

**CLIENT AGREEMENT
FOR FUTURES AND OPTIONS TRADING**

(Revised From Feb 2022)

THIS AGREEMENT is entered into **BETWEEN**

- (A) **CCB International Securities Limited** whose registered office is at 12/F., CCB Tower, 3 Connaught Road Central, Hong Kong (“**CCBIS**”); and
- (B) the client(s) whose name(s), address(es) and identification number(s) appear on the signature page of the Account Opening Form in respect of the Account (each as defined below) (each a “**Client**”).

WHEREAS

- (a) CCBIS is a corporation licensed with the Securities and Futures Commission under the SFO (CE no.: AMB276) to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising in securities) regulated activities in Hong Kong. It is also an Exchange Participant (in the capacity of a Futures Commission Merchant) of the Hong Kong Futures Exchange Limited, a Clearing Participant of HKFE Clearing Corporation Limited, an Exchange Participant and China Connect Exchange Participant of The Stock Exchange of Hong Kong Limited (Participant ID: 01813) and a Direct Clearing Participant and a China Connect Clearing Participant of the Hong Kong Securities Clearing Company Limited (Participant ID: B01813).
- (b) The Clients wishes to open an Account with CCBIS for the execution of trades in Futures and Options, and CCBIS agrees to provide such services to the Client, pursuant to the terms and conditions of this Agreement.
- (c) CCBIS may from time to time at the request of the Client and at CCBIS’ discretion, allow the Client to open one or more Account(s) (as defined below) with CCBIS.
- (d) Upon written notification from CCBIS to the Client that an Account has been opened, this Agreement shall become effective in respect of such Account and shall, together with the Account Opening Form for such Account, govern the operation and maintenance by CCBIS of such Account with the Client.

NOW IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, the following terms shall bear the following meanings:

“**Access Codes**” means the combination of the Password and Account Number used to gain access to the Electronic Trading Service.

“**Account**” means one or more Futures and Options trading accounts maintained by the Client with CCBIS from time to time for the purchase and/or sale of Futures and Options.

“**Account Opening Form**” means the account application form and the account opening form to be completed by an applicant with respect to the opening of an Account with CCBIS.

“**Account Number**” means the account number assigned by CCBIS to the Account.

“**AEOI**” or “**Automatic Exchange of Financial Account Information**” means any Applicable Laws and Regulations (including intergovernmental agreements) that require and facilitate the collection, reporting and exchange of Financial Account Information between governments or tax authorities, including but not limited to the Inland Revenue (Amendment) (No. 3) Ordinance 2016, as amended from time to time. Under these rules, CCBIS is required to collect and review relevant information relating to account holders and any Controlling Persons of certain entity account holders who hold financial accounts with CCBIS in order to identify if such account holders or Controlling Persons are reportable foreign tax residents and report their Financial Account Information (as applicable) to the Hong Kong Inland Revenue Department (IRD), which will transfer this information to the tax authority of the reportable foreign tax resident's country of tax residence on a regular, annual basis, where such country of tax residence is a reportable jurisdiction that has entered into a Competent Authority Agreement with Hong Kong for the purposes of AEOI. Please see the IRD website for more information on AEOI and the current list of reportable jurisdictions: http://www.ird.gov.hk/eng/tax/dta_aeoi.htm

“**Agreement**” means this client agreement and the Account Opening Form, as amended or supplemented from time to time.

“**Applicable Laws and Regulations**” means: (i) any local or foreign law, ordinance, regulation, demand, guidance, guidelines, rules, codes of practice, whether or not relating to an intergovernmental agreement between the governments or regulatory authorities of two or more jurisdictions (including but not limited to any applicable intergovernmental agreements entered into pursuant to FATCA and AEOI) which in CCBIS' sole discretion CCBIS is obligated to comply with; (ii) any agreement between CCBIS and any domestic or foreign government authority; and (iii) any code of conduct, best practices, or internal Company policies adopted or implemented to facilitate CCBIS' compliance with (i) or (ii).

“**Authorized Person**” means the person(s) specified as such in the Account Opening Form, or any such person or persons as the Client may from time to time notify to CCBIS in writing as being an Authorized Person for the purposes of this Agreement.

“**Client Standing Authority**” means the standing authority granted by the Client to CCBIS in the terms set out in Clauses 7.16 and 7.17 as amended from time to time.

“**Client Securities Rules**” means the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong), as amended from time to time.

“**Company**” means CCB International Securities Limited 建銀國際證券有限公司, which is licensed with the SFC (CE No. AMB276) under the SFO to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities in Hong Kong, including its successors and assigns.

“**Code of Conduct**” means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

“**Controlling Person**” means any natural person who exercises control over a legal person or a legal arrangement, such as a corporation, partnership, trust or foundation. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Person” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations. Where no natural person or persons is or are identified as exercising control of the entity through ownership interests, the controlling person of the entity is deemed to be the natural person who holds the position of senior managing official.

“**Financial Account Information**” means in respect of a Client, any Controlling Person or any Substantial U.S. Owner (i) any personal information including without limitation, name, residential and mailing address (including any hold mail instruction or in-care-of address) or registered address and principal place of business (in case of entity account holders), contact information (including telephone number), social security number, citizenship(s), the jurisdiction(s) of tax residence, taxpayer identification number(s) (or its functional equivalent in the absence of taxpayer identification number in that jurisdiction(s)), tax status, date and place of birth or incorporation/formation (in case of entity account holders), financial statements, certification of AEOI or FATCA status, or such other personal information as may be requested or required pursuant to Applicable Laws and Regulations; (ii) any account information including without limitation, the account number (or a functional equivalent in the absence of an account number), the name and identifying number of the reporting financial institution, account balance or value, currency denomination, gross receipts, payments made to or withdrawals from the account, the total gross amount of interest, dividends, proceeds or other income paid or credited to the account or generated with respect to assets held in the account or from the sale or redemption of such assets, the fact of closure of the account, or any other relevant account information; and (iii) any documentation or information (including without limitation self-certification forms, accompanying statements, waivers, and consents) as CCBIS may from time to time require or as the Client, any Controlling Person or any Substantial U.S. Owner may from time to time give pursuant to the Applicable Laws and Regulations.

“**Electronic Trading Service**” or “**ETS**” means a facility or program provided by the Company which enables Clients to give electronic instructions to the Company relating to the purchase or sale of securities through the Account(s) and access related information, with respect to the services provided under this Agreement;

“**Exchange Business Day**” means (a) in relation to the exercise of any Option, a day (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong or in the jurisdiction in which the relevant exchange or clearing house on which the Option is listed or cleared is located or (b) in relation to the payment of any Margin in respect of any Futures or Option transaction, a day (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong or in the jurisdiction in which the relevant exchange and/or

clearing house on which such Futures or Option transaction was executed is located or cleared.

“**FATCA**” means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any jurisdiction, or relation to an intergovernmental agreement between the United States and any other jurisdiction (including for the avoidance of doubt, the intergovernmental agreement between the United States and Hong Kong), which (in either case) facilitates the implementation of (a) above;
- (c) any agreement pursuant to the implementation of (a) and/or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any jurisdiction; or
- (d) any similar or analogous legislation, treaty, intergovernmental agreement, foreign financial institution agreement, regulation, or other official guidance of any taxation authority in any jurisdiction.

“**Financial Product**” means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. For the purpose of this definition, “leveraged foreign exchange contracts” mean those traded by persons licensed for Type 3 regulated activity under the SFO.

“**Futures**” means any futures contract in respect of any item including but not limited to gold, silver, precious and non-precious metal or other physical commodities, currencies, interest rates, indices (whether stock exchange or otherwise) or other financial contracts and in each case whether or not such item is capable of being delivered physically.

“**Group Company**” means direct or indirect holding companies of CCBI and direct or indirect subsidiaries of itself or of such holding companies.

“**HKEx**” means Hong Kong Exchanges and Clearing Limited and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge.

“**HKFE**” means Hong Kong Futures Exchange Limited and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge.

“**HKFE Clearing House**” means HKFE Clearing Corporation Limited, or such other body appointed by or established and operated by HKFE to provide clearing services to its participants in respect of Futures or Options and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge.

“**HKFE Rules**” means the Rules, Regulations and Procedures of the Futures Exchange as revised, amended or substituted from time to time.

“**Hong Kong Business Day**” means a day (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong.

“**Hong Kong Regulators**” means the SFC, the HKEx, the HKFE and other relevant regulatory bodies.

“**Instruction**” means in relation to any Account, instruction given in any form or by any means accepted by CCBIS from time to time.

“**Investor Compensation Fund**” means the investor compensation fund established pursuant to the SFO.

“**Losses**” means any losses (including loss of profits and any diminution in the value of or loss or damage to any property or security under and in connection with the Account(s) or in respect of the services or transactions carried out under the Agreement), damages, costs (including legal costs on a full indemnity basis), fines, expenses, fees, taxes, charges, levies, duties, actions, suits, proceedings, claims, claims for an account or equitable compensation or equitable lien, liabilities and any other demands or remedy of any nature whatsoever, as applicable.

“**Margin**” means such amount in such currency and/or such other security whatsoever as CCBIS may from time to time demand, in accordance with this Agreement, from the Client by way of margin, additional margin or variation adjustments in relation to any Futures or Option.

“**Omnibus Account**” means an account opened with CCBIS by the Client in respect of which CCBIS is notified that the account is to be operated for a customer, or a number of customers, of the Client and not the Client himself.

“**Option**” means any option in respect of any item including but not limited to gold, silver, precious and non-precious metal or other physical commodities, currencies, interest rates, indices (whether stock exchange or otherwise) or other financial contracts and in each case whether or not such item is capable of being delivered physically.

“**Password**” means the Client’s personal password used in conjunction with the Account Number to gain access to the Electronic Trading Service and any other services offered by CCBIS.

“**Potential Tax**” refers to any taxes that are potentially payable in respect of any Futures or Option transaction, as determined by CCBIS in its reasonable discretion.

“**Privacy Policy**” means CCBIS’ general policy on disclosing customer information (including personal data) as set out in any statements, circulars, notices or other communications or terms and conditions, as updated from time to time.

“**Professional Investor Rules**” means the Securities and Futures (Professional Investor) Rules (Chapter. 571D of the Laws of Hong Kong), as amended from time to time.

“**SFC**” means the Securities and Futures Commission of Hong Kong.

"**SFC Code of Conduct**" means Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission, as amended from time to time.

"**SFO**" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time.

"**Substantial U.S. Owner**" includes specified U.S. persons as defined under FATCA who (1) with respect to any non-U.S. corporation, directly or indirectly own more than 10% of the corporation's stock (by vote or value), (2) with respect to a non-U.S. partnership, that directly or indirectly own more than 10% of the profits or capital interests in the partnership, and (3) with respect to a trust, are treated as the owner of the trust or treated as holding directly or indirectly (or through certain attribution rules) more than 10% of the beneficial interests of the trust.

"**U.S.**" or "**United States**" means the United States of America.

- 1.2 Words denoting the singular shall include the plural and vice versa, reference to one gender shall include all genders and words denoting a person, the Client or an Authorized Person shall include a natural person, firm or sole proprietorship, partnership, syndicate and corporation and his, her or their successors, assigns, executors and administrators.
- 1.3 For the purposes of this Agreement, the terms "tax" and "taxes" shall include any amounts deducted or withheld in connection with FATCA.

2 THE ACCOUNT

- 2.1 **Accurate Information:** The Client confirms that all information provided to CCBIS (in the Account Opening Form or provided otherwise) is true, complete and correct in all respects and that CCBIS is entitled to rely on all such information until CCBIS receives written notice from the Client or an Authorized Person of any change. The Client shall promptly notify CCBIS of any change or amendment to the information provided to CCBIS from time to time, and in any event no later than 30 days from the effective date of the change or amendment, pursuant to Clause 1.1.
- 2.2 **Credit Inquiries:** The Client hereby authorizes CCBIS to conduct from time to time credit enquiries (including personal credit enquiries in the case where the Client is a natural person) or checks on the Client for the purpose of ascertaining the Client's financial situation, investment experience and investment objectives and to verify the information the Client has provided to CCBIS. Such checks or inquiries may include contacting the Client's banks or brokers, any credit agency or any other relevant person. In any event, the Client shall keep CCBIS informed regarding its financial standing and shall immediately report to CCBIS any information that indicates it is bankrupt or insolvent, or threatened with bankruptcy or insolvency.
- 2.3 **Legal Capacity:** The Client represents that the Client has authority, power and legal capacity to enter into and perform the Client's obligations under this Agreement and this Agreement constitutes a valid and legally binding obligation on the Client. In particular, the Client represents that:

- (a) in the case of an individual, the Client has attained the age of 18, is of sound mind and legal competence and has not been adjudged a bankrupt; or
 - (b) in the case of a corporation, the Client is duly organized and validly existing under the laws of its place of incorporation or establishment and no steps have been taken or being taken to appoint a receiver, manager or liquidator over its assets or undertaking, or to wind up or dissolve the business of the Client.
- 2.4 Ultimate Beneficial Owner(s) of the Account:** Unless advised by the Client to CCBIS, the Client confirms that it is trading on the Client's own account and no one other than the Client has any interest in the Futures or Options, monies or property comprising or held in the Account. Should the ownership or beneficial interests change, the Client agrees to inform and notify CCBIS in writing immediately.
- 2.5 Omnibus Account:** The Account is not an Omnibus Account. Other terms will apply in respect of an Omnibus Account.
- 2.6 Authority of CCBIS:** The Client hereby confers to CCBIS all powers, authorities and discretions on the Client's behalf as are necessary for or incidental to the carrying out of the provisions of this Agreement, and hereby agrees to ratify and confirm everything which CCBIS shall lawfully do in the exercise of such powers, authorities and discretions.
- 2.7 Safeguarding of Password and Account Number:** For the protection of the integrity of the Account,
- (a) the Client will create a Password for the purposes of accessing the Account through the ETS;
 - (b) the Client acknowledges, represents and warrants that the Client is the sole and exclusive user of the ETS;
 - (c) the Client accepts full responsibility for monitoring and safeguarding the integrity and security of the Password and Account Number. The Client undertakes not to disclose the Password or Account Number to any third party or to write down or record the Password or Account Number in a way that could facilitate misuse or fraud; and
 - (d) the Client will immediately notify CCBIS in writing of any loss, theft, unauthorized disclosure or unauthorized use of the Password or Account Number, but, CCBIS shall not be liable for any Losses suffered by the Client in connection therewith unless CCBIS has provided a written confirmation to the contrary.
- 2.8 Material Change:** CCBIS and the Client agree to promptly notify each other forthwith of any material changes in the information supplied in connection with this Agreement. Any change to any information supplied by the Client shall not be effective with respect to the operation of the Account unless CCBIS is notified of such change in writing pursuant to Clause 1.1 below.
- 2.9 Genuine Signature:** The Client represents that the signature of the Client, the Client's authorized signatory, director, secretary or partner (as the case may be), and the signature of

each of the Authorized Persons as they appear in the Account Opening Form are the genuine signatures of the individuals concerned.

- 2.10 No Hold Mail Service:** The Client acknowledges that CCBIS shall not hold mail or direct mail to third parties on behalf of the Client.

3 JOINT ACCOUNTS

- 3.1** Where the Account is opened by two or more individuals, the Account shall be owned by the individuals as joint tenants with right of survivorship and each individual shall be jointly and severally liable for all obligations and liabilities under this Agreement. In the event of death of either or any of the individuals, the entire interest in the Account shall be vested in the survivor or survivors on the same terms and conditions as in this Agreement.
- 3.2** Each of the individuals shall have authority to exercise all his rights, powers and discretions hereunder and generally to deal with CCBIS as if each of them alone were the Client without notice to the other. CCBIS may follow the Instructions of any of them concerning the Account and shall not be obliged to inquire into or see the application of any monies as between them.
- 3.3** Any payments made to any one of such individuals shall be a valid and complete discharge of CCBIS' obligations to each individual regardless of whether such payment is made before or after the death of any one or more of such individuals.

4 APPLICABLE RULES AND REGULATIONS

- 4.1 Laws and rules:** This Agreement and all transactions for the Account shall be subject to the terms and conditions of this Agreement and all Applicable Laws and Regulations, including, without limitation, the constitution, rules, regulations, procedures, by-laws, customs and usages of the HKFE, or of such other exchanges or markets (and their respective clearing houses, if any) in which CCBIS or its agents are dealing on the Client's behalf or for the Account (whether in Hong Kong or elsewhere). In particular, without prejudice and in addition to any other provisions of this Agreement, all transactions related to exchange traded futures and options, including transactions entered into on the HKFE, shall be subject to the provisions of the relevant markets and exchanges (including the HKFE Rules), which shall to the extent possible be deemed to constitute, and be construed as, part of this Agreement.

Such Applicable Laws and Regulations contain, among other things, provisions requiring CCBIS, upon the request of relevant authority (including the Securities and Futures Commission) or exchange (including the HKFE), to disclose the Client's name, beneficial identity and such other information concerning the Client as the relevant authority or exchange may require, and the Client agrees to provide such information as CCBIS may require in order for CCBIS to comply with such Applicable Laws and Regulations.

All actions taken by CCBIS in accordance with such Applicable Laws and Regulations shall be binding on the Client and the Account.

- 4.2 Legally Binding:** The Client hereby agrees that this Agreement and all the terms herein (including the terms of the Electronic Trading Service) shall be binding upon the Client, the Client's heirs, estate, executors, representatives, successors and assignees and the Account.
- 4.3 Governing Law:** This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China. The Client hereby irrevocably submits to the non-exclusive jurisdiction of the Hong Kong courts in respect of any dispute arising from or related to this Agreement, provided that CCBIS shall have the right to proceed against the Client in any other court which has jurisdiction over the Client or any of the Client's assets.
- 4.4 Arbitration:** At the sole option of CCBIS and in its absolute discretion, any dispute, controversy or claim arising out of, relating to, or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force at the time that CCBIS notifies the Client that the relevant breach, termination or invalidity shall be settled by arbitration, as may be amended by the rest of this Clause 4.4.

The appointing authority shall be Hong Kong International Arbitration Centre. The place of arbitration shall be in Hong Kong at the Hong Kong International Arbitration Centre. There shall be only one arbitrator. The language to be used in the arbitral proceedings shall be English.

The arbitration award(s) rendered by the arbitral tribunal shall be final and binding on the parties.

Notwithstanding the above, in the case of an individual, the Client shall be able to elect for any such disputes to be managed and resolved under the Financial Dispute Resolution Scheme administered by the Financial Dispute Resolution Centre Limited.

5 PROFESSIONAL INVESTOR TREATMENT

5.1 The Client hereby acknowledges, confirms and agrees that it:

5.1.1 falls within the definition of "professional investor" under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance ("**Institutional Professional Investor**") and understands that the Company will not and will not be required to ensure the products and services are suitable for the Client;

OR

5.1.2 falls within the definition of "professional investor" under section 4, 6 or 7 of the Professional Investor Rules ("**Corporate Professional Investor**") and satisfies the criteria under paragraph 15.3A of the SFC Code of Conduct (set out in Schedule 2 to this Agreement) in particular that it has the appropriate corporate structure and investment process and controls, the person/s responsible for making investment decisions on behalf of the Client has/have sufficient investment background, and the

Client is aware of the risks involved in relation to the relevant products and/or markets to be invested in under this Agreement;

Where this sub-clause 5.1.2 is applicable, the Client further agrees and confirms that:

- (a) it agrees to be treated as a "professional investor" in the relevant products and markets for the purposes of the SFC Code of Conduct and acknowledges that, as a consequence, it loses any protections otherwise available to it under the SFC Code of Conduct including, without limitation, those set out in Parts A and B of Schedule 1 to this Agreement and otherwise provided by the SFC, in respect of the relevant services to be provided to it under this Agreement;
- (b) in particular, the Client understands that with respect to any solicitation or recommendation of any Financial Product in the relevant products and markets to be made or provided to the Client, the Company will not be required to (i) ensure the suitability of any such solicitation, recommendation or advice provided to the Client, (ii) establish the Client's financial situation, investment experience and/or investment objectives, or (iii) assess the Client's knowledge of derivatives and characterize it accordingly;
- (c) the consequences of consenting to being treated as a "professional investor" in the relevant products and markets as described in sub-clause 5.1.2(a) and the right to withdraw from being treated as such (whether in respect of any or all relevant products or markets) have been fully explained to the Client;
- (d) the Client understands that it has the right to withdraw from being treated as such in respect of any or all relevant products or markets at any time but confirms that, for the purposes of the services to be provided by the Company to the Client under this Agreement, the Client wishes be treated as a "professional investor" in the relevant products and markets for the purposes of the SFC Code of Conduct as described in sub-clause 5.1.2(a); and
- (e) the Client may withdraw from being treated as a "professional investor" in respect of any or all relevant products and markets for the purposes of the SFC Code of Conduct at any time during the course of the Client's relationship with the Company, by providing the Company with not less than 14 days' prior notice in writing.

OR

- 5.1.3 falls within the definition of "professional investor" under section 4, 6, or 7 of the Professional Investor Rules (i.e., a Corporate Professional Investor) but does not satisfy the criteria under paragraph 15.3A of the SFC Code of Conduct (set out in Schedule 2 to this Agreement).

Where this sub-clause 5.1.3 is applicable, the Client further agrees and confirms that

- (a) it agrees to be treated as a "professional investor" in the relevant products and markets for the purposes of certain provisions of the SFC Code of Conduct and acknowledges that, as a consequence, it loses certain protections otherwise available to it under the SFC Code of Conduct including, without limitation, those set out in Part B of Schedule 1 to this Agreement and otherwise provided by the SFC, in respect of the relevant services to be provided to it under this Agreement;
- (b) the consequences of consenting to being treated as a "professional investor" in the relevant products and markets for the purposes of the SFC Code of Conduct as described in sub-clause 5.1.3(a) and the right to withdraw from being treated as such (whether in respect of any or all relevant products or markets) have been fully explained to the Client;
- (c) the Client understands that it has the right to withdraw from being treated as such in respect of any or all relevant products or markets at any time but confirms that, for the purposes of the services to be provided by the Company to the Client under this Agreement, the Client wishes be treated as a "professional investor" in the relevant products and markets for the purposes of the SFC Code of Conduct as described in sub-clause 5.1.3(a); and
- (d) the Client may withdraw from being treated as a "professional investor" for the purposes of the SFC Code of Conduct in respect of any or all relevant products or markets at any time during the course of the Client's relationship with the Company, by providing the Company with not less than 14 days' prior notice in writing.

OR

- 5.1.4 falls within the definition of "professional investor" under section 5 the Professional Investor Rules ("**Individual Professional Investor**").

Where this sub-clause 5.1.4 is applicable, the Client further agrees and confirms that

- (a) it agrees to be treated as a "professional investor" in the relevant products and markets for the purposes of certain provisions of the SFC Code of Conduct and acknowledges that, as a consequence, it loses certain protections otherwise available to it under the SFC Code of Conduct including, without limitation, those set out in Part B of Schedule 1 to this Agreement and otherwise provided by the SFC, in respect of the relevant services to be provided to it under this Agreement;
- (b) the consequences of consenting to being treated as a "professional investor" in the relevant products and markets for the purposes of the SFC Code of Conduct as described in sub-clause 5.1.4(a) and the right to withdraw from being treated as such (whether in respect of any or all relevant products or markets) have been fully explained to the Client;
- (c) the Client understands that it has the right to withdraw from being treated as such in respect of any or all relevant products or markets at any time but confirms that, for the purposes of the services to be provided by the Company to the Client under

this Agreement, the Client wishes be treated as a "professional investor" in the relevant products and markets for the purposes of the SFC Code of Conduct as described in sub-clause 5.1.4(a); and

- (d) the Client may withdraw from being treated as a "professional investor" for the purposes of the SFC Code of Conduct in respect of any or all relevant products or markets at any time during the course of your relationship with the Company, by providing the Company with not less than 14 days' prior notice in writing.

- 5.2** The Company has categorised the Client as a "professional investor" as described in Clause 5.1 based on the information provided by the Client to the Company. The Client shall inform the Company promptly in the event that any such information ceases to be true, complete and accurate.
- 5.3** The Company will notify the Client of any material change to the information provided in the Agreement. If there is any material change of information in relation to the Client's identification or registration, the Client undertakes to notify the Company accordingly.
- 5.4** By signing the Account Opening Form, the Client agrees and confirms that it has no objection to the terms upon which the Company proposes to deal with the Client as a professional investor as described in this Clause 5.
- 5.5** Where the Client is a Professional Investor as described under Clause 5.1.3 or 5.1.4, if the Company solicits the sale of or recommends any Financial Product to such Client, the Financial Product must be reasonably suitable for such Client having regard to such Client's financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document the Company may ask the Client to sign and no statement the Company may ask the Client to make derogates from this Clause.

6 PROVISIONS REQUIRED BY SCHEDULE 4 TO THE CODE OF CONDUCT

- 6.1** The CCBIS representative primarily responsible for the Account is set out in the Account Opening Form.
- 6.2 Investor Compensation Fund:** Every Futures or Option traded on a recognized futures market under the SFO shall be subject to the charge of the Investor Compensation Fund levy and a levy pursuant to the SFO, the cost of both of which shall be borne by the Client.
- 6.3** The Client understands that if the Client suffers pecuniary loss by reason of CCBIS' default, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and the relevant subsidiary legislation and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules (Chapter 571AC of the Laws of Hong Kong) and accordingly 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.
- 6.4 Conflicts of Interests:** CCBIS or any member within the CCBI Group or CCBIS' affiliates may, subject to Applicable Laws and Regulations, act in any capacity for any other person to execute

transactions in Futures or Options as well as for the Client, whether in the same transaction or otherwise. CCBIS or any member of the CCBI Group or CCBIS' affiliates, and any of its or their respective directors, officers and employees, may from time to time trade on its or their own account on any exchange. **To the extent not restricted under Applicable Laws and Regulations, CCBIS or any Group Company or affiliate of a Group Company may take the opposite position to the Client's order in relation to any exchange traded Futures or Option, whether for CCBIS' own account or for the account of CCBIS' other clients or CCBIS' associated companies, provided that such trade is executed competitively on or through the facilities of the HKFE or of such other exchange in accordance with the respective applicable exchange rules, regulations and procedures.**

In particular, the Client acknowledges that when CCBIS deals for the Account, CCBIS or any Group Company or affiliate of a Group Company may, subject to applicable laws and conditions, have an interest, arrangement or relationship that is material in relation to the investment or transaction concerned. Such interests will not necessarily be separately disclosed to the Client prior to or at the time of any transaction or at any other time. To the extent required by Applicable Laws and Regulations, CCBIS will disclose any material interest or actual or potential conflict of interest to the Client and take all reasonable steps to ensure fair treatment of the Client, and should not advise or deal in the relevant transaction unless it has done so with respect to any actual or potential conflict of interest.

The following interests of CCBIS or any Group Company or affiliate of a Group Company may affect the Client (without limitation):

- (a) it may have a holding or dealing or may otherwise be trading or dealing in Futures or Options or assets of any kind underlying, derived from or otherwise directly or indirectly related to such Futures or Options;
- (b) it may have received or may be receiving rebates, payments or other benefits for giving business to any entity;
- (c) it may match the Client's transaction with any of its own transactions or those of any other customer (including, without limitation, any Group Company or affiliate of a Group Company); and
- (d) it and its directors, officers or employees may trade on its/their own account or on the account of any Group Company subject to any Applicable Law and Regulations.

Subject to Applicable Laws and Regulations, none of CCBIS or any Group Company or affiliate of a Group Company shall be obliged to account for any profits or benefits obtained, and CCBIS shall not be under any duty to disclose to the Client any fact or thing which comes to its knowledge or notice in the course of acting in any capacity for any other person or in its own capacity.

This Clause is also applicable in respect of associated entities and agents of CCBIS.

6.5 Dealing in non-HKFE Markets: If the Client wishes to deal in any Futures or Option in markets other than those organized by HKFE, such transactions will be subject to the rules and

regulations of those markets and not the HKFE Rules, with the result that the Client may have varying levels and types of protection in relation to those transactions as compared to the level and type of protection afforded by the HKFE Rules.

- 6.6 HKFE Mandatory Transfer:** The Client acknowledges that the HKFE Clearing House may do all things necessary to transfer any open positions held by CCBIS on the Client's behalf and any money and security standing to the credit of the Account with CCBIS to another exchange participant of HKFE in the event that the rights of CCBIS as an exchange participant of HKFE are suspended or revoked.
- 6.7 Custody of Funds:** All monies, securities and other property that CCBIS receives from the Client or from any other person (including the HKFE Clearing House and any other clearing house) for the Account shall be held by CCBIS as trustee, segregated from its own assets. Such monies and other property so held by CCBIS shall not form part of the assets of CCBIS for insolvency or winding up purposes but shall be returned to the Client promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of CCBIS' business or assets.
- 6.8 Authorization to Appropriate Funds:** Any monies, approved debt securities or approved securities received by CCBIS from the Client or from any other person (including the HKFE Clearing House or other clearing house) are held in the manner specified under paragraphs 7 to 12 of Schedule 4 to the Code of Conduct and the Client authorizes CCBIS to apply any 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, CCBIS may apply such monies, approved debt securities or approved securities in or towards meeting CCBIS' obligations to any party insofar as such obligations arise in connection with or incidental to the business of dealing in Futures or Options transacted on the Client's behalf.
- 6.9 CCBIS Deals as Principal:** The Client acknowledges that in respect of any account that CCBIS maintains with the HKFE Clearing House or any other clearing house, whether or not such account is maintained wholly or partly in respect of Futures or Options transacted on the Client's behalf and whether or not any monies, approved debt securities or approved securities paid or deposited by the Client has been paid to the HKFE Clearing House or such other clearing house, as between CCBIS and the HKFE Clearing House or such other clearing house, CCBIS 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 and approved securities paid to or deposited with the HKFE Clearing House or such other clearing house are thereby freed from the trust referred to in Clause 6.8 above.
- 6.10 Position Limits and Reportable Large Open Position:** The Client acknowledges that CCBIS is bound by the HKFE Rules, which permit HKFE to take steps to limit the positions or require the closing out of contracts on behalf of clients who, in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular market(s) or which are or may be capable of adversely affecting the fair and orderly operation of any of the market(s) operated by HKFE. In addition, CCBIS, at any time in its sole discretion or as required by Applicable Law and Regulations, may limit the number of positions which the Client may maintain or

acquire through CCBIS. The Client agrees not to exceed the position limits established by the HKFE or any other exchange or by CCBIS on any contract type, whether acting alone or with others, and to promptly advise CCBIS if the Client is required to file any reports on positions under the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Chapter 571Y of the Laws of Hong Kong).

7 INSTRUCTIONS AND TRANSACTIONS

7.1 On receipt of any Instruction to purchase Futures or Options pursuant to this Agreement, CCBIS, acting in good faith, will forthwith calculate the sums required to meet such purchase Instruction plus an estimate of the sums required to meet any tax (including any Potential Tax), duty or other expenses in connection with such purchase (the "**Purchase Amount**"). Following such calculation the following provisions shall apply:

- (a) CCBIS shall be entitled to set-off the Purchase Amount against any amounts available in the Account or any other account maintained by the Client with CCBIS;
- (b) until completion of the said purchase the Client shall not be entitled to withdraw all or any part of the Purchase Amount and the Purchase Amount shall not constitute a debt owed by CCBIS to the Client; and
- (c) the Client hereby charges the Purchase Amount in favour of CCBIS as security for CCBIS' actual or contingent liabilities in respect of the Purchase Amount monies and anticipated purchase expenses.

On receipt of any Instruction to sell Futures or Options pursuant to this Agreement, CCBIS shall be entitled to debit the Account with the relevant Futures or Options plus an estimate of the sums required to meet any tax (including any Potential Tax), duty or other expenses in connection with such sale on or (at CCBIS' sole discretion) at any time before completion of such sale. The Client acknowledges that the Client shall not be entitled to withdraw or in any way deal with all or any part of such Futures or Options and/or amount (which shall be held on trust for CCBIS) until completion of the said sale.

7.2 **Agency Trading:** CCBIS will act as the Client's agent in effecting transactions unless CCBIS indicates (in the contract note for the relevant transaction or otherwise) that CCBIS is acting as principal. Before entering into any contract for Futures or Options, the Client shall satisfy itself that such contract is suitable for the Client's purposes.

7.3 **Client Instruction:** Instructions may be given by telephone, facsimile transmission, internet transmission, electronic mail, mail, orally or such method as otherwise notified by CCBIS to the Client, and any Instruction shall be irrevocable once given. Subject to prior written agreement with CCBIS, the Client may limit the powers and authorities of the Authorized Persons. Amendments to the list of Authorized Persons shall take effect only when CCBIS has received and accepted written notification of such amendments from the Client.

Any Instruction of the Client or an Authorized Person shall be a full, sufficient and immediate authority for CCBIS. CCBIS may, at its absolute discretion, rely upon and act in accordance with any Instruction which may be given or made or purported to be given or made, and which

it believes to have been given by the Client or an Authorized Person for and on behalf of the Client. CCBIS shall not be under any duty to verify the identity or authority of the persons giving or making or purporting to give or make any Instruction. CCBIS shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon any Instruction as CCBIS may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of Futures or Options involved and notwithstanding any error or misunderstanding, whether apparent or actual, in the terms of such Instruction. All Instructions are transmitted at the Client's risk.

- 7.4 Instructions are Good for the Day:** Unless the Client gives an Instruction to CCBIS to the contrary and such Instruction is accepted by CCBIS, the Client acknowledges that all Instructions that have not been executed by the close of business of the relevant exchange or such other expiration date imposed by the relevant exchange or such other time as the Client and CCBIS may agree, shall be deemed to have lapsed and cancelled automatically.
- 7.5 Delays in Making Prices:** By reason of physical restraints on the HKFE or any other exchange and the rapid changes in the prices of Futures and Options, there may, on occasion, be a delay in making prices or in dealing at any specific time "at best" or "at market". The Client agrees in any event to accept and be bound by dealings which take place on the Client's behalf and agrees that CCBIS shall not be under any liability for any loss arising by reason of CCBIS' failing or being unable to comply with any term of any Instruction or for any loss incurred as a result of transactions carried out or effected pursuant to this Agreement unless due to the wilful default of any of CCBIS' employees or agents.
- 7.6 Third Party Instruction:** The Client understands and agrees that CCBIS will not accept any instruction from any party other than the Client or any Authorized Person, unless the Client has formally executed and delivered a valid power of attorney which expressly authorizes a named specific party to give instructions on the Client's behalf, in which case such instructions shall be deemed to be Instructions given by the Client for the purposes of this Agreement. The Client further agrees to indemnify CCBIS from any disputes, Losses arising from reliance upon any such Instruction. The Client agrees to supply CCBIS with accurate and truthful identification and personal information in respect of any such party.
- 7.7 Cancellation of Instructions:** The Client may request CCBIS to amend or cancel any Instruction that has been previously transmitted. The Client agrees that CCBIS is not obligated to accept such request. In addition, Instructions may only be amended or cancelled prior to their execution. The Client shall accept full responsibility for any Instruction that has been executed in part or in full prior to the processing of the Client's amendment and/or cancellation request.
- 7.8 Refusal of Instructions:** CCBIS may, in its absolute discretion, decline to accept or refuse any Instruction from the Client, whether in relation to the entering into or closing out of any Futures or Option, or the exercise of any rights thereunder. In such event, CCBIS will endeavour to notify the Client accordingly, but CCBIS shall not in any circumstances whatsoever be liable in any way for any Losses suffered or incurred by the Client arising out

of or in connection with CCBIS declining or refusing to act on such Instruction or omitting to so notify the Client.

7.9 Independent Judgment: The Client understands that no representations or warranties have been given or implied by CCBIS as to the value or merits of the Client entering into any Futures or Options transactions pursuant to this Agreement or otherwise. The Client further acknowledges and agrees that:

7.9.1 the Client shall retain full responsibility for all trading decisions in relation to the Account and

7.9.2 CCBIS is responsible only for the execution, clearing and carrying out of transactions for the Account in accordance with the Instructions and does not provide advisory services to the Client and therefore does not assume any advisory obligation other than, if applicable, to ensure reasonable suitability as set out in Clause 5.5;

7.9.3 where the Client enters into a transaction to buy and/or sell Futures or Options without or inconsistent with any solicitation from CCBIS and to the extent not restricted under Applicable Laws and Regulations, (a) CCBIS shall not have any obligation or duty to assess whether or ensure that the relevant securities are suitable for the Client, and (b) the Client acknowledges and agrees that (i) it is his/their sole responsibility to assess and to satisfy himself/themselves that such transaction is appropriate for him/them, and (ii) CCBIS shall not be liable for any loss, damage or cost of any kind incurred or suffered by the Client in connection with such transactions;

7.9.4 the Company has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party in connection with the Account(s) or any transaction therein;

7.9.5 any information provided by the Company, its employees or agents, upon the request of the Client, shall not, by itself, constitute solicitation of the sale or recommendation of any Futures, Options, securities or services.

7.10 No Guarantee of Executions: If CCBIS shall not be able to enter into such number of contracts on behalf of the Client as may have been specified in any Instruction, CCBIS may enter into any number of contracts less than the number specified in such Instruction as it may be able to do so after having taken reasonable steps, and the Client shall be bound by such contracts so entered into. Without prejudice to the generality of the foregoing, the Client acknowledges and accepts that the rapid and frequent changes in spot and futures prices, general market conditions, and/or the restrictions or limits imposed by any relevant exchange may make it impossible or impracticable for CCBIS to carry out the Instruction, or to conclude a transaction on behalf of the Client at the prices quoted at any specific time. CCBIS shall not have any obligation or liability whatsoever and howsoever in respect of any failure to enter into contracts as specified in the Instruction.

7.11 Transaction in Foreign Currency: In the event that the Client instructs CCBIS to enter into any Futures or Option transactions which are effected in a foreign currency, (i) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be

entirely for the Account and at the Client's risk; (ii) Margin shall be recorded in such currency or currencies and in such amounts as CCBIS may in CCBIS' sole discretion elect; (iii) CCBIS is authorized to convert funds in the Account into and from such foreign currency at a rate of exchange determined by CCBIS, in its sole discretion, on the basis of the then prevailing money market rates; and (iv) all foreign currency exchange risk arising from any such Futures or Option transactions or from the compliance by CCBIS with its obligations or the exercise by CCBIS of its rights under this Agreement shall be borne by the Client.

If, for any purpose, the Client is required to convert any amount due to CCBIS into a currency other than that in which it would otherwise have been due, the Client shall pay CCBIS such additional amounts as are necessary to ensure that, when received and reconverted, CCBIS will receive the full amount in the original currency as it would have received had no such conversion taken place.

7.12 Choice of Exchange: Unless the Client gives CCBIS specific Instructions to the contrary, subject to Applicable Laws and Regulations, all Instructions which may be executed on more than one exchange may be executed on such exchange(s) as CCBIS may, in its absolute discretion, determine.

7.13 Recommendation: The Client acknowledges that (a) any market recommendations and information communicated to the Client by CCBIS does not constitute an offer to sell or the solicitation of any offer to buy any Futures or Options and (b) such recommendations and information, although based upon information obtained from sources believed by CCBIS to be reliable, may be incomplete and may not be verified.

7.14 Option Trading: The Client understands that some exchanges and clearing houses have established cut-off times for the tender of exercise Instructions and that an Option will become worthless if exercise Instructions are not delivered before such expiration time. The Client also understands that certain exchanges and clearing houses will automatically exercise certain "in-the-money" Options unless instructed otherwise. The Client bears full responsibility for taking action either to exercise or to prevent the exercise of an Option, as the case may be; CCBIS is not required to take any action with respect to an Option, including but not limited to any action to exercise a valuable Option prior to its expiration date or to prevent the automatic exercise of an Option, except upon the Client's Instructions. The Client further understands that CCBIS may also establish exercise cut-off times, which may be earlier than the times established by exchanges and clearing houses.

7.15 Assignment of Short Positions: The Client understands that (i) all short Option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned, and (ii) exercise assignment notices are allocated randomly from among all CCBIS customers' short Option positions, which are subject to exercise.

7.16 Client Standing Authority:

7.16.1 The Client acknowledges that the Client Standing Authority covers the following:

(a) monies from time to time received by CCBIS from or on behalf of or held by CCBIS on behalf of the Client; and

(b) securities from time to time received or held on behalf of the Client.

7.16.2 The Client authorizes CCBIS and its affiliates to:

- (a) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by CCBIS or any of the Group Companies and CCBIS may transfer any sum of monies or any of the securities to and between such segregated account(s) to satisfy the Client's obligations or liabilities to CCBIS or any of the Group Companies, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several;
- (b) transfer any sum of monies and any of the securities interchangeably between any of the segregated accounts maintained at any time by CCBIS or any of the Group Companies;
- (c) apply any of the Client's securities or securities collateral pursuant to a securities borrowing and lending agreement;
- (d) subject to any applicable repledging limits under Applicable Laws and Regulations, deposit any of the Client's securities collateral with an authorized financial institution as collateral for financial accommodation provided to CCBIS; and
- (e) withdraw from the Client's segregated cash and/or securities account maintained by CCBIS such cash amounts or securities as CCBIS reasonably believes to be required to be paid or transferred to the HKFE Clearing House or other clearing house or any external broker arising in connection with the business of dealing in Futures or Options transacted on the Client's behalf, provided however that no withdrawal will be made that would have the effect of financing other client's dealing in Futures or Options or serving other purposes.

7.16.3 The Client acknowledges and agrees CCBIS may do any of the things set out in this Clause 7.16 without giving further notice to the Client.

7.16.4 The Client acknowledges that the Client Standing Authority is given without prejudice to other authorities or rights which CCBIS or any of the Group Companies may have in relation to dealing in monies or any of the securities in the segregated accounts.

7.17 Duration of Standing Authority:

7.17.1 The Client Standing Authority shall be valid until revoked by the Client in accordance with Clause 7.17.2.

7.17.2 The Client may revoke the Client Standing Authority by giving written notice address to the Customer Service Department at CCBIS' address specified in the Account Opening Form or such other address which CCBIS may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of fourteen (14) days from the date of the Company's actual receipt of such notice.

7.18 Pre-funding: If the Client wishes to trade in certain markets, CCBIS may require the Client to authorize the withdrawal of certain cash amounts or securities from the Client's segregated cash and/or securities account maintained by CCBIS prior to the Client placing any trades in respect of such markets. Such amount will be notified to the Client at the relevant time. The Client acknowledges that all such cash amounts or securities that have been withdrawn may not be subject to the relevant protections under the Securities and Futures (Client Money) Rules and the Securities and Futures (Client Securities) Rules, as applicable.

7.19 Product Specifications: CCBIS agrees to provide to the Client upon request product specifications and any prospectus or other offering document covering the relevant Futures or Options.

7.20 Third-Party Monies:

7.20.1 The Client hereby acknowledges and agrees that under normal circumstances the Company does not accept third-party monies deposits and third-party monies withdrawals.

7.20.2 Without prejudice to Clause 7.20.1 and under exceptional and legitimate circumstances, the Company may accept third-party monies deposit requests and third-party monies withdrawal requests (collectively, the "**Third-Party Deposit and Withdrawal Requests**") from the Client subject to the Company's internal procedures and upon the Client providing to the Company such information as may be determined and required by the Company from time to time. Notwithstanding the foregoing, the Company shall be entitled, at its sole and absolute discretion, to refuse to act on such Third-Party Deposit and Withdrawal Requests and shall not be obliged to give any reason for such refusal.

7.20.3 For third-party monies deposit requests refused by the Company pursuant to Clause 7.20.2, the Client hereby agrees that the Company is hereby authorized to, without prior notice to the Client, to return such monies back to the original third-party source of deposit, and the Company shall not be liable to the Client or any third-party for any interests, charges, expenses, claims, losses, costs and damages arising from such monies return.

7.20.4 The Client hereby acknowledges and agrees that the Client shall indemnify and keep indemnified the Company from any Losses incurred by the Company in connection with the Company's performance of any of its obligations or exercise of its right or discretion in connection with the Third-Party Deposit and Withdrawal Requests.

8 COMMISSION AND CHARGES

8.1 In consideration of CCBIS carrying out or entering into transactions in Futures or Options for the Account, the Client agrees to pay CCBIS commissions at such rate or rates and on such basis as CCBIS may from time to time determine and notify to the Client as being the rate or rates applicable to the Account provided that such commissions shall at all times be no less

- than the minimum, if any, as may be specified by any relevant exchange from time to time. CCBIS shall provide to the Client a fee schedule setting out such commissions upon request.
- 8.2** Without prejudice and in addition to the above, the Client shall pay or reimburse CCBIS forthwith on demand all commission, brokerage, levies, fees, duties and taxes (including any Potential Tax) and all other charges and expenses payable, suffered or incurred by CCBIS arising out of or in connection with any purchase or sale of Futures or Options entered into by CCBIS for the Account or otherwise arising out of or in connection with the performance of any of CCBIS' duties under this Agreement.
- 8.3** All such amounts may be withheld or deducted from the Account and any other accounts maintained by the Client with CCBIS.
- 8.4** CCBIS and/or any of its associated entities or agents shall, at their absolute discretion, be entitled to solicit, accept and retain any benefit in connection with any transaction effected with any person for the Client in accordance with this Agreement, including any commissions, rebates or similar payments received in connection therewith, and rebates from standard commissions charged by companies or other agents to their clients. CCBIS and/or any of its associated entities or agents shall also, at their 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 this Agreement, including any benefit relating to commissions or similar payments in connection therewith.
- 8.5** Unless otherwise informed by CCBIS, CCBIS is an independent intermediary, (a) it does not receive fees, commissions, or any other monetary benefits, provided by any party in relation to its distribution of any investment product to the Client; and (b) it does not have any close links or other legal or economic relationships with product issuers, or receive any non-monetary benefits from any party, which are likely to impair its independence to favour any particular investment product, any class of investment products or any product issuer.
- 9 MARGIN**
- 9.1** In respect of all transactions entered into by CCBIS on behalf of the Client, the Client shall before the relevant transaction is entered into or otherwise immediately upon demand provide CCBIS with such Margin together with such guarantees and other security in such form and amount and on such terms as CCBIS may in its absolute discretion require from time to time. Such Margin shall be maintained with CCBIS and the Client shall not withdraw the same until the transaction to which it relates has been closed out. CCBIS shall be entitled to refuse to execute any Instruction unless the Margin required by CCBIS has been provided to CCBIS. The applicable margin requirements, related interest charges, margin calls and collateral arrangements will be set out in separate product information, transaction statement or other document applicable to such Account.
- 9.2** The Client shall also provide to CCBIS additional Margin or demands for variation adjustment as CCBIS may in its absolute discretion require immediately upon demand.

9.3 Such calls for Margin or additional Margin or demands for variation adjustment by CCBIS may exceed any margin requirements or variation adjustments prescribed by HKFE, HKFE Clearing House or any other exchange or clearing house, or any external broker, and may be changed by CCBIS with immediate effect without prior notice to the Client.

9.4 Without prejudice and in addition to any other rights and remedies of CCBIS hereunder, the Client hereby irrevocably authorizes CCBIS, without prior notice to the Client, to apply all or any part of any cash deposit or other property held for the account of the Client by CCBIS on any account whatsoever and whether or not relating to trading in the Futures or Option transactions:

- (a) in or towards the provision of any Margin, additional Margin or variation adjustments demanded by CCBIS pursuant to this Clause 9;
- (b) in or towards payment to any exchange, clearing house or broker in or towards satisfaction of any liability to provide margin or variation adjustments demanded or required by such exchange, clearing house or broker in respect of any Futures or Option transaction entered into by CCBIS on behalf of the Client;
- (c) in or towards provision of security in favour of any exchange, clearing house or broker free of any beneficial interest of the Client as security for CCBIS' obligations to (and upon terms specified by) the exchange, clearing house or broker in respect of any transaction entered into by CCBIS on behalf of the Client;
- (d) in satisfaction of any other obligations of CCBIS to any party insofar as such obligations arise in connection with or incidental to any transaction entered into by CCBIS on behalf of the Client; or
- (e) in or towards payment of money properly required to meet commissions, brokerage, levies, tax (including any Potential Tax) or other proper charges directly relating to any transaction entered into by CCBIS on behalf of the Client;

notwithstanding that any such application may result in the Client being required by CCBIS to provide additional Margin or variation adjustments.

9.5 CCBIS may report to HKFE and the SFC, or such other relevant exchange, clearing house or authority, particulars of all open positions maintained with CCBIS in respect of which the Client has failed to meet a demand for Margin or additional Margin or variation adjustments on one occasion or otherwise in accordance with the prevailing laws, rules and regulations to which CCBIS is subject. Without prejudice to the provisions of Clause 14, CCBIS may close out open positions in respect of which any demand for Margin or additional Margin or variation adjustments or has not been met within the period specified by CCBIS or at the time of making such call(s) or demand(s).

9.6 Margin Call: All Margin payable by the Client in connection with this Agreement shall be due on demand and in the currency of CCBIS' choice subject only to any restrictions which may be imposed by the relevant exchange and/or clearing house on which the relevant Futures or Option transactions were executed. Demands for Margin must be met no later than the end of

the next Exchange Business Day or such other time limit as CCBIS may in its absolute discretion determine to be necessary and notify to the Client.

- 9.7** Notwithstanding any demand for additional Margin, CCBIS at any time may proceed in accordance with Clause 14 below, and any failure to proceed shall not be deemed a waiver of any rights by CCBIS.
- 9.8** Unless specifically instructed by the Client, the Futures or Options held in the Account which the exchange allows to be set off for margin purposes will automatically be set off for the determination of Margin without reference to the Client, but these contracts will not be closed out or treated as netted off for any other purpose.
- 9.9** CCBIS agrees to provide to the Client upon request a full explanation of Margin procedures and the circumstances under which the Client's positions may be closed without the Client's consent.

10 PAYMENTS AND REMISSION OF MONIES

- 10.1** Without prejudice to any other provision of this Agreement, all amounts payable by the Client in connection with this Agreement shall be due on demand and made in immediately available funds in the currency of CCBIS' choice, net of any deductions or withholding.
- 10.2** The Client shall pay CCBIS forthwith upon demand by CCBIS at any time the full amount of all Losses, debit balances and deficiencies resulting from any transaction between the Client and CCBIS, or from the operation of the Account. Payment shall be made in such currencies as CCBIS may prescribe from time to time.
- 10.3** Without prejudice to the Client's obligation to effect payment on demand, each payment (whether by way of direct payment, transfer, debit or credit) to be made by Client to CCBIS in relation to this Agreement shall be not later than the close of business (Hong Kong time) on the date on which payment is required to be made, or such other time as may be specified by CCBIS.
- 10.4** Subject to (i) the deduction of all amounts which CCBIS is entitled to deduct under the HKFE Rules, the rules of any other exchanges or clearing houses, Applicable Laws and Regulations and/or this Agreement, and any Margin, additional Margin on variation adjustment required as referred to in Clause 9 above and (ii) the prior discharge in full of all sums or liabilities actual or contingent owed by the Client to CCBIS or any Group Company or affiliates of the Group Company, CCBIS shall as soon as practicable after receiving a demand in writing from an Authorized Person remit to Client all or part of the monies forming part of the Account and/or the proceeds of sale of any Futures or Options. All monies payable by CCBIS to the Client shall be transferred by CCBIS to the bank account specified by the Client on the Account Opening Form or in such other manner as may be agreed between the parties from time to time. All monies paid as aforesaid to the Client's specified bank account shall be deemed good discharge of CCBIS' obligation to make payment to the Client.
- 10.5** The Client confirms that Authorized Persons shall only have authority to place trade orders on behalf of the Client in relation to this Agreement. No Authorized Person shall be authorized to

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instruct or direct CCBIS to transfer or debit any money or property from the Account to any other account the holder of which is or includes a third party, and the Client hereby agrees that if CCBIS receives any Instruction or directions to such effect, CCBIS is expressly authorized not to act on or carry out any such Instruction or directions unless CCBIS has received notice in writing to the contrary from the Client.

10.6 The Client will be responsible to CCBIS for any Losses in connection with the Client's failure to meet the Client's obligations by the due settlement date as described in Clause 10.3 above.

10.7 All payments by the Client for transactions or otherwise in connection with this Agreement shall be made in cleared funds in the currency and at the place specified by CCBIS:

- (a) free of any restrictions, conditions or encumbrances;
- (b) free and clear and without any deduction or withholding on account of any taxes; and
- (c) without deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

11 INTEREST

11.1 Unless otherwise indicated, the Client undertakes to pay interest to CCBIS in respect of all overdue amounts on the Account or any amount otherwise owing to CCBIS at any time at such rate as may be specified from time to time by CCBIS or in the absence of any such specification at a rate equivalent to 5 per cent per annum above the prime rate quoted by China Construction Bank (Asia) Corporation Limited from time to time. Such interest shall accrue on a day-to-day basis and shall be payable on the last day of each calendar month or upon any demand being made by CCBIS.

11.2 CCBIS may pay interest on cash deposit balance on the Account at the rate and time as determined by CCBIS from time to time. Notwithstanding the foregoing, CCBIS may apply negative interest rate over cash deposit balance on the Account. Negative interest will be calculated at the rate, and be debited from the Account at the time, determined by CCBIS from time to time. Different currencies may have different rates and such negative interest will be calculated for each day over a 360 or 365 day year according to CCBIS' practice for the relevant currency.

12 SETTLEMENT

12.1 Subject to Clause 12.4 below, in respect of each open position in relation to the Account which remains subsisting on the maturity date for its settlement, neither CCBIS nor the Client shall have any obligation to make or take delivery (as the case may be) of the commodities forming the underlying subject matter of the Futures or Option transaction on the maturity date, if, according to the HKFE Rules or rules or usual practice of the relevant exchange, the outstanding obligations of the buyer and seller of such open position shall be satisfied solely by cash settlement based on a difference in price or value, in which case CCBIS or the Client (as the case may be) shall settle or close the open position by paying the relevant difference to the other on the maturity date thereof. The Client shall reimburse CCBIS for any amounts

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paid by CCBIS for the purpose of settling or closing any such open position, and take all necessary actions to enable CCBIS to effect due settlement of each transaction effected for the Account in accordance with the rules, regulations and requirements of the relevant exchange and/or clearing house.

12.2 Subject to the terms of this Agreement and to the rules, regulations and requirements of the relevant exchange and/or clearing house, the Client may, at any time before the last trading day of a Futures or Option in relation to the Account, request CCBIS to close out or, in the case of an Option, exercise (providing exercise is then possible) the matching Option. Any amount (including but not limited to any amount payable by CCBIS to the relevant exchange and/or clearing house and/or CCBIS' brokers or agents) payable by the Client arising out of the closing out of any Futures or the exercise of any Option shall become immediately due and payable to CCBIS upon the closing out or exercise.

12.3 To exercise an option pursuant to an Option effected for the Account, the Client shall (subject to the rules and regulations of the relevant exchange on which the Option is traded) deliver to CCBIS a notice of exercise no later than the time limit as specified in Clause 14.2 or such other time limit as may be specified by CCBIS from time to time before the cut-off date for the tender of exercise Instruction prescribed by the writer of the Option or the relevant exchange or clearing house (whichever prescribes the earliest cut-off date). Unless required by the rules of the relevant exchange or otherwise agreed between CCBIS and the Client that the outstanding obligations of the buyer and seller of an Option are satisfied solely by cash settlement based on a difference in price or value, such notice shall only be considered valid when accompanied:

- (a) in the case of a put Option, with the underlying commodity or document(s) of title needed for making delivery; and
- (b) in the case of a call Option, with sufficient immediately available funds to take delivery of the commodity.

Unless specifically instructed by the Client and subject to the terms of this Agreement, CCBIS shall not have any responsibility whatsoever to tender any exercise Instruction on behalf of the Client in respect of any Option whether on or before the relevant cut-off date applicable to the Option.

12.4 If CCBIS or another broker (as the case may be) shall for any reason whatsoever and howsoever fail to receive payment of all or any amount, or to receive delivery of all or any part of any amount of any commodity (whether from the relevant exchange, clearing house and/or any other person), due to be paid or delivered to the Client in respect of any transaction in relation to the Account on the due date for payment or delivery thereof in accordance with the rules and regulations of the relevant exchange and/or clearing house and/or any applicable laws, CCBIS' obligations to make payment or to deliver any commodity to the Client in respect of such transaction shall thereupon and by virtue of such failure become obligations to make payment of such amount or delivery of such quantity of such commodity as is equal to such payment or such quantity as is actually received by the CCBIS in respect thereof.

- 12.5** CCBIS may in its absolute discretion but shall not be bound to act on any Instruction from the Client to take any action whatsoever or howsoever against any exchange, clearing house, other broker and/or any other person in respect of any failure by such exchange, clearing house, other brokers and/or other person to make any payment or to deliver any amount of any commodity in respect of any transaction executed in relation to the Account as referred to in Clause 12.4 above, provided that if any such action is taken by CCBIS, the Client shall fully indemnify and keep CCBIS indemnified on demand in respect of all costs, claims, demands, damages, fees and expenses arising out of, or in connection with, the taking of such action.
- 12.6** Any statement or confirmation signed by any authorized signatory of CCBIS stating the price or value at which any Futures or Option is entered into or closed out, or the exchange rate applicable in any currency conversion, or the amount owed by the Client to CCBIS at any given time, shall (in the absence of manifest error) be binding on the Client as to the particulars stated.

13 SECURITY

- 13.1** The Client as beneficial owner hereby charges and grants a continuing lien over its rights, title and interest over any and all Futures or Options, monies and other property held or carried in the Account or to be acquired by him in relation to the Account to and in favour of CCBIS free from any encumbrances as continuing security for the Client's performance and observance of his obligations under this Agreement, for the discharge of all monies and liabilities (whatever actual or contingent) which are now or at any time hereafter may be due, owed or incurred from or by Client to CCBIS or any Group Company or affiliate of a Group Company in connection with the Account or otherwise and the payment of all costs, charges and expenses incurred by CCBIS or any Group Company or affiliate of a Group Company in the exercise or enforcement of the charge hereby created.
- 13.2** The Client agrees to do all such things and execute all such documents which CCBIS shall from time to time consider necessary or desirable in connection with the implementation, execution and enforcement of any of the terms of this Agreement or with a view to perfecting or improving any security created in favour of CCBIS hereunder including but not limited to the execution by the Client of an irrevocable power of attorney appointing CCBIS to be his lawful attorney (with full power to appoint substitutes and to sub-delegate) to do all such acts and things and execute all such documents on the Client's behalf as CCBIS shall in its absolute discretion consider necessary or appropriate.
- 13.3** At the request of CCBIS, the Client shall grant or shall procure that such persons as are acceptable to CCBIS shall grant further security in terms satisfactory to CCBIS in respect of any of the obligations of the Client under this Agreement.
- 13.4** Except as provided in Clause 7.20.3, the Company shall not, without the Client's oral or written direction or standing authority under the Client Securities Rules, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any securities of the Client for any purpose.
- 13.5** The provisions of this Clause 13 shall be without prejudice to any rights to which CCBIS may be entitled to by law.

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14 CLOSING OUT OF POSITIONS

14.1 Forced Liquidation: On the occurrence of any of the following:

- (a) the dissolution or liquidation of the Client (if the Client is not a natural person);
- (b) the filing of a petition in bankruptcy, or a petition for the appoint of a receiver, by or against the Client;
- (c) the filing of any attachment against any of the Client's accounts carried by CCBIS;
- (d) insufficient margin or CCBIS' determination that any collateral deposited to protect one or more accounts of the Client is inadequate, regardless of current market quotations, to secure the account;
- (e) the Client's breach or suspected breach of any provision of this Agreement, or any representation or warranty made herein proves to have been false or misleading; or
- (f) any other circumstances or developments that CCBIS deems to require action necessary to ensure compliance with Applicable Laws and Regulations or otherwise necessary or desirable for its protection,

CCBIS is hereby authorized, according to its judgment and in its sole discretion, to take one or more or any portion of the following actions:

- (1) satisfy any obligation the Client may have to CCBIS, either directly or by way of guaranty or suretyship, out of any of the Client's funds or property in the custody or control of CCBIS;
- (2) sell any or all Futures or Options of the Client or to purchase any or all Futures or Options for the Client; and
- (3) cancel any or all outstanding orders, contracts, or any other commitments made on behalf of the Client.

Any of the above actions may be taken without demand for Margin or additional Margin, without prior notice of sale or purchase or other notice or advertisement to the Client, and regardless of whether the ownership interests shall be solely the Client's or held jointly with others. In liquidating the Client's long or short positions, CCBIS in its sole discretion, may sell or purchase in the same contract month.

Any sales or purchases here under may be made according to CCBIS' judgment and at its sole discretion on any exchange or other market where such business is then usually transacted or at public auction or at private sale, and CCBIS may purchase the whole or any part thereof free from any right of redemption. It is understood that, in all cases, a prior demand, call, or notice of the time and place of a sale or purchase shall not be considered a waiver of CCBIS' right to sell or buy without demand or notice as herein provided. The Client at all times shall be liable for the payment of any debit balance of the Client upon demand by CCBIS and shall be liable for any deficiency remaining in the Account in the event of the liquidation thereof in whole or in part by CCBIS or by the Client. In the event the proceeds realized pursuant to this

authorization are insufficient for the payment of all liabilities of the Client due to CCBIS, the Client promptly shall pay, upon demand, the deficit and all unpaid liabilities, together with interest thereon at the rate as may be specified from time to time by CCBIS at its sole discretion and all costs of collection including reasonable attorney's fees, with respect to any account of the Client, the Client agrees to be liable therefor.

14.2 Exercise of Options:

- (a) Without prejudice to Clause 12.3 above, an exercise of Options on open positions maturing in a current delivery month must be given to CCBIS at least five (5) Exchange Business Days prior to the first notice day in the case of long positions and, in the case of short positions, at least five (5) Exchange Business Days prior to the last trading day. Additionally, sufficient clear funds to take delivery or the necessary delivery documents must be delivered to CCBIS within the same periods described above. If Instructions, funds or documents are not received, CCBIS may, without notice, either liquidate the Client's position or make or receive delivery on behalf of the Client upon such terms and by such methods which CCBIS deems feasible. For the avoidance of doubt, CCBIS shall have the absolute discretion as to whether to exercise Options or any other rights as referred to in this Clause 14.2.
- (b) If at any time the Client fails to deliver to CCBIS any property, securities or financial instruments previously sold by CCBIS on the Client's behalf or fails to deliver property, securities or financial instruments in compliance with commodity contracts, or CCBIS shall deem it necessary (whether by reason of the requirements of any exchange, clearing house, or otherwise) to replace any securities, commodity contracts, financial instruments, or other property delivered by CCBIS for the account of the Client with other property of like or equivalent kind or amount, the Client authorizes CCBIS in its judgment to borrow or to buy any property necessary to make delivery or to replace any such property necessary to make delivery thereof or to replace any such party to whom delivery is to be made. CCBIS may subsequently repay any borrowing thereof with property purchased or otherwise acquired for the account of the Client. The Client shall pay CCBIS for any Losses from the foregoing (including consequential damages, penalties, and fines) which CCBIS may be required to incur or which CCBIS may sustain from its inability to borrow or buy any such property.

15 SET-OFF AND COMBINATION OF ACCOUNTS

15.1 CCBIS may, at any time, combine or consolidate all or any of such accounts as are for the time being opened and maintained by the Client with CCBIS or any Group Company or affiliate of a Group Company, including the Account, and the Client hereby irrevocably authorizes CCBIS (without prejudice to the other authorities granted to CCBIS hereunder):

- (a) to instruct another Group Company or affiliate of a Group Company to transfer on the Client's behalf any funds standing from time to time in any account maintained at any time by the Client with a Group Company to any of the Client's accounts maintained at any time with CCBIS;

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- (b) to transfer any funds standing from time to time in any account maintained by the Client with CCBIS to any account maintained at any time by the Client with a Group Company or affiliate of a Group Company;
- (c) to set-off or transfer any sum standing to the credit of any one or more such accounts by the Client in or towards satisfaction of the Client's indebtedness, obligation or liability to CCBIS, Group Company or affiliate of a Group Company on any of the accounts or in any other respect whatsoever, whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint, secured or unsecured; and
- (d) to give another Group Company or affiliate of a Group Company notice of such authority, and when such combination, consolidation, set-off or transfer requires the conversion of the currency into another, such conversion shall be calculated at such rate of exchange as conclusively determined by CCBIS' prevailing in such foreign exchange market as CCBIS may at its absolute discretion (but shall notify the Client of CCBIS' decision) select on or about the date of the combination, consolidation, set-off or transfer.

In respect of any payments by CCBIS to offset and discharge any of the Client's obligations to another Group Company or affiliate of a Group Company, CCBIS shall not be concerned whether or not such obligation exist, provided demand has been made on CCBIS by a Group Company or affiliate of a Group Company.

- 15.2** The rights of set-off hereby conferred are in addition and without prejudice to any general right of set-off arising by law or any other rights granted to CCBIS under this Agreement or any lien or other security now or hereafter held by CCBIS.

16 NOTICE AND COMMUNICATIONS

- 16.1 Mode of Delivery:** All notices and communications from CCBIS to the Client or any Authorized Person under this Agreement may be sent and delivered by personal delivery, postal mail, telegraph, facsimile, electronic mail or other electronic transmission to the address, facsimile number, electronic mail address in the Account Opening Form or as notified to CCBIS in writing by the Client from time to time by at least seven (7) days' advance notice. All notices and other communications shall be deemed to be given:

- (a) at the time of despatch or transmission if delivered personally, by facsimile transmission or telephone; or
- (b) twenty-four (24) hours after despatch if sent by post, whichever shall be the first to occur;

provided that any notice or other communication to be given to CCBIS shall be effective only when received by CCBIS.

- 16.2 Responsibility to Retrieve and Review Communications:** The Client agrees to check regularly the Client's mailbox, electronic mailbox, facsimile machine and other sources of

facilities through which the Client receives communication from CCBIS. CCBIS will not be responsible for any Losses that arise from the Client's failure, delay or negligence to check such sources or facilities.

16.3 Monitoring and Recording of Telephone Conversations and Electronic Mails: The Client agrees and authorizes CCBIS, at CCBIS' absolute discretion and without further prior notice to the Client, to monitor and record any or all telephone conversations and any electronic communications between CCBIS and the Client.

16.4 Confirmation and Account Statements: In respect of every transaction of sale, purchase or exchange of Futures or Options entered into by CCBIS for the Account in Hong Kong, CCBIS will, except where an exemption is applicable under Applicable Laws and Regulations, (i) make out a contract note or daily statement which will contain all the necessary information required by the SFO, and shall deliver the contract note or daily statement to the Client within the time limit specified in the SFO, and (ii) provide the Client with a statement of account in relation to the transactions and dealings, which CCBIS has entered into in relation to the Account on a monthly basis. Such contract notes, daily statements or statements of account and any confirmations in writing of execution of transactions for the Account which CCBIS sends to the Client shall be conclusive in respect of all information set out therein, and shall be deemed to have been accepted by the Client, if not objected to by the Client in writing within two (2) Hong Kong Business Days after delivery thereof or posting thereof to the Client by ordinary mail, as the case may be.

16.5 Undelivered or Returned Mails: The Client understands, for the security and integrity of the Account, that CCBIS may temporarily or permanently disable or restrict the Account, if and when mails become undeliverable or are returned as a result of the Client's failure to provide, update and/or notify CCBIS with most current and accurate Account information.

17 ELECTRONIC TRADING SERVICE

17.1 Electronic Trading Service: The Client understands that the Electronic Trading Service is a semi-automated facility, which enables the Client to send electronic Instructions and receive information and services. The Client agrees to use the ETS only in accordance with the terms of this Agreement. Any additional services offered through the ETS in the future shall only be used by the Client in accordance with the terms of this Agreement.

17.2 Authorized Access: The Client shall be the only authorized user of the ETS for the Account. The Client shall be responsible for the confidentiality and use of the Access Codes. The Client acknowledges and agrees that the Client shall be solely responsible for all Instructions entered through the ETS using the Access Codes and neither CCBIS nor CCBIS' directors, officers or employees shall have any liability to the Client, or to any other person whose claim may arise through the Client, for any claims with respect to the handling, mishandling or loss of any Instruction.

17.3 Proprietary System: The Client acknowledges that the ETS is proprietary to CCBIS. The Client warrants and undertakes that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to

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gain unauthorized access to, any part of the ETS. The Client acknowledges that CCBIS may take legal action against the Client, if the Client at any time breaches this Clause 17.3 or if CCBIS at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify CCBIS immediately if the Client becomes aware that any of the actions described above in this Clause 17 is being perpetrated by any other person. The Client agrees that CCBIS may, at CCBIS' absolute discretion, suspend or terminate the Access Codes and/or close the Account without notice to the Client, and to take action against the Client if the Client at any time breaches this Agreement or the relevant law, rule or regulation.

17.4 Execution of Instructions: The Client acknowledges and agrees that CCBIS will not be deemed to have received the Instructions or to have executed the Instructions unless and until the Client is in receipt of CCBIS' message acknowledging receipt or confirming execution of the Instructions (as the case may be), which message may either be conveyed electronically, as a hard copy or verbally. The Client agrees to review each Instruction before submitting it as it may not be possible to cancel Instructions once submitted.

17.5 Responsibility to Notify Errors: The Client further acknowledges and agrees that, as a condition of using the ETS to give Instructions, the Client shall immediately notify CCBIS if:

- (a) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an order number;
- (b) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an accurate acknowledgement of the Instruction or of its execution, whether by hard copy or via electronic or verbal means;
- (c) the Client has received acknowledgement, whether by hard copy, electronic or verbal means, of a transaction which Client did not originate or instruct; and/or
- (d) the Client becomes aware of any unauthorized use of the Account Number and/or Password.

Notwithstanding any such notification, CCBIS shall not be liable for any Losses suffered by the Client in connection with any of the above events unless CCBIS has provided a written confirmation to the contrary

17.6 Alternative Trading Facilities: The Client agrees that should the Client experience any problems in reaching CCBIS through the ETS or vice versa, the Client shall attempt to use an alternative method or device, as CCBIS may make available, to communicate with CCBIS to place the Client's orders and to inform CCBIS of the difficulty the Client may experience. The Client acknowledges that CCBIS gives no express or implied warranties (including but not limited to warranties of merchantability, functionality or fitness for a particular use) with respect to trade or trade related services. The Client agrees that CCBIS shall not be responsible to the Client for any Losses which the Client may suffer as a result of any disruption, malfunction or other suspension of CCBIS' service beyond CCBIS' control.

17.7 Third Party Market Data: The Client understands that the ETS may provide, for informational purpose only, data about price quotations and information published by third parties. Owing to

market volatility and possible delay in the data-transmission process, the data may not be real-time price quotes and information for the relevant investments. The Client understands that whilst CCBIS believes such data to be reliable, it has no independent basis to verify or contradict the accuracy or completeness of the information provided. The Client understands that no recommendation or endorsement from CCBIS shall be inferred from the data provided with respect to any investments. CCBIS shall not be liable for any Losses suffered by the Client as a result of any data provided by third parties.

17.8 No Guarantee of Accuracy or Timeliness of Information: The Client acknowledges that the price quote service available at ETS is provided by a third party provider appointed by CCBIS from time to time. The Client understands and agrees that information provided in the ETS is on an “as is”, “as available” basis and CCBIS does not guarantee, and shall not be liable in any way for any lapse or deficiency in, the timeliness, sequence, accuracy, adequacy or completeness of such information.

17.9 The Client hereby confirms that due to unpredictable traffic congestion and other reasons, the ETS may not be a reliable medium of communication and that such unreliability is beyond the control of CCBIS. This may give rise to situations including delays in transmission and receipt of the Client’s instructions or other information, delays in execution or execution of the Client’s instructions at prices different from those prevailing at the time the Client’s instructions were given, misunderstanding and errors in any communication between the Client and CCBIS and so on. Whilst CCBIS will take every possible step to safeguard its systems, client information, accounts and assets held for the benefit of CCBIS’ clients, the Client accepts the risk of conducting financial and other transactions via the ETS.

18 FAX INDEMNITY

The Client understands that facsimile and electronic instructions are not secure means of communication and there are risks involved. The Client hereby requests CCBIS to accept such facsimile or electronic instructions (including email and internet message) for the Client’s convenience. CCBIS is hereby authorized to act on any facsimile or electronic instructions that CCBIS in its absolute discretion believes emanate from the Client. Provided that CCBIS exercises reasonable care in verifying the signature of the purported authorized person in the facsimile or electronic instructions, CCBIS shall not be liable for acting in good faith on facsimile or electronic instructions that emanate from unauthorized persons. The Client hereby undertakes to indemnify CCBIS and keep CCBIS indemnified at all times against all Losses and disputes which may be brought against CCBIS or suffered or incurred by CCBIS and which shall have arisen either directly or indirectly out of or in connection with CCBIS accepting facsimile or electronic Instructions and action thereon, whether or not the same are confirmed in writing by the Client.

19 GENERAL PROVISIONS

19.1 Entire Understanding: This Agreement (which includes the Account Opening Form), together with all other written agreements, existing or subsequent, between CCBIS and the Client related to the Client’s Account and terms contained on statements and confirmations sent to

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CCBIS, contains the entire understanding between and binding upon CCBIS and the Client concerning the subject matter of this Agreement.

- 19.2 Inconsistency with Laws:** If any term hereof is inconsistent with any present or future Applicable Laws and Regulations, including laws, rules or regulations of the Hong Kong Regulators or any authority having jurisdiction over the subject matter of this Agreement, such inconsistent term shall be deemed to be rescinded or modified in accordance with any such law, rule or regulation. In all other respects, this Agreement shall continue and remain in full force and effect.
- 19.3 Severability:** If any provision of this Agreement shall be held to be invalid or unenforceable by any court or regulatory agency or body, such invalidity or unenforceability shall attach only to such provision. The validity of the remaining provisions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained here.
- 19.4 Time of the Essence:** Time shall be of the essence in relation to all matters arising under this Agreement.
- 19.5 Duty to Notify Error:** The Client shall inform CCBIS as soon as practicable (but in any case not later than the time as stipulated under Clause 16.4 above) if the Client becomes aware of any discrepancies and/or error with regard to and in connection with any of the Account information, transactions, settlements and fund transfers. CCBIS shall not be liable for any Losses suffered by the Client as a result of the Client's failure to so inform CCBIS.
- 19.6 Amendment:** CCBIS may from time to time amend any of the terms and conditions of this Agreement by notifying the Client and such amendments shall come into effect immediately upon the Client's deemed receipt of CCBIS' notice. The Client acknowledges and agrees that if the Client does not accept any amendments as notified by CCBIS from time to time, the Client shall have the right to terminate this Agreement in accordance with the termination clause under this Agreement. The Client further agrees that any amendments shall be deemed to be accepted by the Client, should the Client continue to effectuate transaction(s) in the Account without expressly communicating the Client's objections to such amendments prior to the transaction(s).
- 19.7 Waiver:** Waiver of any right under this Agreement must be in writing signed by the party waiving such right. CCBIS will not be regarded as having waived any right under this Agreement if CCBIS fails or delays in exercising such right. Any single or partial exercise of any rights under this Agreement will not preclude any further exercise of such right or exercise of any other right. CCBIS' failure to insist at any time on strict compliance with any of the terms or conditions of this Agreement or any continued course of such conduct on CCBIS' part shall, in no event, constitute or be considered as a waiver by CCBIS of any of CCBIS' powers, rights, remedies or privileges.
- 19.8 Assignment:** CCBIS may assign CCBIS' rights or obligations under this Agreement to any of member of the CCBIS Group or CCBIS' affiliates without giving any prior notice, or to any other entity upon prior written notice to the Client. The Client shall not assign any of the Client rights

and/or obligations under this Agreement to any other party except with CCBIS' prior written consent.

19.9 Termination: This Agreement may be terminated at any time by either party giving not less than seven (7) Hong Kong Business Days' prior written notice to the other, provided that this Agreement may not be terminated by the Client if the Client has any open positions or outstanding liabilities in relation to the Account. This shall not affect any undertakings or indemnities given by the Client under this Agreement or any rights or obligations under this Agreement outstanding as at the date of termination, all of which shall survive such termination. Without prejudice to the foregoing, any termination shall not affect the rights or liabilities of either party arising out of or in connection with any contracts at the time of such termination, including as to Margin, until all such contracts have been closed out or settlement and/or delivery has been effected and all such liabilities fully discharged.

19.10 English/Chinese Version: The Client confirms and agrees that:

19.10.1 the Company may provide the Client with a Chinese language version of the Agreement, but such version shall be for the Client's reference only. Pursuant to Clause 19.10.2, where a Chinese language version is provided, the Client agrees that the English language version shall be the only binding version and shall prevail in the event of any inconsistency between the English language version and the Chinese language version. The Chinese language version is provided for reference only and should not be relied upon as being true and accurate and the Company shall not be liable for any inaccuracy or inconsistency between the English language version and the Chinese language version;

19.10.2 in the event of any difference in interpretation or meaning between the Chinese and English language versions of this Agreement, the Client and the Company agree that the English language version shall prevail;

19.10.3 the Client has been invited to read the risk disclosure statements carefully, ask questions and take independent advice if the Client wishes;

19.10.4 Client fully understands the contents of this Agreement (including the relevant risk disclosure statements); and

19.10.5 the Client accepts this Agreement in its entirety.

19.11 Descriptive Headings. The heading of each provision hereof is for descriptive purposes only. They shall not be deemed to modify, qualify or otherwise substitute for any of the rights or obligations set forth in each of the provisions thereof contained in this Agreement.

19.12 Indemnification:

(a) To the extent not restricted under Applicable Laws and Regulations, neither CCBIS, a Group Company or affiliate of a Group Company nor any of their directors, officers, employees or agents (the "**Indemnified Parties**") shall have any liability whatsoever (whether in negligence or otherwise) for any Losses suffered by the Client as a result of:

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- (i) CCBIS failing to perform any of its obligations under this Agreement or otherwise as the broker of the Client due to any reasons beyond CCBIS' control; or
- (ii) CCBIS acting or relying on any Instruction given by the Client whether such Instruction was given following any recommendation, advice or opinion given by any of the Indemnified Parties; or
- (iii) any act or omission of an Indemnified Party in relation to the Account,; or
- (iv) any conversion of one currency to another pursuant to, in relation to or arising from this Agreement,

unless such loss or damage results from the actual fraud, gross negligence or wilful default of such Indemnified Party. For the purposes of this Clause 19.12 and with respect to an Indemnified Party that is a member of the CCB International group of companies, references to actual fraud, gross negligence or wilful default mean a finding to such effect by a competent court in relation to the conduct of such Indemnified Party.

- (b) Without limiting the generality of Clause 19.12(a) above and to the extent not restricted under Applicable Laws and Regulations, neither CCBIS nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any Losses suffered by the Client arising out of or allegedly arising out of or in connection with any inconvenience, delay or loss of use of the ETS or any delay or alleged delay in acting or any failure to act on any Instruction given by the Client to CCBIS, even if CCBIS has been advised of the possibility of such Losses, unless such Losses results from the actual fraud, gross negligence or wilful default of such Indemnified Party.
- (c) To the extent not restricted under Applicable Laws and Regulations, the Client undertakes to indemnify and keep CCBIS and any of its directors, employees or agents fully indemnified from and against all Losses (including legal expenses on a full indemnity basis) whatsoever which may be reasonably suffered or incurred by CCBIS directly or indirectly arising out of or in connection with any transaction entered into by CCBIS on behalf of or with the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by CCBIS in accordance with the terms of this Agreement or pursuant to any Instruction or communication, unless such loss or damage results from the actual fraud, gross negligence or wilful default of such Indemnified Party. Further, the Client agrees to do such things and acts as are necessary, or in CCBIS' opinion, as is desirable, to ratify or confirm any thing or act done by CCBIS as the Client's agent or on his behalf pursuant to this Agreement. The Client also agrees to pay promptly to CCBIS all damages, costs, taxes and expenses incurred by CCBIS in the enforcement of any of the provisions of this Agreement.
- (d) The Client undertakes to indemnify CCBIS and its officers, employees and agents for any Losses arising out of or connected with any breach by the Client of its obligations

hereunder, including any costs reasonably and necessarily incurred by CCBIS in collecting any debts due to CCBIS or in connection with the closure of the Account(s).

19.13 Confidentiality:

- (a) The Client shall at all times respect and protect the confidentiality of information (including but not limited to Trade Information and information concerning CCBIS and its associated company(ies) or other information whose disclosure was either expressly or impliedly made to the Client on a confidential basis) (collectively referred to as “Confidential Information”) obtained by the Client as a result of or arising from or relating to this Agreement and the Client hereby undertakes not to disclose or disseminate such information to any third party without the prior written consent of CCBIS.
- (b) If any Confidential Information is disclosed or disseminated to any third party by the Client without the prior written consent of CCBIS, the Client shall indemnify CCBIS on demand for any Losses that CCBIS may suffer or incur in connection or arising from such disclosure or dissemination.

For the purpose of this clause 19.13:

“**Applications**” shall mean applications (including Trading Applications, clearing applications, back office system integration applications and electronic pricing applications) which may be developed from the HKATS API Software and Documentation by CCBIS or, with the prior written consent of HKFE, by another person for use by CCBIS.

“**Documentation**” shall mean any documentation supplied by HKFE to CCBIS in relation to the HKATS API Software.

“**HKATS**” shall mean the automated traded system of HKFE.

“**HKATS API Software**” shall mean the HKATS API Software licensed to CCBIS.

“**Trading Applications**” shall mean applications (including order routing applications) developed based on the HKATS API Software and Documentation for the purpose of trading on HKATS.

“**Trade Information**” shall mean any information relating to the trading of any Futures or Options contracts traded on HKFE which can be accessed or extracted from HKATS or the Applications, including, but not limited to, bid and offer prices, traded prices and order depth.

19.14 Disclosure. Whilst the Client expects CCBIS to keep confidential all matters relating to the Account(s), the Client hereby expressly agrees that CCBIS may make such disclosure of all matters relating to the Account(s):

- 19.14.1 as may be required under any Applicable Laws and Regulations or any applicable rules of any exchange or clearing house;

- 19.14.2 as may be required by any court, tribunal, legal, governmental, tax, law enforcement or other regulatory authority, body or entity, or exchange or clearing house with jurisdiction over CCBIS;
- 19.14.3 to CCBIS' affiliates or agents (including any third party brokers or service providers) for effecting Instructions or transactions or in order for CCBIS to conduct its business; or;
- 19.14.4 as otherwise set out in the Privacy Policy,
- without further consent from or notification to the Client.
- 19.15 Conflict.** In the event of a conflict between the Account Opening Form and this client agreement, this client agreement shall prevail with respect to the relevant term. In the event of a conflict between this client agreement and any specific terms applicable to a specific product, service or transaction, the specific terms applicable to the relevant product, service or transaction shall prevail.
- 19.16 Privacy Policy:** The Client acknowledges that the Privacy Policy describes the processing activities with respect to any information the Client provides to CCBIS or which CCBIS receives from any other sources or which arises from the Client's relationship with CCBIS or any of CCBIS' affiliates or agents (including any third party brokers or service providers). In addition, the Client understands that any personal data obtained by or on behalf of CCBIS in connection with this Agreement shall be used in the manner as described in CCBIS' Privacy Policy as updated from time to time. The Client consents to such use, storage, processing, sharing and transfer (including any transfer outside of Hong Kong) by CCBIS as described in CCBIS' Privacy Policy as updated by CCBIS from time to time. The Client represents, warrants and undertakes that it has provided such notices and disclosures, and obtained such consents, as are necessary to provide any data (including personal data) to CCBIS and to allow the use, storage, processing, sharing and transfer of data (including personal data) as described in CCBIS' Privacy Policy. The Client warrants and undertakes that data may be held, processed or used outside Hong Kong.

20 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

20.1 The Client represents, warrants and acknowledges that:

- (a) it has full and unrestricted power to enter into this Agreement and that it has obtained all necessary consents and has taken all necessary actions (including, where appropriate, any action required under its corporate or other organizational documents) to authorize it to enter into this Agreement and to perform its obligations hereunder;
- (b) neither the signing, delivery or performance of this Agreement nor any Instructions given hereunder or trading in the Futures or Options by the Client will contravene or constitute a default under any existing applicable law, statute, ordinance, rule or regulation or judgment or cause to be exceeded any limit by which the Client or any of the Client's assets is bound;

- (c) this Agreement constitutes legal, valid and binding obligations of the Client enforceable against the Client in accordance with its terms;
- (d) no litigation, arbitration or administrative proceeding is currently taking place or pending or threatened against the Client or the Client's business or assets;
- (e) all securities provided by the Client for selling or crediting into the Account are fully paid with valid and good title;
- (f) it understands and has sufficient experience to assess (i) the nature and suitability for its purposes of the Futures or Option transactions contemplated by the Agreement, (ii) the risks involved in them, and (iii) any product specifications, prospectus or other offering document covering the relevant Futures or Option that has been provided to it before giving Instructions to CCBIS;
- (g) it is not a U.S. Person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933);
- (h) it is not a United States person for U.S. federal income tax purposes;
- (i) it has not been nor does it anticipate or expect to be present in the United States for 183 or more days in aggregate during a calendar year;
- (j) the gains from its subscription, purchase, sale or other transactions carried out pursuant to the Account are not effectively connected or related to any U.S. Person or any U.S. trade or business which the Client is engaged in or plans to engage in during the calendar year;
- (k) the Futures or Options are not being acquired or held beneficially by or for a U.S. Person, or in violation of any applicable law;
- (l) it acknowledges the Risk Disclosure Statements set out in this Agreement and fully understands and accepts the risks (including the risk of loss) described thereunder;
- (m) if the Client resides or gives any Instructions to CCBIS outside Hong Kong, the Client represents that such Instructions will have been given in compliance with any and all applicable laws of the relevant jurisdiction from which its Instructions are given. The Client further agrees to indemnify CCBIS on demand for any claims, demands, actions, costs and expenses CCBIS may suffer or incur in connection with or arising from the Client's residing or giving of any such Instruction outside Hong Kong; and
- (n) it acknowledges and understands that though commercial and/or economic benefit may be gained from the trading Futures or Options, it will also bear commercial and/or economic risk associated with such transaction(s).

20.2 The Client agrees to provide to CCBIS, and consents to the collection and processing by CCBIS of, any authorizations, waivers, forms, documentation and other information, relating to its status (or the status of its direct or indirect owners or accountholders) or otherwise required to be reported, under AEOI and FATCA. The Client further consents to the disclosure, transfer and reporting of Financial Account Information to any relevant government or taxing authority,

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any Group Company, any sub-contractors, agents, service providers or associates of CCBIS or any Group Company, and any person making payments to CCBIS or any Group Company, including transfers to jurisdictions which do not have strict data protection or similar laws, to the extent that CCBIS reasonably determines that such disclosure, transfer or reporting is necessary or warranted to facilitate compliance with AEOI and FATCA. The Client warrants that each person whose AEOI or FATCA Information it provides (or has provided) to CCBIS has been notified of and agreed to, and has been given such other information as may be necessary to permit, the collection, processing, disclosure, transfer and reporting of their information as set out in this paragraph.

- 20.3** The Client acknowledges that CCBIS may take or refrain from taking any action CCBIS reasonably determines it is required by AEOI and FATCA to take or refrain from taking, including without limitation closing, transferring or blocking Account(s).
- 20.4** All representations, warranties and acknowledgements contained in this Agreement shall be deemed to be repeated by you upon giving any Instruction or otherwise entering into any Futures or Option transaction pursuant hereto.
- 20.5** The Client agrees to provide all such information and documents as may be necessary (a) to verify the Client's identity and do all such acts and things as may be necessary to enable CCBIS to comply with the Applicable Laws and Regulations, including but not limited to AEOI and FATCA, or (b) for CCBIS to provide services to the Client. In particular, the Client:
- (a) undertakes to comply with all requests made by CCBIS for Financial Account Information (including the completion of a self-certification) to enable CCBIS to comply with its obligations pursuant to the Applicable Laws and Regulations, including but not limited to AEOI and FATCA;
 - (b) undertakes to comply with all requests made by CCBIS to enable CCBIS to comply with its obligations, requirements or arrangements for disclosing or using Financial Account Information;
 - (c) undertakes to inform CCBIS promptly in writing with required documentation (including a self-certification) if there are any changes in circumstances or any changes or additions (and in any event no later than 30 days from the date of the change or addition) to the Financial Account Information that may affect the tax residency status of the Client or, where the Client is an entity account holder, the identity and tax residency status of such Client's Controlling Person(s) or Substantial U.S. Owner(s) if applicable; and
 - (d) expressly authorizes CCBIS to disclose the Financial Account Information to any relevant person including any tax authority as required under the Applicable Laws and Regulations (including but not limited to AEOI and FATCA) and acknowledges that the Financial Account Information may be reported to domestic and foreign tax authorities, including but not limited to the U.S. Internal Revenue Service and the Inland Revenue Department of Hong Kong which may exchange such information with the tax authorities of another jurisdiction(s) or jurisdiction(s) in which the Client or Controlling

Person (if applicable) may be resident for tax purposes pursuant to the legal provisions for the exchange of Financial Account Information under the Inland Revenue Ordinance (Cap. 112) or other Applicable Laws and Regulations.

The Client agrees that CCBIS shall not be liable or responsible in anyway whatsoever and shall be held harmless against any loss, damage or withholding arising as a result of or in connection with any actions taken by CCBIS in compliance with Applicable Laws and Regulations (including but not limited to AEOI and FATCA) or for any delay or failure to process any application or transaction if information and documents requested by CCBIS have not been promptly provided by the Client to CCBIS.

21 CLIENT IDENTITY DISCLOSURES

Without affecting any other provisions of this Agreement, in connection with any request for information made to CCBIS by the Hong Kong Regulators pursuant to Applicable Laws and Regulations in respect of any transaction relating to the Account:

- (a) the Client shall, within two (2) Hong Kong Business Days, upon request by CCBIS, provide to the Hong Kong Regulators with such information as may be required by it including but not limited to the identity, address, occupation, contact details and other identification particulars of (i) the party on whose account the transaction was effected (so far as known to the Client); (ii) the person who has the ultimate beneficial interest in the transaction; and (iii) any third party (if different from the client and/or the ultimate beneficiary) who originated the transaction;
- (b) if the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall within two (2) Hong Kong Business Days, upon request by CCBIS, provide to the Hong Kong Regulators of identity, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of such scheme, account or trust, instructed the Client to effect the transaction;
- (c) If the Client effected any transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall inform CCBIS within twenty-four (24) hours after the Client's discretion to invest on behalf of any such scheme, trust or account has been overridden. In such event, the Client shall also inform the Hong Kong Regulators within two (2) Hong Kong Business Days upon request by CCBIS, of the identity, address, occupation and contact details of the person(s) who has or have given such overriding instruction in relation to the transaction or such scheme, account or trust; and
- (d) if the Client is aware that its client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, the Client confirms that:
 - (i) the Client have arrangements in place with the Client's client which entitle the Client to obtain the information set out in paragraphs (a) and/or (b) above from

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the Client's client immediately upon request or procure that it be so obtained;
and

- (ii) the Client shall, upon request from CCBIS in relation to a transaction under the Account, promptly request the information set out in paragraphs (a) and/or (b) above from the Client's client on whose instructions the transaction was effected such that the information is provided to the Hong Kong Regulators within two (2) Hong Kong Business Days from the date of the request.

Without affecting any other provisions of this Agreement, in respect of any transaction relating to the Accounts, the Client shall, within two (2) Business Days, upon request by the Hong Kong Regulators, directly provide the Hong Kong Regulators with such information as may be required by it including but not limited to the identity, address, occupation, contact details and other identification particulars of (i) the party on whose account the transaction was effected (so far as known to the Client); (ii) the person who has the ultimate beneficial interest in the transaction; and (iii) any third party who originated the transaction.

The Client confirms that neither the Client nor the Client's clients are subject to any law which prohibits the performance by the Client of this Clause 21 or, if the Client or the Client's clients are subject to such law, that the Client or the Client's clients, as may be the case, have waived the benefit of such law or consent in writing to the performance by the Client of these Clauses.

22 RISK DISCLOSURE STATEMENTS

22.1 The following statements are furnished to the Client in accordance with the Code of Conduct:

22.1.1 Risk of Securities Trading

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.

22.1.2 Risk of Trading Futures and Options

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

22.1.3 Risk of Client Assets Received or Held Outside Hong Kong

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Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

22.1.4 Risk of Margin Trading

The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with the licensed or registered person. Market conditions may make it impossible to execute contingent orders, such as “stop-loss” or “stop-limit” orders. You may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

22.2 Additional Risk Disclosure For Futures and Options Trading

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

22.2.1 Futures

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

Risk-reducing orders or strategies: The placing of certain orders (e.g. “stop-loss” orders, or “stop-limit” orders), which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute

such orders. Strategies using combinations of positions, such as “spread” and “straddle” positions may be as risky as taking simple “long” or “short” positions.

22.2.2 Options

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

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

Selling (“writing” or “granting”) an Option generally entails considerably greater risk than purchasing Options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably.

The seller will also be exposed to the risk of the purchaser exercising the Option and the seller will be obligated to either settle the Option in cash or to acquire or deliver the underlying interest. If the Option is on a Future, the seller will acquire a position in a Futures with associated liabilities for margin (see the section on Futures above). If the Option is “covered” by the seller holding a corresponding position in the underlying interest or a Futures or another Option, the risk may be reduced. If the Option is not covered, the risk of loss can be unlimited.

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

22.3 Additional Risks Common to Futures and Options

22.3.1 **Terms and conditions of contracts:** The Client should ask CCBIS about the terms and conditions of the specific Futures or Options which the Client is trading and associated obligations (e.g. the circumstances under which the Client may become obliged to make or take delivery of the underlying interest of a Futures contract and, in respect of Options, expiration dates and restrictions on the time for exercise). Under

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

- 22.3.2 **Suspension or restriction of trading and pricing relationships:** Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If the Client has sold Options, this may increase the risk of loss.

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

- 22.3.3 **Deposited cash and property:** The Client should familiarize himself/herself with the protections accorded to money or other property the Client deposits for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which the Client may recover the Client’s money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which had been specifically identifiable as the Client’s own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

- 22.3.4 **Commission and other charges:** Before the Client begins to trade, the Client should obtain a clear explanation of all commission, fees, taxes and other charges for which the Client will be liable. These commissions, fees, taxes and other charges will affect the Client’s net profit (if any) or increase the Client’s loss.

- 22.3.5 **Transactions in other jurisdictions:** Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Client to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. Before the Client trades, the Client should enquire about any rules relevant to the Client’s particular transactions. The Client’s local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Client’s transactions have been effected. The Client should ask CCBIS for details about the types of redress available in both the Client’s home jurisdiction and other relevant jurisdictions before the Client starts to trade.

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

- 22.3.7 **Trading facilities:** Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Client's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: the Client should ask CCBIS for details in this respect.
- 22.3.8 **Electronic trading:** Trading on an electronic trading system may differ not only from trading on other electronic trading systems. If the Client undertakes transactions on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to the Client's Instruction or is not executed at all.
- 22.3.9 **Off-exchange transactions:** In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. CCBIS may be acting as the Client's counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before the Client undertakes such transactions, the Client should familiarize himself/herself with applicable rules and attendant risks.

23 Disclaimers

23.1 HKFE Disclaimer

Stock indices and other proprietary products upon which contracts traded on Hong Kong Futures Exchange Limited (the "**Exchange**") may be based may from time to time be developed by the Exchange. The HKFE Taiwan Index is the first of such stock indices developed by the Exchange. The HKFE Taiwan Index and such other indices or proprietary products as may from time to time be developed by the Exchange (the "Exchange Indices") are the property of the Exchange. The process of compilation and computation of each of the Exchange Indices is and will be the exclusive property of and proprietary to the Exchange. The process and basis of compilation and computation of the Exchange Indices may at any time be changed or altered by the Exchange without notice and the Exchange may at any time require that trading in and settlement of such Futures or Options contracts based on any of the Exchange Indices as the Exchange may designate be conducted by reference to an alternative index to be calculated. The Exchange does not warrant or represent or guarantee to any Member (as defined in the relevant Applicable Law and Regulations) or any third party the accuracy or completeness of any of the Exchange Indices or their compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange in respect of the use of any of the Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays,

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interruptions, suspensions, changes or failures (including but not limited to those resulting from negligence) of the Exchange or any other person or persons appointed by the Exchange to compile and compute and of the Exchange Indices in the compilation and computation of any of the Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by and Member or any third party dealing with Futures or Options contracts based on any of the Exchange Indices (as defined in the relevant Applicable Law and Regulations). No claims, actions or legal proceedings may be brought by any matters referred to in this disclaimer. Any Member or any third party engages in transactions in futures and options contracts based on any of the Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Exchange in respect of such transactions.

23.2 Hang Seng Indices Disclaimer or Futures Contracts

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

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23.3 For Option Contracts

HSI Services Limited (“**HSI**”) currently publishes, compiles and computes a number of stock indices and may publish, compile and compute such additional stock indices at the request of Hang Seng Data Services Limited (“**HSDS**”) from time to time (collectively, the “**Hang Seng Indices**”). The marks, names and processes of compilation and computation of the respective Hang Seng Indices are the exclusive property of and proprietary to HSDS. HSI has granted to the Exchange by way of licence the use of the Hang Seng Index and the four Sub-indices (as defined in the relevant Applicable Law and Regulations) of the Hang Seng Index, the Hang Seng China-Affiliated Clients Index and the Hang Seng China Enterprises Index solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on such indices respectively and may from time to time grant to the Exchange corresponding use of any other Hang Seng Indices for the purposes of and in connection with option contracts based on such other Hang Seng Indices (collectively, “**Option Contracts**”). The process and basis of compilation and computation of any of the Hang Seng Indices and any of the related formula or altered by HSI without notice and the Exchange may at any time require that trading in and settlement of such of the Option Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indices to be calculated. Neither the Exchange nor HSDS nor HSI warrants or represents or guarantees to any Member or any third party the accuracy or completeness of the Hang Seng Indices or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indices or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSI in respect of the use of the Hang Seng Indices or any of them for the purposes of and in connection with the Option Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSI in the compilation and computation of the Hang Seng Indices or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Member or any third party dealing with the Option Contracts or any of them. No claims, actions or legal proceedings may be brought by any Member or any third party against the Exchange and/or HSDS and/or HSI in connection with or arising out of matters referred to in this disclaimer. Any Member or any third party deals in the Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSI.

Schedule 1

Part A – Extract of Paragraph 15.4 of the SFC Code of Conduct

15.4 Exempt provisions for Corporate Professional Investors where licensed or registered persons have complied with paragraphs 15.3A and 15.3B and Institutional Professional Investors

- (a) Information about clients
 - (i) the need to establish a client's financial situation, investment experience and investment objectives (paragraph 5.1 and paragraphs 2(d) and 2(e) of Schedule 6 to the SFC Code of Conduct), except where the licensed or registered person is providing advice on corporate finance work;
 - (ii) the need to ensure the suitability of a recommendation or solicitation (paragraph 5.2 and paragraph 49 of Schedule 6 to the SFC Code of Conduct); and
 - (iii) the need to assess the client's knowledge of derivatives and characterize the client based on his knowledge of derivatives (paragraph 5.1A of the SFC Code of Conduct);
- (b) Client agreement
 - (i) the need to enter into a written agreement and the provision of relevant risk disclosure statements (paragraph 6.1, paragraph 2 of Schedule 3, paragraph 2 of Schedule 4 and paragraph 1 of Schedule 6 to the SFC Code of Conduct);
- (c) Information for clients
 - (i) the need to disclose transaction related information (paragraph 8.3A of the SFC Code of Conduct);
- (d) Discretionary accounts
 - (i) the need for a licensed or registered person to obtain from the client an authority in a written form prior to effecting transactions for the client without his specific authority (paragraph 7.1(a)(ii) of the SFC Code of Conduct);
 - (ii) the need to explain the authority described under paragraph 7.1(a)(ii) of the SFC Code of Conduct and the need to confirm it on an annual basis (paragraph 7.1(b) of the SFC Code of Conduct); and
 - (iii) the need for a licensed or registered person to disclose benefits receivable for effecting transactions for a client under a discretionary account (paragraph 7.2 of the SFC Code of Conduct);
- (e) the need to ensure the suitability of a transaction in a complex product, to provide sufficient information about a complex product and to provide warning statements (paragraph 5.5(a) of the SFC Code of Conduct).

Part B – Extract of Paragraph 15.5 of the SFC Code of Conduct

15.5 Exempt provisions for Corporate Professional Investors and Individual Professional Investors where licensed or registered persons have complied with paragraph 15.3B and Institutional Professional Investors

Information for clients

- (i) the need to inform the client about the licensed or registered person and the identity and status of its employees and others acting on its behalf (paragraph 8.1 of the SFC Code of Conduct);
- (ii) the need to confirm promptly with the client the essential features of a transaction after effecting a transaction for a client (paragraph 8.2, paragraph 4 of Schedule 3 and paragraph 18 of Schedule 6 to the SFC Code of Conduct); and
- (iii) the need to provide the client with documentation on the Nasdaq-Amex Pilot Program (paragraph 1 of Schedule 3 to the SFC Code of Conduct).

Schedule 2

Extract of Paragraph 15.3A of the SFC Code of Conduct

15.3A Assessment requirements for Corporate Professional Investors

- (a) If a licensed or registered person has complied with paragraph 15.3B, it is exempt from the provisions set out in paragraph 15.5 and may also be exempt from the provisions set out in paragraph 15.4 if it is reasonably satisfied that the Corporate Professional Investor meets the three criteria set out in paragraph 15.3A(b) in relation to the relevant products and markets.
- (b) In making the assessment on a Corporate Professional Investor in relation to the relevant products and/or markets, the licensed or registered person should assess whether or not the Corporate Professional Investor satisfies all of the following three criteria:
 - (i) the Corporate Professional Investor has the appropriate corporate structure and investment process and controls (i.e., how investment decisions are made, including whether the corporation has a specialised treasury or other function responsible for making investment decisions);
 - (ii) the person(s) responsible for making investment decisions on behalf of the Corporate Professional Investor has(have) sufficient investment background (including the investment experience of such person(s)); and
 - (iii) the Corporate Professional Investor is aware of the risks involved which is considered in terms of the person(s) responsible for making investment decisions.
- (c) The above assessment should be in writing. Records of all relevant information and documents obtained in the assessment should be kept by the licensed or registered person so as to demonstrate the basis of the assessment.
- (d) A licensed or registered person should undertake a separate assessment for different product types or markets.
- (e) A licensed or registered person should undertake a new assessment where a Corporate Professional Investor has ceased to trade in the relevant product or market for more than 2 years.