 All notices, demands, statements and any other communications and documents (collectively "Communication") required or permitted to be given to the Client may be sent by hand, post, facsimile, telephone or electronic mail to the address, facsimile or telephone numbers or electronic mail address for communications specified in the Account Opening Form or as notified to the Broker from time to time. All Communication shall be deemed to have been received by the Client (i) 48 hours after posting if sent by post (save that any statement of the Futures Account provided by the Broker to the Client shall be deemed to have been provided to the Client at the time of posting); (ii) a Communication posted on the Online Services shall be deemed to have been received by the Client not later than the end of the Business Day following the date of which the Communication becomes accessible by the Client through the Online Services; and (iii) at the time of transmission from the Broker if delivered by facsimile, telephone or electronic mail and no such Communication needs to be signed on behalf of the Broker.
- 24.2 All notices or other communications required to be given to the Broker shall be in writing and be delivered by hand or sent by post at the Broker's registered office. Any such notice or communication shall be deemed to have been received if delivered by hand, on signature of a delivery receipt, or on 48 hours after posting if sent by post.
- 24.3 The Broker shall be entitled to assume, without further investigation or enquiry, that any Communication which on the face of it appears to have been forwarded by either the Client or its agent, has in fact been sent by either the Client or its agent, as the case may be. The facsimile copy of any Communication shall have the same force as the original.

25. Translation

These Terms of Business may be translated into any other language but, in the event of any conflict, the English version shall apply and prevail.

26. Payment to Client

The Broker is authorised and entitled to fulfil its payment obligation to the Client pursuant to these Terms of Business by:

- (a) crediting to the Futures Account;
- (b) sending a cheque made out to the Client for such payment by mail at the risk of the Client to the Client's last known address; and/or
- (c) depositing a cheque into or transferring payment to, a bank account of the Client and/or payee specified in the Account Opening Form by the Client (subject to changes duly notified in writing to the Broker),

and by so doing the Broker shall be fully discharged from its obligations to make any payment to the Client.

27. Governing Law, Jurisdiction and Service of Legal Documents

- 27.1 These Terms of Business and all rights, obligations and liabilities arising therefrom shall be governed by and construed in accordance with the laws of Hong Kong.
- 27.2 The parties hereby submit to the non-exclusive jurisdiction of the courts of Hong Kong in relation to all matters arising out of or in connection with

these Terms of Business. Such submission shall not prejudice the Broker's right to commence action against the Client in any other court of competent jurisdiction.

- 27.3 Without prejudice to clause 27.2, if any dispute of any kind whatsoever shall arise between the parties to these Terms of Business, then the Broker may at its sole discretion, instead of court proceedings, require such dispute to be referred to and determined by arbitration in Hong Kong at the Hong Kong International Arbitration Centre (HKIAC) in accordance with the provisions of the Arbitration Ordinance (Chapter 609 of the Laws of Hong Kong) or any statutory modifications or re-enactment thereof. The appointing authority shall be Hong Kong International Arbitration Centre ("HKIAC"). The place of arbitration shall be in Hong Kong at HKIAC. There shall be only one arbitrator. Any such arbitration shall be administered by HKIAC in accordance with the provisions of the Arbitration Ordinance (Chapter 609 of the Laws of Hong Kong) in force.
- 27.4 Without prejudice to clauses 27.2 and 27.3, any dispute between the Broker and the Client may be resolved by way of Financial Dispute Resolution Scheme ("FDRS") administered by the Financial Dispute Resolution Centre ("FDRC") in accordance with the provisions of the Terms of Reference for FDRC in relation to the FDRS in force.
- 27.5 Without prejudice to clause 24 above, any documents (including but not limited to writs, summonses, orders, pleadings, petitions and demands) may be served on the Client by leaving at or posting such documents to, the last known address of the Client - such service is agreed to be valid service on the Client, whether or not the document(s) concerned is (are) actually received by the Client or comes to the Client's notice, and the time of service will be the time at which the document(s) is (are) left at the said address or in the case of service by post, 48 hours after posting to that address irrespective of whether the Client's address is in Hong Kong or not.

28. Miscellaneous

These Terms of Business and the PDPO Circular issued by the Broker may be amended, supplemented or revised by the service of a notice in writing on the Client by the Broker and such amendment, supplement or revision shall be applicable as from the date specified in such notice.

Whilst the Client expects the Broker to keep confidential all matters relating to the Futures Account(s), the Client hereby expressly agrees that the Broker may make such disclosure of all matters relating to the Futures Account(s) as may be required under any laws, orders, lawful requests or regulations of any relevant market, banking or governmental authority without further consent from or notification to the Client.

End of the Terms and Conditions