



SUN HUNG KAI FOREX LIMITED

新鴻基外匯有限公司

CLIENT AGREEMENT AND SCHEDULES

客戶協議及附件

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SUN HUNG KAI FOREX LIMITED

新鴻基外匯有限公司

Licensed under the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) to carry on Type 3 (leveraged foreign exchange trading) regulated activity (CE Number: ACI995)
根據《證券及期貨條例》(香港法例第571章)獲發牌進行第3類(槓桿式外匯交易)之受規管活動(中央編號ACI995)

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THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT CAREFULLY.

此乃重要文件，懇請細閱。

Should you have any doubt as to any term of this document and/or the transactions contemplated by this document, please consult your own legal and other advisors.

閣下若對本文件之任何條款及 / 或本文件所預期之交易有任何疑問，請諮詢閣下個人的法律及其他顧問。

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1. INTERPRETATION

1.1 In this Agreement:

- 1.1.1 **“Account”** means the non-discretionary account(s) opened and held by Client with SHKFX pursuant to the Account Application and the terms of this Agreement;
- 1.1.2 **“Account Application”** means the application submitted by Client to SHKFX in such form as required by SHKFX for the opening and maintaining of an account under the terms of this Agreement;
- 1.1.3 **“Additional Margin”** means such further deposit in addition to the Initial Margin as SHKFX shall demand from time to time from Client as deposit for the performance by Client of a FX Contract;
- 1.1.4 **“Advice”** means a written or typed record (including facsimile or other electronic means from which it is possible to produce a hard copy) (a) confirming and setting out the particulars of any transaction executed by SHKFX in respect of any Account, and/ or (b) recording any other event (including without limitation receipts or withdrawals of assets) in relation to the Account, and/ or containing such information as SHKFX shall consider appropriate;
- 1.1.5 **“this Agreement”** means this Client Agreement and Schedules and Appendix(ces) (if any) and Supplement(s) (if any), the Account Application and any applicable schedule, appendices and supplements and/or other documents as specified in the Schedules or determined by SHKFX from time to time;
- 1.1.6 **“Authorised Person”** means each of those persons specified as such in the Account Application, or subsequently appointed as such where notice of such appointment has been given to SHKFX pursuant to the terms of this Agreement provided that such notice shall not take effect until 5 days after the actual receipt by SHKFX of it;
- 1.1.7 **“Authorised Third Party”** means each of those persons, if any, specified as such in the Account Application, or subsequently appointed as such and notice of such appointment has been given to SHKFX pursuant to the terms of this Agreement provided that such notice shall not take effect until 5 days after the actual receipt by SHKFX of it;
- 1.1.8 **“Bank Sub-Account”** means such account opened and maintained by SHKFX or any member of the Group (in or outside Hong Kong) in a name referable to Client but subject to compliance with applicable Regulatory Rules;
- 1.1.9 **“Business Day”** means a day on which SHKFX will be opened for FX Transaction as SHKFX may determine from time to time on which commercial banks in Hong Kong and in the country of the relevant FX Transaction are open for business (including dealings in, and transactions related to, FX);
- 1.1.10 **“Business Hours”** means the period on a Business Day during which SHKFX will be opened for FX Transaction as SHKFX may determine from time to time;
- 1.1.11 **“Client”** means the person in whose name SHKFX has agreed to open and maintain the Account in accordance with the terms of this Agreement and shall in the case where Client: (i) is/are individual(s) include Client and Client’s respective executors and administrators; (ii) is a sole proprietorship firm include the sole proprietor and Client’s executors, administrators and successors in the business; (iii) is a partnership firm include the partners who are the partners of the firm at the time when the Account being maintained and any other person or persons who shall at any time hereafter be or have been a partner or partners of and in the firm and all the aforesaid partners’ respective executors, administrators and the successors to such partnership business; and (iv) is a company include such company and its successors;
- 1.1.12 **“Closing Out”** means in relation to any or portion of any contract, the entering into of another contract of the same specification and for the same amount but of an opposite position in order to cancel the former contract (or the aforesaid portion thereof) and/or to crystallise the profit or loss on such former contract (or the aforesaid portion thereof) and the term “Close Out” shall be construed accordingly;
- 1.1.13 **“ESCL”** means Everbright Securities Company Limited, a company incorporated in the People’s Republic of China and listed on the Shanghai Stock Exchange (stock code:601788) and the Hong Kong Stock Exchange (stock code: 6178), which is a majority shareholder of EBSHKCL;
- 1.1.14 **“ESCL Hong Kong Subsidiaries”** means China Everbright Securities (HK) Limited, China Everbright Forex & Futures (HK) Limited, China Everbright Capital Limited, China Everbright Research Limited, China Everbright Securities Asset Management Limited and other corporations licensed by the SFC which ESCL may establish or otherwise set up to operate business in Hong Kong from time to time.
- 1.1.15 **“Event of Default”** means each of the events set out in Clause 11.1;
- 1.1.16 **“FX”** means currencies, currency options, currency futures or forward contracts and contracts for the future delivery of, or otherwise relating to, foreign currencies accepted by SHKFX to be traded from time to time;
- 1.1.17 **“FX Contract”** means a contract entered into between SHKFX and Client in relation to a FX Transaction;
- 1.1.18 **“FX Transaction”** means a transaction in respect of FX and whether or not involving “leveraged foreign exchange trading” within the meaning of Schedule 5 of the Securities and Futures Ordinance;
- 1.1.19 **“Group”** means SHKFX, EBSHKCL, ESCL and each of EBSHKCL’s and ESCL’s subsidiaries and associated companies (for the avoidance of doubt, including but not limited to ESCL Hong Kong Subsidiaries) , and a “member of the Group” shall be construed accordingly;
- 1.1.20 **“Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China;
- 1.1.21 **“Initial Margin”** means the deposit initially demanded by SHKFX from Client prior to the entering of a FX Contract as deposit for the performance by Client of the same;
- 1.1.22 **“Laws”** means all laws, rules, regulations and regulatory requirements applying to SHKFX and/or this Agreement and/or FX Contracts and/or FX Transactions;
- 1.1.23 **“Margin”** means the Initial Margin together with the Additional Margin for FX Contract or any of them for the time being made or to be made to SHKFX by Client;
- 1.1.24 **“Potential Event of Default”** means any event, which (with the giving of notice, lapse of time or fulfilment of some other condition or any combination of these) would constitute an Event of Default;
- 1.1.25 **“Physically Settled FX Contract”** means an FX Contract pursuant to which Client has agreed upon entry into such FX Contract to take physical delivery of FX on the relevant Value Date;
- 1.1.26 **“Regulators”** means the SFC and/or other regulator(s) whether in Hong Kong or elsewhere (including, without limitation, any relevant exchange, market or clearing house);

- 1.1.27 **“Regulatory Rules”** means the rules of the Regulators or other laws, rules, codes, guidelines, circulars and regulatory directions issued by the Regulators from time to time (whether having legal force or not);
 - 1.1.28 **“Securities and Futures Ordinance”** means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
 - 1.1.29 **“Segregated Account(s)”** means the account(s) designated as client account(s) or trust account(s) established and maintained by SHKFX or any member of the Group in or outside Hong Kong (subject to compliance with applicable Regulatory Rules);
 - 1.1.30 **“SFC”** means the Securities and Futures Commission of Hong Kong;
 - 1.1.31 **“EBSHKCL”** means Everbright Sun Hung Kai Company Limited, a company incorporated in Hong Kong, which is the holding company of SHKFX;
 - 1.1.32 **“SHKFX”** means Sun Hung Kai Forex Limited;
 - 1.1.33 **“subsidiary”** bears the same meaning given to it under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32 of the Laws of Hong Kong) (as amended from time to time);
 - 1.1.34 **“Value Date”** means the date on which the FX agreed to be purchased or sold pursuant to a FX Contract is to be delivered or deferred; and
 - 1.1.35 **“day”** and **“month”** mean calendar day and calendar month respectively.
- 1.1 A For the purposes of this Agreement, two companies shall be taken to be associated companies if one is a subsidiary of the other, or both are subsidiaries of a third company, and “associated company” shall be construed accordingly.
- 1.2 In this Agreement:
- 1.2.1 the singular shall be deemed to include the plural and vice versa;
 - 1.2.2 words importing any gender include every gender and references to persons include individuals, bodies corporate or unincorporate;
 - 1.2.3 where SHKFX or any member of the Group is given a discretion, such discretion shall be absolute and if exercised, to the fullest extent permitted by applicable laws, SHKFX or such member of the Group shall not incur any liability of whatsoever nature to Client or any other person and, unless otherwise stated, SHKFX or such member of the Group shall not be required to give reasons for its action, inaction or decision;
 - 1.2.4 the headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement;
 - 1.2.5 references to any statute, statutory provision or Regulatory Rule shall include a reference to that statute, provision or Regulatory Rule as from time to time amended, replaced, modified, extended or re-enacted;
 - 1.2.6 words not defined shall have the meanings ascribed to them in the Securities and Futures Ordinance or the regulations made thereunder unless the context requires otherwise;
 - 1.2.7 references in this Agreement to Clauses and Schedules are to clauses in and schedules to this Agreement;
 - 1.2.8 if there is any inconsistency between the Chinese and English versions of this Agreement, the English version shall apply and prevail;
 - 1.2.9 any reference in this Agreement to an ordinance or a provision of any Regulatory Rules shall be deemed to include such ordinance or provision as now or hereafter amended, replaced, modified, extended or re-enacted; and
 - 1.2.10 in the event of any inconsistency between any provision of this Agreements and any Laws, the latter shall prevail and SHKFX shall be entitled in its discretion to take or refuse to take any action or to demand that Client shall take or refrain from taking any action to ensure compliance with the same. All actions taken by SHKFX in accordance with the Laws shall be binding on Client.
- 1.3 For the avoidance of doubt, an instruction given by or on behalf of Client under this Agreement shall not be construed as an instruction to request SHKFX to enter into a FX Contract or FX Transaction on behalf of Client unless SHKFX expressly agrees in writing.
- 1.4 Unless otherwise specified in this Agreement or by SHKFX in writing, any interest owed by Client to SHKFX in connection with this Agreement shall be calculated on the basis of a 365-day year or 366-day year (if the year in question is a leap year). Such basis may be changed by SHKFX in its absolute discretion, at any time and from time to time, without notice to or consent from Client unless such notice or consent is stated in this Agreement, or other written agreement by SHKFX, to be necessary.

2. ACCOUNT OPENING

- 2.1 Client hereby instructs and authorises SHKFX to open and maintain leveraged foreign exchange trading account(s) in the name of Client for purchasing, investing in, selling, exchanging or otherwise dealing in FX in Hong Kong or elsewhere, on the terms set out in this Agreement.
- 2.2 All FX Contracts and FX Transactions shall be subject to the applicable Laws and Regulatory Rules, from time to time in existence or in force.

3. SHKFX’S INFORMATION TO CLIENT

- 3.1 Subject to SHKFX’s discretion to reject any offer or instruction made or given by Client or on its behalf, SHKFX may, at Client’s request, agree to contract with Client in respect of FX on a principal-to-principal basis and SHKFX may also agree to deal in FX on Client’s behalf. SHKFX may, whether or not at Client’s request, provide information, advice and/or recommendations in relation to FX, which information, advice and/or recommendations (as the case may be) must be reasonably suitable for Client having regard to Client’s financial situation, investment experience and investment objectives to the extent as required by the Regulatory Rules.
- 3.2 Subject to applicable Laws and Regulatory Rules, SHKFX shall provide to Client: (i) upon request product specifications and any prospectus or other offering document covering FX-related derivative products; and (ii) a full explanation of margin procedures and the circumstances under which Client’s positions may be closed without Client’s consent.
- 3.3 Client hereby declares that Client is fully aware of the risk in the sale and/or purchase of FX. Client hereby declares that Client understands and acknowledges the high degree of leverage that is often associated with leveraged FX Transactions because of the small margin requirements and such high leverage can work against as well as for Client. The high leverage can lead to large losses as well as gains. Client further declares and acknowledges that Client is fully aware that under certain market conditions, Client may find it difficult or impossible to Close Out a position and therefore the losses of Client may not be limited to the Margin which Client has deposited with SHKFX.
- 3.4 If SHKFX solicits the sale of or recommends any financial product to Client, the financial product must be reasonably suitable for Client having regard to Client’s financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document SHKFX may ask Client to sign and no statement SHKFX may ask Client to make derogates from this Clause. For the purpose of this Clause, “financial product” means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities

and Futures Ordinance. Regarding “leveraged foreign exchange contracts”, it is only applicable to those traded by persons licensed for Type 3 regulated activity.

- 3.5 Clause 3.4 (and the provision of information, advice and/or recommendations which must be reasonably suitable under Clause 3.1) shall not apply where Client is (i) an “Institutional Professional Investor” or (ii) a “Corporate Professional Investor” which meets the requirements under paragraphs 15.3A and 15.3B of the “Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commissions” and accepts to be treated as a professional investor under the Regulatory Rules, in which case Client shall make its own judgments and decisions independently without reliance on SHKFX or any other member of the Group in its decisions in relation to dealing in FX.

4. CLIENT'S INSTRUCTIONS, OFFERS AND STANDING AUTHORITY

- 4.1 Instructions and offers given by Client shall be irrevocable and may be given in writing, verbally, by facsimile or other electronic means (including through the E-Service, as defined in Fourth Schedule), but in any case at Client's own risk.
- 4.2 Subject to SHKFX's discretion to reject any offer or instruction, all offers and instructions given whether by telephone, facsimile transaction, telex or any other written form will only be valid and effective if actually received by SHKFX within the Business Hours on a Business Day.
- 4.3 Without prejudice to Clauses 4.1 and 4.2:
- 4.3.1 For any offer or instruction given by telephone, facsimile transmission, telex or any other written form, the name of Client (or any of them in case where Client is more than one person unless otherwise stated in the Account Application), the name of the Authorised Person or Authorised Third Party (or the names of the Authorised Persons or Authorised Third Parties if the Account Application states that more than one Authorised Person or Authorised Third Party is required) where such offer or instruction is made by Client's Authorised Person(s) or Authorised Third Party(ies) and the number of the relevant Account shall be quoted PROVIDED always that SHKFX may but shall not be under any duty to verify or enquire as to the identity of the or any person giving such offer or instruction by telephone, facsimile transmission, telex or any other written form (as the case may be) and SHKFX shall be entitled (but not be obliged) to accept and/or act on the same and rely on SHKFX's belief that such offer or instruction emanates from Client or Client's Authorised Person(s) or Authorised Third Party(ies) (as the case may be) and such offer or instruction once accepted and/or acted on or relied on by SHKFX shall become binding on Client.
- 4.3.2 For any FX Contract entered into by telephone, the FX Contract shall be deemed concluded at the time of the relevant telephone conversation in which the relevant offer is accepted by SHKFX. For any FX Contract entered into by facsimile transmission, telex or any other written form, the FX Contract shall be deemed concluded at the time when the relevant offer sent by facsimile transmission, telex or any other written form is actually received and accepted by SHKFX. For any FX Contract entered into by Client giving its offer in person at the office of SHKFX, the FX Contract shall be deemed concluded at the time when Client signs against a written confirmation prescribed by SHKFX in respect of the relevant offer given by Client.
- 4.4 Any offer or instruction given by Client's Authorised Person(s) or Authorised Third Party(ies), as the case may be, shall be deemed to be given by Client. Client hereby agrees to accept full responsibility and shall not later challenge the offers and instructions given by Client's Authorised Person(s) or Authorised Third Party(ies), as the case may be.
- 4.5 Client hereby expressly acknowledges that rates for FX may fluctuate in a very short period of time and agrees that any rate quoted by or on behalf of SHKFX whether verbally, by telephone or otherwise shall not be binding on SHKFX.
- 4.6 Client may grant to SHKFX a standing authority pursuant to the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong), as amended from time to time and/or such other lawfully agreed standing authority, as amended from time to time and once granted, Client agrees to be bound by the terms thereof.
- 4.7 Subject to applicable laws, any offer or instruction given or purportedly given by Client, its Authorised Person(s) or Authorised Third Party(ies) after:
- 4.7.1 the revocation by Client of its Authorised Person(s)' or Authorised Third Party(ies)' authority; or
- 4.7.2 the commencement of liquidation or bankruptcy (as the case may be) in respect of Client or the occurrence of any analogous event; shall continue to be valid and effective in SHKFX's favour until 5 days after the actual receipt by SHKFX of a written notice informing SHKFX of the occurrence of the relevant event from Client (in case of the said revocation) or in case of the said liquidation or bankruptcy, the liquidator, the trustee in bankruptcy or similar officer.

5. SHKFX'S DISCRETION

- 5.1 SHKFX shall be entitled to accept and/or act on and to rely on as it thinks fit in accordance with any offer or instruction given or purportedly given by or on behalf of Client which SHKFX believes in good faith to have been given by Client or its Authorised Person(s) or Authorised Third Party(ies). Notwithstanding the foregoing, SHKFX shall have discretion to reject such offer or instruction. SHKFX shall be under no obligation either to accept any offer or act upon any instruction if there are insufficient funds in the Account, or if SHKFX believes that the acceptance or acting might result in either SHKFX, any member of the Group or Client contravening any Laws or Regulatory Rules or for any other reason. If SHKFX in its absolute discretion declines to accept any offer or act upon any instruction, SHKFX shall in its own discretion notify Client accordingly, but SHKFX shall not in any circumstances whatsoever be liable in any way for any loss, damages, liability, cost, expense or whatsoever suffered or incurred by Client arising in or in connection with the exercise of the above discretion by SHKFX.
- 5.2 Client acknowledges that neither SHKFX nor any member of the Group shall have any obligation to provide Client with information or advice (financial or not) with respect to any position of Client.
- 5.3 Without prejudice and in addition to other rights and remedies of SHKFX and other members of the Group, SHKFX may, at any time and from time to time, dispose, or initiate a disposal by any relevant member of the Group, of any of Client's securities (whether in Hong Kong or elsewhere) or securities collateral (whether in Hong Kong or elsewhere) in settlement of any liability owed by or on behalf of Client to SHKFX, such relevant member of the Group or a third person. SHKFX and such relevant member of the Group (if applicable) are authorised to do all things as necessary in connection with any such disposal without any liability for any resulting or associated loss or expense. Without prejudice to the foregoing, Client shall not make any claim against SHKFX and/or such relevant member of the Group (if applicable) concerning the manner or timing of such disposal.

6. FX TRANSACTIONS

- 6.1 SHKFX may, in carrying out Client's instructions, contract or otherwise deal with or through any broker for the purchase, sale of, or otherwise dealing in, FX, or any person associated with SHKFX in any manner, on such terms as SHKFX may in its discretion determine.
- 6.2 Unless SHKFX has agreed otherwise pursuant to Clause 6.5 herein, Client shall not take delivery of FX on the Value Date pursuant to any FX Contract (other than a Physically Settled FX Contract) and Client shall be deemed to have agreed with SHKFX to extend the term of such FX Contract concerned beyond the Value Date until the happening of any of the following events:

- 6.2.1 SHKFX has received instruction from Client to take delivery of FX pursuant to the outstanding FX Contract concerned in the manner as set out in Clause 6.5 herein;
- 6.2.2 SHKFX has received instruction from Client to Close Out the outstanding FX Contract concerned; or
- 6.2.3 SHKFX exercises its rights under Clause 11 herein to Close Out the outstanding FX Contract concerned.
- 6.3 In the event that the date on which the FX agreed to be purchased or sold pursuant to a FX Contract is deferred, the FX Contract will be subject to a computation of the interest rate differentials which are charged or paid by SHKFX on a daily basis of being long or short, one currency against another until the FX is delivered or the Value Date of the Closing Out of the FX Contract.
- 6.4
 - 6.4.1 In the event of a profit for the Account resulting from FX Transactions carried out by SHKFX with Client, SHKFX shall credit such amount of profit in the Account.
 - 6.4.2 In the event of a loss for the Account resulting from FX Transactions carried out by SHKFX with Client, SHKFX shall debit the Account with such amount of loss and shall be entitled to set off such loss against the sums available in the manner as set out in Clause 10 herein.
 - 6.4.3 Such profit or loss as referred to in Clauses 6.4.1 and 6.4.2 above shall be conclusively determined by SHKFX with reference to the following criteria:
 - 6.4.3.1 SHKFX shall make reference to the bid and offer prices as from time to time quoted and disseminated to the public, or to subscribers, by any reputable financial information services organisation in choosing the prices for the purposes of marking to market Client's open positions or Closing Out.
 - 6.4.3.2 SHKFX shall determine the interest rates for calculating Client's interest income and expenses by reference to the prevailing interest rates quoted by major participants or bankers in the market of FX trading.
- 6.5
 - 6.5.1 If Client wishes to take delivery of FX pursuant to any FX Contract (other than a Physically Settled FX Contract) (whether or not the Value Date has passed), it must deliver a written request to that effect to SHKFX at least two Business Days before the day of delivery of the FX concerned. SHKFX may, in its absolute discretion, consent to or reject such a request, and will notify Client accordingly on or before the relevant day of delivery.
 - 6.5.2 For the purpose of Clause 6.5.1, "Business Day" shall mean a day which is not a banking holiday in the country of the corresponding FX and which SHKFX is open for FX Transactions.
- 6.6 Client may Close Out any outstanding position (notwithstanding that the Value Date of the FX Contract concerned has passed) at any time. The net balance representing the profit or loss derived from the aforesaid Closing Out as referred to in Clause 6.4 herein shall be credited or charged to the Account on the date of Closing Out, or Value Date, of the FX Contract concerned or on such other date as reasonably determined by SHKFX.

7. ADVICE

- 7.1 SHKFX may, and, if required by the Laws, shall, send to the address(es) (email address or otherwise) and/or other contact number(s) of Client on SHKFX's records an Advice after SHKFX has entered into a FX Contract with Client or upon the occurrence of certain events of or movements in Client's Account, in accordance with the Laws in relation to the Advice.
- 7.2 Client agrees that it is its responsibility to ensure that it receives Advice in due time and to make enquiries with and obtain the same from SHKFX immediately if not duly received. Without limiting the generality of the foregoing, on the first Business Day following the day of the conclusion of the FX Contracts concerned, SHKFX will, as a matter of record, send to Client an Advice for such FX Contracts and if Client does not receive such Advice by the close of the second Business Day following the day of the conclusion of such FX Contracts, Client shall notify SHKFX by telephone immediately and then followed by a written notice within two days. If Client fails to do so as aforesaid, Client shall be deemed conclusively to have received such Advice in accordance with Clause 16.15.
- 7.3 Any purported discrepancy between the contents of any Advice and Client's offer and/or instruction must be notified to SHKFX, orally (supported with a written notice signed by Client and sent to SHKFX in accordance with the notice provisions of this Agreement within one (1) day following the issue of the relevant oral notice) or in writing in accordance with the notice provisions of this Agreement, within two (2) Business Days following the date of issue or re-issue of the Advice to Client.
- 7.4 At the end of the period of two (2) days abovementioned in Clause 7.3, the contents of the Advice shall be conclusive evidence of the particulars set out therein without any further proof that the Advice and/or the transaction or event to which it relates is/are correct (subject to the right of SHKFX, which may be exercised by it at any time and from time to time, to adjust any entries in the Account and/or details in the Advice where they have been wrongly or mistakenly made by it), except for:
 - 7.4.1 any alleged errors notified by Client to SHKFX in accordance with this Agreement;
 - 7.4.2 any payments made on forged or unauthorised endorsement;
 - 7.4.3 any unauthorised transactions arising from forgery or fraud by any third party (including Client's employee, agent or servant) in relation to which SHKFX has failed to exercise reasonable care and skill;
 - 7.4.4 any unauthorised transactions arising from forgery or fraud by any employee, agent or servant of SHKFX; and/or
 - 7.4.5 any other unauthorised transaction arising from the default or gross negligence on the part of SHKFX or any of its employees, agents or servants.
- 7.5 SHKFX shall not be responsible for failures or delays in the transmission of offers or instructions due to a breakdown or failure of transmission of communication facilities, or to any other cause or causes beyond the reasonable control or anticipation of SHKFX.

8. PERFORMANCE OF FX CONTRACTS

Client hereby agrees that:

- 8.1 any profit or loss arising as a result of a fluctuation in the exchange rate affecting the FX in any FX Transaction will be entirely for the account and risk of Client;
- 8.2 all initial and subsequent deposits for margin purposes shall be made in such currency(ies) in such amounts as SHKFX may, at the sole discretion of SHKFX, require from time to time;
- 8.3 when an FX Contract is Closed Out, SHKFX shall either debit or credit (as the case may be) the Account in the currency in which such Account is denominated at an exchange rate (where the relevant FX Contract is denominated in a currency other than that of the Account) determined by SHKFX at the sole discretion of SHKFX on the basis of the then prevailing money market rates of exchange between such currencies;

- 8.4 in the event that SHKFX exercises any of its rights under this Agreement, including without limitation the combination or consolidation of the accounts or the transfer of Client's money and such combination, consolidation or transfer or exercise of any other right requiring the conversion of one currency into another, the conversion shall be calculated at the spot rate of exchange (as conclusively determined by SHKFX) prevailing in such foreign exchange market as determined by SHKFX to be relevant on the date of such combination, consolidation, transfer or exercise of that right; and
- 8.5 Client agrees that Client shall be liable for all losses whether or not the Account is closed and for any debit balance(s) and deficiencies in the Account including all debit balance(s) and deficiencies resulting from a closure of the Account.

9. MONIES IN THE ACCOUNT

- 9.1 Subject to compliance with applicable Regulatory Rules, SHKFX shall be entitled to deposit or transfer any monies held in the Account or received for or on the account of Client with or to or interchangeably between one or more segregated account(s) opened and maintained by SHKFX or any member of the Group in Hong Kong or elsewhere each of which shall be designated as a trust account or client account, at one or more authorised financial institution(s) and/or any other person(s) approved by the SFC for the purposes of section 4 of the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong) and/or any other person(s) overseas. Unless otherwise agreed between Client and SHKFX and, any interest accrued on such monies shall belong to SHKFX absolutely.
- 9.2 In addition, SHKFX shall be entitled to all other interests, dividends or any benefits derived from Client's margin collateral.

10. COMMISSIONS, FEES AND CHARGES, LIENS, SET-OFF AND CONSOLIDATION

- 10.1 In respect of every transaction or Account, Client shall pay to SHKFX forthwith on demand the applicable interest, levy, charge, premium, brokerage, commission, fee (including, without limitation, dormant/inactive account fee), cost and expense for the Account under this Agreement as advised to Client from time to time. The most up to date information and notice about interest, levy, charge, premium, brokerage, commission, fee, cost and expense in connection with the purchasing, investing in, selling, exchanging or otherwise dealing in any FX in the Account can be found on the website of SHKFX. Subject to applicable Laws, SHKFX may, at any time and from time to time, in its absolute discretion, change any commission, fee and/or charge by notice to Client. Client acknowledges that he/she is expected to check the website of SHKFX or request updated information from SHKFX from time to time before dealing in any FX and Client agrees that any information or notice posted on the website of SHKFX from time to time shall be binding on Client and be sufficient advice for all purposes and intents. Subject to applicable Laws, the new commission, fee and/or charge shall be immediately effective on the date of such notice.
- 10.2 Client shall pay or reimburse SHKFX forthwith on demand an amount equal to all commissions, brokerages, levies, fees, duties and taxes and all other charges and expenses incurred by SHKFX arising out of or in connection with any transaction effected with Client or otherwise arising out of or in connection with SHKFX's performance of the provisions contained in this Agreement.
- 10.3 Without prejudice to other provisions of this Clause 10, SHKFX may deduct any amount contemplated in Clauses 10.1 and 10.2 above from the Account.
- 10.4 Client shall be responsible to SHKFX for all losses and expenses resulting from Client's settlement failure, and shall be subject to such additional charges and interest therefor as SHKFX may determine.
- 10.5 Subject to applicable Laws, without limitation to and in addition to other rights and remedies of SHKFX and other members of the Group, Client agrees that:
- 10.5.1 SHKFX and the Group shall have a general lien over all or any part of any money and/or other properties of Client held by, or in the possession or safe-keeping of, SHKFX for the discharge of Client's obligations to SHKFX, any member of the Group and/ or a third person;
- 10.5.2 SHKFX may at any time and from time to time without notice combine or consolidate all or any of Client's accounts with, and/ or apply Client's money and/or other properties in or towards satisfaction of any liabilities to, SHKFX and/or other member(s) of the Group; and
- 10.5.3 SHKFX may at any time and from time to time set-off or transfer any sum in whatever currency standing to the credit of any of Client's accounts with SHKFX or other member of the Group in or towards satisfaction of any of Client's liabilities of whatever nature (including liabilities incurred as principal or surety and whether such liabilities be actual or contingent, primary or collateral, several or joint) to SHKFX and/or other member(s) of the Group.
- 10.6 SHKFX may:
- 10.6.1 without further disclosure to Client, receive, accept and retain for SHKFX's own account(s) and benefit absolutely from any broker or underwriter or issuer or any other third parties (who may or may not act as an agent of Client in any respect), any profit, rebate, reallowance, brokerage, commission, fee, benefit, profit, discount and/or other advantage arising out of or in connection with the provision of services to or handling of transactions for Client. Client agrees that the consent given hereunder shall constitute a permission or lawful authority for the purpose of Section 9 of the Prevention of Bribery Ordinance (Cap.201 of the Laws of Hong Kong); and
- 10.6.2 without further disclosure to Client, pay to any broker or underwriter or issuer or any other third parties (who may or may not act as an agent of Client in any respect), any profit, rebate, reallowance, brokerage, commission, fee, benefit, profit, discount and/or other advantage arising out of or in connection with the provision of services to or handling or transactions for Client. Client agrees that the consent given hereunder shall constitute a permission or lawful authority for the purpose of Section 9 of the Prevention of Bribery Ordinance (Cap.201 of the Laws of Hong Kong).
- 10.7 Without prejudice to and in addition to any general lien and other rights and remedies entitled by SHKFX and/or other member(s) of the Group, at any time when Client is indebted to SHKFX or any member of the Group in any respect, SHKFX or any member of the Group shall be entitled but not be obliged (and Client irrevocably and unconditionally authorises SHKFX or any member of the Group), at its absolute discretion, at any time and from time to time, without prior notice:
- 10.7.1 to combine or consolidate all or any of Client's accounts with SHKFX or any member of the Group regardless of whether notice is required and the nature of the account (i.e. whether deposit, loan or any other nature);
- 10.7.2 to set-off or transfer any sum standing to the credit of any one or more of such accounts wherever they are situated, in order to satisfy Client's liabilities to SHKFX and/or any member of the Group on any other account or other respect whatsoever; and

- 10.7.3 to debit all or any of Client's accounts with SHKFX or any member of the Group with any amount (including, without limitation, any interest) in whatever currency and payable by Client under or in connection with this Agreement and if necessary SHKFX may make such conversion in currency at the prevailing rate of exchange (as the case may be) as SHKFX may in its absolute discretion deem fit and determine (with reference to the criteria as set out in Clauses 6.4.3.1 and 6.4.3.2 herein). SHKFX may exercise its rights under this Clause notwithstanding that such debit may result in SHKFX demanding Additional Margin or the relevant member of the Group demanding additional margin from Client. Client undertakes to, immediately upon demand by SHKFX, do such act(s) and/or execute such document(s) as may be required by SHKFX at any time and from time to time in order to give full effect to each aforesaid debit.
- 10.8 SHKFX or any member of the Group is authorised to do the above without notice and notwithstanding any settlement of account or other matter whatsoever. The liabilities referred to above include present or future, actual or contingent, primary or collateral, and several or joint. In respect of any payments by SHKFX to offset and discharge any obligations of Client to any member of the Group, SHKFX shall not be concerned whether or not such obligations exist, provided demand has been made on SHKFX by such member of the Group.
- 10.9 In addition, all of Client's interest in any funds, securities, commodities, or other properties held by SHKFX or any member of the Group in any account for Client (either individually or jointly with others) or which may be in the possession of SHKFX or any member of the Group in Hong Kong or in other parts of the world, at any time and for any purpose, including safe-keeping, shall be subject to a general lien in favour of SHKFX and the Group. SHKFX shall also have the right to sell such property (and SHKFX is authorised to do all such things necessary in connection with such sale without any liability for any loss thereby incurred and without prejudice to the foregoing Client will not make any claim against SHKFX concerning the manner of such sale or the timing thereof) and utilise the proceeds to offset and discharge all or part of the obligations of Client to SHKFX and/or other member(s) of the Group, regardless of whether any other person is interested in or SHKFX has made advances in connection with such property, and irrespective of the number of accounts Client may carry with SHKFX or any member of the Group.
- 10.10 Client agrees to pay interest on all overdue balances owing by Client to SHKFX and/or the relevant member(s) of the Group (after as well as before any judgment), at such rate(s) from day to day as SHKFX and/or the relevant member(s) of the Group shall in its/their absolute discretion determine with reference to the prevailing market rate(s) from the date(s) of default up to the date(s) of actual payment, such interest to be payable on the last day of each calendar month or such other date(s) as determined by SHKFX and/or the relevant member(s) of the Group or forthwith upon any demand being made by SHKFX and/or the relevant member(s) of the Group. The aforesaid interest rate(s) may be changed by SHKFX and/or the relevant member(s) of the Group in its/their absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this Clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead.
- 10.11 Subject to the written consent of Client, SHKFX may charge Client a commission computed at a markup of 1 pip (or such other amount as agreed between SHKFX and Client) to the price traded on the FX Contract on single turn basis.

11. DEFAULT

- 11.1 SHKFX shall be entitled (but not be obliged) to exercise its powers under Clause 11.2 upon or at any time after the occurrence of any of the following Events of Default:
- 11.1.1 **Non-payment:** Client defaults in paying, further securing or satisfying on demand any monies or liabilities under this Agreement or any agreement between Client and any member of the Group;
- 11.1.2 **Breach of representation:** any statement, representation, warranty or undertaking made, repeated or deemed to have been repeated by Client in this Agreement or in any notice or other document delivered to SHKFX or any member of the Group in connection with this Agreement that is or proves to have been incorrect or misleading when made, repeated or deemed to have been repeated;
- 11.1.3 **Breach of other obligations:** Client fails to perform or comply with any of its other obligations under this Agreement or any agreement between Client and any member of the Group and, if that failure is capable of remedy, does not remedy such failure to the satisfaction of SHKFX immediately following receipt of notice from SHKFX or any member of the Group requiring it to do so;
- 11.1.4 **Winding-up, etc.:** where Client is a corporation:
- 11.1.4.1 a petition is presented or an order is made or any effective resolution is passed or analogous proceedings are taken for the winding up of Client save for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved in writing by SHKFX;
- 11.1.4.2 Client convenes a meeting for the purpose of making, or proposes and/or enters into, any arrangement or composition for the benefit of its creditors;
- 11.1.4.3 an encumbrancer takes possession or a receiver or other similar officer is appointed of the whole or any part of the assets or the undertaking of Client, or any security created by any mortgage or charge executed by or on behalf of Client becomes enforceable and the mortgagee or chargee takes steps to enforce the same, or a distress or execution is levied or enforced upon or sued out against any of the chattels or property of Client and is not discharged within thirty days of being levied; or
- 11.1.4.4 Client, without the consent in writing of SHKFX, stops payment to creditors generally or (if applicable) Client (otherwise than for the purpose of such an amalgamation, merger or reconstruction as is referred to in Clause 11.1.4.1 above) ceases or threatens to cease to carry on its business or any substantial part thereof or be deemed, for the purposes of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), to be unable to pay its debts or disposes or threatens to dispose of the whole or a substantial part of its undertaking or assets;
- 11.1.5 **Bankruptcy, etc.:** Bankruptcy proceedings are commenced in respect of Client where Client is an individual, or a bankruptcy order is made against Client or Client makes any composition or arrangement with Client's creditors, dies, becomes of unsound mind and/or insane;
- 11.1.6 **Material adverse change in Client's financial condition, etc.:** there occurs a material adverse change in Client's business, assets or financial condition which would, in the opinion of SHKFX, prevent or hinder or tend to prevent or hinder Client from performing in any material respect its obligations;
- 11.1.7 **Judgment or court order:** where Client is a partnership or a sole proprietorship, any of its partners or the sole proprietor shall have any judgment or order of Court made or any execution levied against his goods chattels or property, dies, becomes of unsound mind and/or insane;
- 11.1.8 **Incompetence, etc.:** where Client is an individual, a sole proprietor or a partnership, a judicial declaration of incompetence or mental incapacity is made in respect of Client or any of the partners, or Client or any of the partners dies;

- 11.1.9 **Unlawfulness:** where SHKFX in its sole opinion believes there may be a basis for suspicion that Client has engaged or may be engaging in any market malpractice or any other activity which is prohibited by any Laws or Regulatory Rules or applicable terms and conditions of whatsoever nature; or it shall become unlawful for Client to maintain the Account or to perform any of Client's obligations under this Agreement; or any authorisation, consent, approval or licence necessary for Client to continue the Account or to perform any of its obligation under this Agreement is withdrawn, restricted, revoked or otherwise ceases to be in full force and effect;
- 11.1.10 **Fraud, etc:** Client is convicted of an offence involving fraud, deception or dishonesty or any other serious criminal offence (other than a road traffic offence where a non-custodial sentence is imposed);
- 11.1.11 **Regulatory requirements:** in the discretion of SHKFX, the exercise by SHKFX of any powers conferred by Clause 11.2 is necessary for compliance with any Regulatory Rules;
- 11.1.12 **Suspension of the Account:** the Account or the trading in relation to any FX in the Account is for whatsoever reason suspended;
- 11.1.13 **Illiquidity:** in the absolute opinion of SHKFX, there occurs market conditions (for example, illiquidity) or actions that may make it difficult or impossible to effect the relevant transactions or liquidate or offset the relevant positions;
- 11.1.14 **Rate of Exchange:** if at any time the prevailing rate of exchange applicable to the currency concerned under any FX Contract shall have moved adversely to the position of Client; and if SHKFX determines, in its sole and absolute discretion, that the Initial Margin and/or the Additional Margin that Client has deposited with SHKFX is inadequate; and
- 11.1.15 **Others:** a situation (whether or not in relation to any FX Contract) shall have arisen or continued which SHKFX, in its absolute discretion determine, may jeopardise the position of SHKFX and require SHKFX to take such action as may be necessary for the protection of SHKFX.
- 11.2 Upon or at any time following the occurrence of any of the Events of Default, all amounts owing by Client to SHKFX shall become immediately payable on demand and SHKFX may, in its discretion, without notice to Client, do any or more or all of the following:
- 11.2.1 terminate all or any part of this Agreement and close the Account, or otherwise suspend operation of the Account;
- 11.2.2 satisfy any obligation Client may have to SHKFX or any member of the Group (either directly or by way of guarantee or suretyship) out of any property belonging to Client in the custody or control of SHKFX or any member of the Group;
- 11.2.3 cancel any or all outstanding instructions or any or all commitments with or on behalf of Client;
- 11.2.4 Close Out, close, liquidate and/or give up all or any positions in the Account (notwithstanding the Value Dates of the FX Contracts concerned having expired);
- 11.2.5 Close Out, close, liquidate and/or give up all or any positions in any account(s) which any member of the Group may carry on behalf of or maintain with Client and/or sell and/or purchase FX in relation to any such account(s); and
- 11.2.6 combine or consolidate any or all accounts of Client and exercise any right of set-off in accordance with this Agreement.
- 11.3 In the event of any Closing Out or sale or purchase pursuant to Clause 11.2
- 11.3.1 such Closing Out or sale or purchase may be made on any market where such business is usually transacted or in such manner as SHKFX shall decide according to the judgement of SHKFX and at the discretion of SHKFX. Client agrees that in respect of such Closing Out or sale or purchase, neither SHKFX nor any member of the Group shall have any liability for any loss thereby incurred and without prejudice to the generality of the foregoing, Client will not make any claim against SHKFX and/or any member of the Group concerning the manner of such Closing Out or the timing thereof. Client understands that in all cases, a prior demand or call or prior notice of the Closing Out shall not be considered a waiver of the rights of SHKFX to exercise such Closing Out without demand or notice as herein provided;
- 11.3.2 the Closing Out shall be effected for an amount of FX as the case may be sufficient to Close Out the said outstanding positions and for this purpose Client irrevocably appoints SHKFX as its agent and attorney;
- 11.3.3 Closing Out shall be at such price(s) as SHKFX shall in its own judgement and at its discretion decide with reference to the criteria as set out in Clauses 6.4.3.1 and 6.4.3.2 herein;
- 11.3.4 subject to applicable Regulatory Rules and Laws, SHKFX may in its entire discretion Close Out FX Contracts either on a single or a collective basis; and
- 11.3.5 any debit balance or Margin deficiency in the Account resulting from any Closing Out, sale or purchase (including but not limited to any Closing Out, sale or purchase pursuant to Clause 11.2) shall be charged with (and Client shall pay) interest thereon (after as well as before any demand or judgment) at such rate as SHKFX shall in its absolute discretion determine with reference to the prevailing market rate. The aforesaid interest rate may be changed by SHKFX in its absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this Clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client undertakes to pay to SHKFX any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by Client to SHKFX. Client agrees that SHKFX shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with SHKFX and/or any other account(s) of Client with other member(s) of the Group) with any interest payable by Client in accordance with this Clause 11.3.5 and Client undertakes to, immediately upon demand by SHKFX, do such act(s) and/or execute such document(s) as may be required by SHKFX at any time and from time to time in order to give full effect to each such debit.
- 11.4 Any proceeds of sale or other amount obtained as a result of the exercise of any right by SHKFX under Clause 11.2 shall be applied in the following order of priority:
- 11.4.1 in satisfaction of all costs, levies, charges, expenses and payments (including, without limitation, legal or other professional fees, stamp duty, commission and brokerage) incurred by SHKFX on a full indemnity basis;
- 11.4.2 in or towards the satisfaction of the amounts owing to SHKFX and/or the relevant member(s) of the Group under or in connection with this Agreement whether principal or interest or otherwise in such order as SHKFX may in its discretion decide;
- 11.4.3 in or towards the satisfaction of any other amount owing to SHKFX or any member of the Group and the surplus if any shall be paid to Client or to its order. If there is any deficiency after the exercise of such right, Client shall pay such deficiency to SHKFX without the need for any demand.
- 11.5 A declaration, determination or decision by an officer of SHKFX that the power of sale and/or other right(s) has/have become exercisable under this Clause 11 shall be conclusive evidence of that fact in favour of any purchaser or other person deriving title under the sale and/ or the said right(s).

11A. DEBIT BALANCE AND DEFICIENCY

Client shall at all times be liable for the immediate payment of any debit balance owing in the Account howsoever caused and whether or not an Event of Default with respect to the Account has occurred and that Client shall be liable for the immediate payment of any deficiency remaining in the Account in the event the liquidation thereof in whole or in part by SHKFX or by Client. Any debit balance or deficiency in the Account shall be charged with interest thereon (after as well as before any judgment) at such rate as SHKFX shall in its absolute discretion determine with reference to the prevailing market rate. The aforesaid interest rate may be changed by SHKFX in its absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this Clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client shall immediately upon demand settle all liabilities outstanding to SHKFX, together with all costs of collection (including, without limitation, reasonable legal fees), on a full indemnity basis.

12. LIABILITY AND INDEMNITY

- 12.1 Client agrees that SHKFX or any member of the Group or any of their respective officers, employees or agents shall not have any liability whatsoever (other than those resulting from fraud, wilful default or a breach of Clause 3.4 on the part of SHKFX or such member of the Group) for any loss, expense or damage which Client may incur as a result of the performance or failure to perform this Agreement or as a result of any act or omission of any third party (whether or not appointed by SHKFX or any member of the Group) or howsoever arising out of any cause beyond the control of SHKFX or any member of the Group. Further, SHKFX and each member of the Group and each of their respective officers, employees or agents accept no liability as a result of compliance with any applicable Regulatory Rules. This Clause 12.1, however, shall not be construed as in any way binding any member of the Group to comply with any provision of this Agreement unless otherwise explicitly agreed by such member of the Group.
- 12.2 Client undertakes with SHKFX (for itself and for the purpose of this indemnity, as trustee for each Indemnified Person (defined below)) to indemnify and to keep indemnified SHKFX, other members of the Group and their respective officers, employees and agents (each an "Indemnified Person") on a full indemnity basis from and against all losses, damages, interest costs, actions, demands, claims, proceedings, expenses, costs and liabilities of whatsoever nature (other than those resulting from fraud or wilful default on the part of SHKFX or any member of the Group) incurred, suffered or sustained by or made or brought against or threatened to be made or brought against each Indemnified Person directly or indirectly arising out of or in connection with the performance of any act or exercise of any right or discretion or any inaction taken or chosen by or for SHKFX and/or any member of the Group pursuant to this Agreement, or arising directly or indirectly from an Event of Default, or any act or omission by Client whether or not constituting a breach of any of its obligations under this Agreement or directly or indirectly as a consequence of reliance on any representation stated in this Agreement or the Account Application or any information provided by or for Client or directly or indirectly as a result of acting on any instruction, signature, instrument, notice, resolution, request, certificate, report or other document believed to be signed or given by the proper party(ies), whether the same is given verbally or in written form and whether the same is an original, facsimiled or electronic copy.
- 12.3 If any claim is made against SHKFX, any member of the Group and/or Client in connection with this Agreement, SHKFX and/or such member of the Group may, without prejudice to Clause 12.1 above, take any such steps at its/their discretion, including, without limitation, the withholding of payment or delivery to Client of any money and/or other property.
- 12.4 Client acknowledges that handling of Client's Account(s) by any person or party other than the Client must be properly documented as prescribed by SHKFX from time to time (for example, in relation to giving of trading instructions, by completion of the relevant prescribed form applicable to Authorized Person or Authorized Third Party, as the case may be). Discretionary handling of clients' accounts by SHKFX's representatives is generally not permitted by SHKFX policy (and that if exception is granted it must be properly documented in a further SHKFX discretionary account agreement with a power of attorney). Client covenants not to hold SHKFX responsible in any way, and shall indemnify SHKFX, for all and any loss, damage, interest, cost, action, demand, claim, liability, expense or proceeding of any nature whatsoever relating to or resulting from the Client's instruction, permission, acquiescence or approval to, or arrangement or understanding with, any SHKFX representative or any person or party other than the Client (whether explicit or tacit) to conduct discretionary trading on the Account or other handling in respect of the Client's Account(s) or Client's money.

13. DISCLOSURE OF INFORMATION

- 13.1 Client warrants and undertakes to SHKFX that all information provided by Client from time to time in, under or pursuant to this Agreement is and will be accurate, complete and up-to-date. Client shall notify SHKFX forthwith of any change to such information. SHKFX shall be entitled to rely fully on all such information for all purposes until SHKFX is notified to the contrary in writing and any such written notification shall be duly signed by Client. Client understands and accepts that notwithstanding anything to the contrary which may be contained in this Agreement, any change to any such information shall not take effect until five (5) days after the actual receipt by SHKFX of the relevant written notification or until such shorter period of time as may be agreed by SHKFX in writing.
- 13.2 SHKFX shall notify Client of any material change to the information relating to SHKFX provided in, under or pursuant to this Agreement.
- 13.3 Client shall immediately on demand by SHKFX at any time and from time to time supply to SHKFX such financial and/or other information in connection with the subject matter of this Agreement, Client and/or the compliance of any Laws or Regulatory Rules as SHKFX may reasonably require. Client agrees that SHKFX may conduct credit enquiries or check on Client for the purpose of ascertaining the financial situation of Client.
- 13.4 SHKFX may provide any information supplied by or relating to Client and/or any FX Contract and/or any FX Transaction and/or the Account to any Regulator or other person to comply with the lawful requirements or requests for information (whether such requirements and requests are mandatory or otherwise) or otherwise where in SHKFX's sole discretion, it deems it appropriate in the circumstances. Without limiting the foregoing, relevant information may be disclosed if there is reasonable ground for SHKFX to suspect that any Client may have committed a material breach or infringement of, or may not have complied with, any market misconduct provisions in Part XIII or XIV of the Securities and Futures Ordinance.
- 13.5 SHKFX is subject to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) which regulates the use of personal data concerning individuals. SHKFX's policies and practices relating to the use of personal data are set out in Third Schedule to this Agreement.
- 13.6 Client represents and warrants to SHKFX that Client has taken all action necessary to authorise the disclosure to SHKFX and other persons permitted hereunder of all information (including, without limitation, personal data as defined in the Personal Data (Privacy) Ordinance, Cap. 486 of the Laws of Hong Kong) from time to time provided to SHKFX by or for Client in, under or pursuant to this Agreement and the use of such information for the purpose of this Agreement and/or any contract(s) and/or transaction(s) contemplated hereunder and/or the Account. This representation and warranty are taken to be also made by Client on each date that any information is provided to SHKFX.
- 13.7 Notwithstanding other provisions in relation to the disclosure of information and tax-related arrangement under this Agreement, the Client hereby agrees to comply with the provisions contained in the Fifth Schedule. The powers, rights, discretions of SHKFX under the Fifth Schedule shall be without prejudice and in addition to the provisions in this Clause 13.

14. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 14.1 Client represents, warrants and undertakes to SHKFX (in this Clause 14, referred to as the “**Warranties**”) that:
- 14.1.1 where Client is a corporation, it has been duly incorporated or established in accordance with all applicable laws and regulations and has the corporate power to enter into and perform this Agreement and has taken all necessary corporate and other action to authorise this Agreement upon these terms and conditions;
 - 14.1.2 no consent or authority of any person (except, in the case of a corporate client, as already obtained as contemplated in Clause 14.1.1) is required for Client to enter into this Agreement including without limitation the power of borrowing and giving security over its assets, or as the case may be, Client has obtained all such necessary consent or authority (including without limitation, consent from its employer where applicable);
 - 14.1.3 the entering into by Client of this Agreement or any trading or borrowing activity in connection with this Agreement will not place Client in breach of the terms of any other arrangement or document (including any constitutional documents such as Client’s memorandum and articles of association if Client is a corporation and/or deed of trust if Client is a trustee or trust corporation), any staff dealing policies or rules of its employer (if any) or of any obligations under general law or imposed by Regulatory Rules; and Client undertakes to fully comply all relevant Laws, Regulatory Rules, terms, policies and rules;
 - 14.1.4 no Event of Default or Potential Event of Default has occurred and is continuing;
 - 14.1.5 no money, securities or other property received by SHKFX from Client in connection with this Agreement is subject to any restrictions on transfer or assignment, any lien, claim, charge or encumbrance or any other interest of any third party (other than a lien routinely imposed on all securities in a relevant clearance system);
 - 14.1.6 Client has not taken any action nor has any step been taken or legal proceeding been started or threatened for the bankruptcy or liquidation of Client. Nor has Client entered into a compromise or scheme of arrangement with its creditors;
 - 14.1.7 Client acknowledges that it is Client’s duty to ascertain Client’s nationality, citizenship, domicile or similar status; Client undertakes not to deal in, purchase or subscribe for any investments which by virtue of Client’s status or other characteristics Client is prohibited to deal in, purchase or subscribe; Client has taken all necessary professional advice including legal, accounting, estate planning or tax advice relating to its tax or other liability under any relevant jurisdiction and Client has not relied in any way on SHKFX or any member of the Group relating to any of Client’s decisions in respect of dealing in, purchase of or subscription in any investments;
 - 14.1.8 no other person has any interest in the Margin and other property (if any) given as security by or for Client pursuant to or in connection with this Agreement and Client further undertakes not to sell, grant an option over or otherwise deal in any way with or create or allow to subsist a charge, pledge or other encumbrance over Margin and the aforesaid property other than pursuant to the terms of this Agreement.
- 14.2 Client further warrants and represents to SHKFX that each of the Warranties is true, accurate and not misleading.
- 14.3 Client acknowledges that SHKFX has entered into this Agreement on the basis of, and in reliance on, the Warranties. The Warranties are deemed to be repeated on each day up to and including the termination of this Agreement.

15. NOMINEE ARRANGEMENTS

- 15.1 Subject to Clause 9 above and applicable Regulatory Rules, SHKFX shall be entitled (and is hereby authorised), at any time and from time to time, to deposit or transfer any property of Client with or to or interchangeably between any banker(s), institution(s), custodian(s), clearing house(s), intermediary(ies) and/or other person(s) (whether any such banker, institution, custodian, clearing house, intermediary or other person is in Hong Kong or elsewhere) and/or register or re-register any property of Client in the name of SHKFX, any member of the Group or any nominee appointed or agreed by SHKFX (whether such nominee is a person in Hong Kong or elsewhere) and/or cancel any such registration.
- 15.2 If any of Client’s property is registered in the name of a nominee for Client (“**Nominee**”), whether or not such Nominee is a member of the Group, Client agrees as follows:
- 15.2.1 the Nominee shall have no liability (in negligence or otherwise howsoever) for failure to forward to Client any notice, information or other communication in respect of such property;
 - 15.2.2 the Nominee shall have full liberty to exercise or refrain from exercising any rights or to satisfy or refrain from satisfying any liabilities arising from or in connection with the holding of such property without the need to consult or notify Client beforehand and without being in any way liable therefor and Client shall indemnify the Nominee for all losses, costs, claims, liabilities and expenses incurred by the Nominee and arising directly or indirectly from any action taken or not taken by the Nominee in good faith;
 - 15.2.3 to pay such fees, expenses and charges as the Nominee may from time to time prescribe in consideration of the nominee services, such fees, expenses and charges to be deducted as SHKFX sees fit from any monies standing to Client’s credit in any account with SHKFX and/or any member of the Group and until payment the property held by the Nominee is subject to a lien in favour of the Nominee for the amount(s) concerned and such lien shall be in addition and without prejudice to other rights of the Nominee; and
 - 15.2.4 the Nominee may act on the instructions of any one Authorised Person or Authorised Third Party.

16. MISCELLANEOUS

16.1 SHKFX’s role

SHKFX may act as principal or as agent in relation to any transaction undertaken by SHKFX pursuant to this Agreement.

Client is fully aware and hereby agrees that SHKFX may, subject to the applicable Laws and Regulatory Rules, contract as a principal in any transaction entered into between SHKFX and Client under this Agreement.

16.2 Material interests and conflicts of interest

Circumstances may arise in which SHKFX, another member of the Group or one of their respective officers, employees or agents (each, a “**Relevant Party**”) has a material interest in a transaction with or for Client or where a conflict of interest arises between Client’s interests and those of other clients or counterparties or of itself. However, if SHKFX acts in circumstances where it has a material interest or conflict of interest, SHKFX will take reasonable steps to ensure Client is treated fairly. SHKFX may, in its discretion, without giving any reason therefor, without notice and without incurring any liability of any nature to Client or any third party, decline to act for Client in such circumstances. Material interests and conflicts of interest that may arise include, without limitation, the matters described in the following Clauses 16.2.1 to 16.2.6.

16.2.1 SHKFX may make recommendations with respect to, effect or arrange a transaction with Client or on Client’s behalf or for the Account in relation with which a Relevant Party may have direct or indirect material interests. In particular, a Relevant Party may:

- 16.2.1.1 deal with Client as principal for its own account;

- 16.2.1.2 deal with Client as agent for both Client and for any other person;
 - 16.2.1.3 match any order by Client with the order of any other person, receiving, in some cases, a fee or commission from that other person;
 - 16.2.1.4 otherwise make a profit in respect of a transaction pursuant to this Agreement; and
 - 16.2.1.5 recommend that Client buy or sell an investment in which the Relevant Party has a long or short position.
- 16.2.2 In addition, a Relevant Party may also:
- 16.2.2.1 have interests or act as an adviser to clients in investment banking, financial advisory, underwriting, asset management and other capacities;
 - 16.2.2.2 issue, underwrite or act in a proprietary capacity, as a market maker (or “principal trader”) or liquidity provider, or for other clients in relation to investments of all types including those in which the Account or Client may invest or deal;
 - 16.2.2.3 give advice to, and take action in relation to, any of its clients, companies or proprietary accounts that differs from advice given to Client, or involves different timing or actions taken;
 - 16.2.2.4 make a market in and have a position in an investment held, purchased or sold for the Account; and
 - 16.2.2.5 have an interest in, or serve as a director of, any company in which the Account or Client may invest or deal.
- 16.2.3 SHKFX may use any information Client provides in relation to an instruction or transaction to facilitate its execution and can take account of it in managing its market making positions or otherwise limiting the risks to which it is exposed in the course of its market making activities. In particular, where that information relates to a proposed transaction for which Client has asked SHKFX to quote terms, and in which SHKFX would commit its capital, SHKFX may also use that information to enter into transactions for the purpose of executing the proposed transaction (or facilitating such execution) on terms that are competitive in the market at that time. Such transactions could be at a different price from the price at which SHKFX executes Client’s transaction or instruction, which could result in SHKFX making a profit or loss. The effect of these and other trading activities of SHKFX may be to increase the market price of investments Client is buying or decrease the market price of investments Client is selling.
- 16.2.4 Subject to applicable Laws, SHKFX is not under any obligation to:
- 16.2.4.1 disclose that any Relevant Party has a material interest in a particular transaction with or for Client or that a conflict of interest or a conflict of duty has arisen or may arise, although SHKFX will generally manage such conflicts to ensure, with reasonable confidence, that risks of damage to Client’s interests will be prevented; or
 - 16.2.4.2 account to Client for any profit, commission or remuneration made or received in connection with transactions or circumstances in which a Relevant Party has a material interest, where a conflict of interest or a conflict of duty arises, or otherwise.
- 16.2.5 Client agrees and acknowledges that SHKFX may receive from, pay to or share with third parties (including other members of the Group) fees, commissions or other benefits. The amount or basis of any such fee, commission or other benefit will be disclosed to Client to the extent required by applicable Laws, and such disclosure may be in summary form only.
- 16.2.6 SHKFX may recommend to Client the services of (and may introduce Client to) any person (which may include a Relevant Party). These persons may not be regulated or subject to applicable Laws or Regulatory Rules for the protection of investors, including such rules and regulations in respect of clients’ money held or received for clients by such persons, and accordingly such money may not be protected as effectively as if such rules and regulations applied.

16.3 No fiduciary relationship

Client and SHKFX acknowledge that neither:

- 16.3.1 the relationship between SHKFX and Client;
- 16.3.2 the services to be provided under this Agreement; nor
- 16.3.3 any other matter,

gives rise to any fiduciary or equitable duties on SHKFX’s part in favour of Client. In particular, there are no duties which would oblige SHKFX (or any other Relevant Party) to accept responsibilities more extensive than those set out in the Agreement or which would prevent or hinder SHKFX (or any other Relevant Party) in carrying out any of the activities contemplated by this Agreement.

16.4 Governing law

16.4.1 This Agreement, all rights, obligations and liabilities under this Agreement, all FX Contracts and all FX Transactions shall be governed by and construed in accordance with the laws of Hong Kong and Client hereby irrevocably submits to the nonexclusive jurisdiction of the courts of Hong Kong. This Agreement, all rights, obligations and liabilities under this Agreement, all FX Contracts and all FX Transactions shall enure to the benefit of, and bind SHKFX, SHKFX’s successors and assigns, whether by merger, consolidation or otherwise, as well as Client and the heirs, executors, administrators, legatees, successors, personal representatives and permitted assigns of Client.

16.4.2 Notwithstanding Clause 16.4.1, SHKFX shall, if Client so requires, refer any dispute between SHKFX and Client to arbitration in accordance with the Securities and Futures (Leveraged Foreign Exchange Trading – Arbitration) Rules.

16.5 Enforceability

If any provision of this Agreement shall be void or unenforceable by reason of any provision of applicable Laws, the remaining provisions shall continue in full force and effect and if necessary, be so amended as shall be necessary to give effect to the spirit of this Agreement so far as possible.

16.6 SHKFX’s right to report

Without prejudice to any right or obligation that SHKFX may have under the Laws, Client acknowledges that SHKFX may report any activity, suspected trading misconduct, other malpractice or irregularity and to disclose relevant information (without prejudice to Clause 13.4) to Regulator(s), authority(ies) and/or the issuer of the financial product concerned. Client shall not challenge any decision to make such report, or attempt to hold SHKFX responsible for resulting action against or loss incurred by Client. Client undertakes to provide SHKFX with such information as lawfully requested by SHKFX within (1) working day of such request. In the foregoing, “working day” means a day on which SHKFX is open for business in Hong Kong. Further, SHKFX may in its sole discretion suspend the operation of the Account or decline to act in accordance with any instruction or commitment without incurring any liability whatsoever to Client for any claim, loss, proceeding or expense howsoever related to SHKFX’s suspension of the Account or its delay or refusal to act in accordance with any instruction or commitment relating to the Account or this Agreement.

16.7 Client's obligation

- 16.7.1 Client undertakes to do and/or execute, at its own cost, any act, deed, document and/or thing which SHKFX and/or any member of the Group may require in connection with the implementation, execution and/or enforcement of, and/or giving full effect to, this Agreement (or any terms of it). Client hereby irrevocably and by way of security for its obligations under or in connection with this Agreement appoints SHKFX and SHKFX's officers as its attorney to do and/or execute any act, deed, document and/or thing which it undertakes to do and/or execute under or in connection with this Agreement but fails to do and/or execute upon the request of SHKFX or any member of the Group. Client hereby ratifies and confirms and agrees to ratify and confirm any instrument, act or thing which any such attorney may execute or do.
- 16.7.2 If Client suspects that a fraud or an irregularity may have occurred with respect to the Account, it shall notify SHKFX of the same immediately by calling SHKFX's **Anti-Fraud Helpline at +852 3920 2980** or such other telephone number as subsequently notified to Client by SHKFX in writing from time to time.

16.8 Joint account

- 16.8.1 Where the Account is a joint account, unless otherwise stated in the Account Application, SHKFX may accept instructions and offers from any of the joint account holders, and each joint account holder agrees with the others to be jointly and severally liable for all obligations in connection with this Agreement. SHKFX has no obligation to inquire into the purpose or propriety of any instruction given or to see to the application of any funds delivered by Client or any or more of the joint account holders in respect of the Account. SHKFX shall be at liberty to release or discharge any of the joint account holders from his/her liability hereunder or to accept any proposition from or make other arrangements with any of the joint account holders without releasing or discharging the obligations of the other or others or otherwise prejudicing or affecting the rights and remedies of SHKFX against the other or others and none of the joint account holders nor shall this Agreement be released or discharged by the death of any one of them.
- 16.8.2 Any Advice, report, notice or communication given to any joint account holder in accordance with this Agreement shall be deemed to have been duly given to all joint account holders unless: (i) Client's correspondence address has been provided in the Account Application, in which case, any such Advice, report, notice or communication shall be sent to that correspondence address or such other correspondence address as subsequently notified to SHKFX in accordance with this Agreement; or (ii) Client has requested and SHKFX has accepted that all Advice shall be sent to the email addresses of all joint account holders, being the last notified email addresses on SHKFX's records and in such case, all Advice shall be so given. Any Advice, report, notice or communication given by SHKFX pursuant to the foregoing shall be deemed to have been received by all joint account holders and shall be binding on all of them.
- 16.8.3 The joint account holders each acknowledge and agree that if any one of them should die,
- 16.8.3.1 the surviving joint account holder(s) should immediately notify SHKFX in writing of the death;
- 16.8.3.2 SHKFX is to pay or deliver to or to the order of the surviving joint account holder(s) any moneys, investments, property, instruments and/or documents standing to the credit of or held for the Account, without prejudice to any right SHKFX may have in respect of the same arising out of any set-off, counterclaim, lien, charge, pledge or otherwise whatsoever or to any step which SHKFX may deem it desirable to take in view of any third party claims thereto and/or for protecting the interest of SHKFX and/or other member(s) of the Group and SHKFX shall be entitled to require the surviving joint account holder(s) to give and/or sign such document(s) as prescribed by SHKFX before releasing any money, investment, property, instrument or document to or to the order of such survivor(s); and
- 16.8.3.3 SHKFX shall not in any circumstances be liable in any way for any claim, loss, damages, liability, cost, expenses or whatsoever suffered or incurred by any person or entity (including, without limitation, the surviving joint account holder(s)), directly or indirectly, arising from or in connection with any action or inaction taken or chosen by SHKFX pursuant to Clause 16.8.3.2 or any breach of this Clause 16.8.3 by any of the joint account holders; and the joint account holders each agree to indemnify SHKFX against all claims, losses, damages, liabilities, costs, expenses and whatsoever suffered or incurred by SHKFX, directly or indirectly, arising from or in connection with any action or inaction taken or chosen by SHKFX pursuant to Clause 16.8.3.2 or any breach of this Clause 16.8.3 by any of the joint account holders.

16.9 Client's authorisation

Where Client has an account with another member of the Group and instructs SHKFX to obtain cash, securities and/or other property from such account, Client authorises SHKFX, on behalf of Client, to request such member of the Group to release such cash, securities and/or other property to SHKFX.

16.10 Telephone recording

All telephone conversations between SHKFX and Client made in the course of business will be recorded on a centralised tape recording system operated by SHKFX and the contents of any such recording shall be final and conclusive evidence of the conversation concerned and its content.

16.11 Client's representation

Client acknowledges that SHKFX has offered to explain to Client the terms of this Agreement, and either Client has received such explanation or that Client fully understands the terms of this Agreement without the need for such explanation. Client acknowledges that Client has been advised, and has had the opportunity, to consult Client's own independent legal and other professional advisers.

16.12 Waiver

Save as expressly provided in this Agreement, no failure to exercise, or delay in exercising, on the part of any party hereto any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by SHKFX shall be effective unless it is in writing. The rights and remedies of SHKFX are cumulative and not exclusive of its rights and remedies provided by the Laws.

16.13 Assignment

- 16.13.1 Client shall not assign, delegate, sub-contract, transfer or otherwise dispose of any right or obligation under this Agreement or any FX Contract or any FX Transaction to any person without SHKFX's prior written consent. Subject to the Laws, SHKFX may assign, sub-contract, delegate, transfer or otherwise dispose of any of its rights and obligations under this Agreement and/or any FX Contract(s) and/or any FX Transaction(s) as SHKFX may see fit.
- 16.13.2 In the event that SHKFX consolidates, amalgamates, reorganises or transfers its business to another entity (including within the Group), SHKFX may assign any of the rights and obligations under this Agreement and/or any FX Contract(s) and/or any FX Transaction(s) to such entity. SHKFX shall give Client notice which will specify a date upon which the assignment will become effective. This date will be at least ten (10) days after the date of the notice. Such assignment will have the effect of creating a novated agreement between Client and the entity to which such rights or obligations are assigned. Therefore, in such event, Client hereby consents for

any such assignment by SHKFX in the future and undertakes to execute such document(s) as reasonably required by SHKFX for or in connection with any such assignment.

16.14 Force majeure

In the event of war, terrorism, revolution, insurrection, restraint of rulers, military disturbances, riot, civil commotion, civil disobedience or other similar action involving any country, strike or lockout or stoppage or restraint of labour, seizure or confiscation of assets or other governmental action having a similar effect, any imposition of currency exchange control or restraint of capital movement or transmission by any government, any "Act of God", epidemic, pandemic, vandalism, breakdown of computer systems and/or communication facilities, or any other similar event outside the control of SHKFX which hinders or prevents the performance by SHKFX of its obligations under this Agreement (an "event of force majeure"), then SHKFX may, as an alternative to any performance otherwise required, at its absolute discretion either (a) postpone its performance until the event of force majeure no longer has such effect or (b) where any delivery or payment is required, provide or require a cash settlement based upon the prevailing prices of the relevant currencies on the second Business Day prior to the occurrence of the event of force majeure; such prevailing prices being conclusively determined by SHKFX. SHKFX shall not be responsible or held liable for any loss suffered by Client arising out of or in connection with an event of force majeure. Client agrees to bear solely the risk of such event of force majeure.

16.15 Notice

- 16.15.1 Any Advice, report, notice or communication to be made or given to Client shall be in writing and may be sent by ordinary post to its address stated in the Account Application, or by facsimile transmission or electronic means (including through the E-Service, as defined in Fourth Schedule) to the fax number or e-mail address stated in the Account Application (or to such other address, fax number, or e-mail address as subsequently notified by Client in writing in accordance with this Clause 16.15). Any Advice, report, notice or communication so given shall be deemed to have been received by Client forty-eight (48) hours after dispatch when deposited in the mail if sent by post or at the time of transmission if given by facsimile or electronic means.
- 16.15.2 SHKFX may also give notice to Client by telephone on the telephone number given in the Account Application or on such other number as Client shall notify SHKFX in writing. All notifications so given to Client shall be deemed to have been received instantaneously if given by telephone.
- 16.15.3 In all cases if any notice or communication of whatsoever nature is given or delivered to SHKFX, it shall only be deemed to have been given or delivered to SHKFX on the day of actual receipt by it.

16.16 Amendment and termination

- 16.16.1 SHKFX may, at its absolute discretion and without giving reasons, suspend or terminate the Account. Upon termination or suspension of the Account, all monies owing from Client to SHKFX shall immediately become due and payable and Client shall immediately repay such monies to SHKFX.
- 16.16.1.1 Client agrees that the terms of this Agreement may be amended by SHKFX from time to time, at its discretion, by notice in writing from SHKFX to Client, in which event such terms and conditions as so amended shall apply with effect from the effective date specified in such notice, whether the specified effective date is before or after the date of such notice. Such amendments shall be deemed incorporated into and form part of this Agreement.
- 16.16.1.2 Client agrees that this Agreement may be amended by SHKFX from time to time without prior notice to Client in order to comply with the Laws and/or Regulatory Rules then in force which are applicable to SHKFX, this Agreement and/or the transactions contemplated under it. Such amendments shall be deemed incorporated into and from part of this Agreement.
- 16.16.2 Either party may terminate this Agreement at any time by notice to the other provided that such termination shall not affect:
- 16.16.2.1 the rights or liabilities of either party arising prior to such termination;
- 16.16.2.2 the warranties, representations, undertakings and indemnities given by Client under this Agreement, all of which shall survive termination; or
- 16.16.2.3 any of Client's obligations to SHKFX pursuant to this Agreement.
- 16.16.3 Termination of this Agreement shall not affect any action by SHKFX, or any of its agents or any third party permitted under this Agreement initiated prior to the date of termination or any indemnity or warranty given by Client under this Agreement.

16.17 Agreement to bind successors etc.

This Agreement shall not be affected by the death of Client or any of them and this Agreement shall be binding on the heirs, legatees, legal and personal representatives, successors and permitted assigns of Client and each of them.

16.18 Trading

- 16.18.1 (a) SHKFX, its directors, employees, representatives and/or agents may trade on its/their own account pursuant to a policy communicated in writing by SHKFX to such directors, employees, representatives and/or agents in accordance with the Regulatory Rules.
- (b) Client acknowledges that SHKFX and/or any member of the Group and/or its/their respective directors and/or employees may trade on its/their own account, on the account of any members of the Group and/or on the account of its/their respective clients subject to Clause 16.18.1(a), any applicable Laws and Regulatory Rules notwithstanding that any such trade may be related to any transaction with Client contemplated under this Agreement.
- 16.18.2 Client consents that, without prior notice from SHKFX, when SHKFX enters into any FX Contract with Client or when SHKFX exercises its rights or performs its obligations under this Agreement, SHKFX and/or any member of the Group and/or its/their respective directors, employees, representatives and/or agents may buy or sell for an account in which any such person has a direct or indirect interest, subject to the limitations and conditions, if any, contained in the Regulatory Rules or the constitution, rules, regulations, customs, usages, ruling, and interpretations then extant or in force of the relevant market, and subject to the limitations and conditions, if any, contained in any applicable regulations lawfully promulgated by such market or other statutory body.
- 16.18.3 Client acknowledges that subject to any provision of the Regulatory Rules, SHKFX may take the opposite position to Client's offer, whether on SHKFX's own account or on behalf of other customers of SHKFX.
- 16.18.4 Client acknowledges that Client may be affected by any curtailment of, or restriction on, the capacity of SHKFX to deal in respect of open positions as a result of action taken by the SFC under the Regulatory Rules or for any other reason, and in such circumstances, Client may be required to reduce or Close Out its open positions with SHKFX.
- 16.18.5 Client shall operate the Account(s) by giving orders itself or appointing as Authorised Person(s) and/or Authorised Third Party(ies), the person(s) whose name(s) and address(es) is/are set out in the Account Application to give orders on its behalf and Client shall notify SHKFX in writing in the manner as referred to in Clause 16.15 regarding any cancellation or alteration of such person(s).

- 16.18.6 Notwithstanding anything to the contrary which may be contained in this Agreement or any other document but to the extent permitted by applicable laws, SHKFX and the relevant member(s) of the Group shall be entitled to, without notice to or consent from Client, retain all benefits of whatsoever nature (including, without limitation, brokerages, commissions and rebates) to themselves which may arise in relation to any transaction with Client and whether in the course of dealing with or through any broker or otherwise and without being liable to disclose the same to Client and in particular (but without limitation) SHKFX shall be entitled at its absolute discretion to enter into any transaction (whether or not related to any aforesaid transaction and whether or not contemplated hereunder) with any other member of the Group, upon such terms as SHKFX may in good faith deem appropriate, and without being liable to account for any profit derived by SHKFX or such member of the Group.
- 16.18.7 Client acknowledges that:
- 16.18.7.1 SHKFX, other members of the Group and/or their respective directors, representatives, employees and associates and/or the families of the foregoing may, from time to time, have, direct and/or indirect, interests (whether by way of security interest or otherwise) and/or positions (long or short) in respect of, and/or sell, purchase or otherwise deal in, as principal or agent, in the open market or in any other way, any companies, investments, instruments and/or other arrangements to which any transactions contemplated hereunder may be related;
- 16.18.7.2 SHKFX and other members of the Group are actively engaged in financial-services businesses and may in the course of such businesses have or develop business relationships with third parties (including, without limitation, lending, depositary, risk management, advisory and banking relationships) and SHKFX and other members of the Group may also, amongst other things, be members of and/or have an ownership interest in, an exchange or other venue on which FX or other instruments (to which any transactions contemplated hereunder may be related) are traded and/ or make markets which may affect or relate to any aforesaid transactions; and
- 16.18.7.3 as a result of Clause 16.18.7.1 and 16.18.7.2, SHKFX, other members of the Group and/or their respective directors, representatives, employees and/or associates and/or the families of the foregoing may have or acquire non-public information with respect to the FX, investments and/or instruments to which any transactions contemplated hereunder may be related and such information shall not be provided to Client or its principal(s) (if applicable). In addition, the interests of SHKFX, other members of the Group and/or their respective directors, representatives, employees and/or associates and/or the families of the foregoing may conflict with the interests of Client or its principal(s) (if applicable) and, subject to applicable laws and regulations, SHKFX, other members of the Group and their respective directors, representatives, employees and associates and the families of the foregoing each reserves the right to take such actions as they each consider necessary or appropriate (including, without limitation, any sale, disposal or enforcement in relation to any FX, securities, investments and/or instruments) to protect his/ her/its interest.

16.19 Partnership

No contract or series of contracts between SHKFX and Client nor transactions contemplated hereunder shall constitute or be deemed to constitute a partnership or joint venture between them.

16.20 Time

Time shall, in all respects, be of the essence of the performance of all the obligations of Client under this Agreement and all contracts and transactions contemplated hereunder.

16.21 Undertakings by Intermediary

If Client is an intermediary specified in section 18(3) (excluding section 18(3)(b)) under Part 2, Division 4 of Schedule 2 of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance ("Specified Intermediary") and operates and manages the Account for its own client(s) (whether on a discretionary or non-discretionary basis) or otherwise for the transaction(s) with its own client(s), Client agrees to the following terms:

- 16.21.1 Client confirms that it is a Specified Intermediary;
- 16.21.2 In respect of each of its own client(s) for whom or for whose transaction(s) the Account is operated and managed, Client consents to be SHKFX's intermediary to carry out for SHKFX the customer due diligence ("CDD") measure(s) as stated in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance ("AMLO") and applicable regulatory requirements issued by the SFC from time to time and unless otherwise agreed by SHKFX in writing, Client shall carry out all the aforesaid CDD measures for SHKFX;
- 16.21.3 Client shall on request provide to SHKFX a copy of any document, or a record of any data or information, obtained by Client in the course of carrying out the aforesaid CDD measure(s) for SHKFX without delay;
- 16.21.4 In relation to each transaction it carries out for the Account, Client shall, if requested by SHKFX within a period of 6 years (beginning on the date on which the transaction is completed, regardless of whether any relevant Business Relationship (defined in section 1(1) under Part 1 of Schedule 2 of the AMLO) ends during that period) or such longer period of time as imposed by the SFC and notified by SHKFX to Client from time to time, provide to SHKFX a copy of any document, or a record of any data or information obtained by Client in the course of carrying out the aforesaid CDD measure(s) for SHKFX as soon as reasonably practicable after receiving the request;
- 16.21.5 In relation to each of its own client(s) for whom or for whose transaction(s) the Account is operated and managed by Client, Client shall, if requested by SHKFX (i) during the continuance of the Business Relationship with the client or within a period of 6 years beginning on the date on which the relevant Business Relationship ends; or (ii) within such longer period of time as imposed by the SFC and notified by SHKFX to Client from time to time, provide to SHKFX a copy of any document, or a record of any data or information, obtained by Client in the course of carrying out the aforesaid CDD measure(s) for SHKFX as soon as reasonably practicable after receiving the request;
- 16.21.6 In relation to each transaction it carries out for the Account or in relation to each of its own client(s) for whom or for whose transaction(s) the Account is operated and managed by Client, Client shall keep all the documents, records, data and information referred to in the above paragraphs of this Clause 16.21 for so long as the Business Relationship(s) with any relevant client(s) remain(s) subsisting (regardless of whether the Business Relationship(s) with any other relevant client(s) has/have already ended) and for a period of 6 years beginning on the date on which the relevant Business Relationship or the last relevant Business Relationship (if more than one client) ends. If a longer period of time is imposed by the SFC, all such documents, records, data and information shall be kept by Client for such longer period of time as notified by SHKFX to Client from time to time and Client must keep all such documents, records, data and information in accordance with the AMLO;
- 16.21.7 If Client is about to cease trading or does not wish to continue to act as SHKFX's intermediary to carry out the aforesaid CDD measure(s) for SHKFX, Client shall give SHKFX 60 days' written notice in advance and shall provide to SHKFX all the documents, records, data and information referred to in the above paragraphs of this Clause 16.21 without delay;

- 16.21.8 If SHKFX terminates its appointment of Client as its intermediary to carry out the aforesaid CDD measures(s) for SHKFX in respect of any client(s) of Client, Client shall immediately provide to SHKFX all the documents, records, data and information referred to in the above paragraphs of this Clause 16.21 and in respect of such client(s);
- 16.21.9 If there is any legal or regulatory requirement (other than those stated in the AMLO or issued by the SFC) in respect of the aforesaid CDD measure(s) carried out by Client for SHKFX and/or any documents, records, data and/or information referred to in the above paragraphs of this Clause 16.21 and/or the keeping of the same, Client shall also comply with such legal or regulatory requirement;
- 16.21.10 To the extent that any provisions of the AMLO, or of the regulatory requirements issued by the SFC from time to time, in respect of the aforesaid CDD measure(s) carried out by Client for SHKFX and/or any documents, records, data and/or information referred to in the above paragraphs of this Clause 16.21 and/or the keeping of any such documents, records, data and/or information shall prevail over the provisions of this Clause 16.21. Notwithstanding anything in this Agreement or any other document, Client shall comply with all legal and regulatory requirements (as amended from time to time) in respect of the aforesaid CDD measure(s) carried out for SHKFX (including, without limitation, the relevant record-keeping requirements); however, nothing in the foregoing shall, in any way, affect any obligation of SHKFX stated in section 18(2) under Part 2, Division 4 of Schedule 2 of the AMLO; and
- 16.21.11 In this Clause 16.21, (i) words not defined shall have the meanings ascribed to them in the AMLO or applicable regulatory requirements issued by the SFC from time to time unless the context requires otherwise; and (ii) regulatory requirements issued by the SFC from time to time include, without limitation, the requirements contained in the Guideline on Anti-Money Laundering and Counter-Terrorist Financing.

16.22 Additional undertakings

Without prejudice to Clause 16.21 above, SHKFX may take or omit to take any action which it, in its sole and absolute discretion, considers appropriate to take (a "**Compliance Action**") for the purpose of complying with the Applicable Laws and Compliance Rules, including preventing money laundering, terrorist financing or other crimes or the provision of financial and other services to any persons or entities which may be subject to sanctions (each such person or entity is referred to as a "**Sanctioned Party**"). Such Compliance Action may include without limitation:

- (a) declining the application or refusing to handle or process, or refusing to effect payment in connection with, any transaction contemplated in this Agreement on the ground of, or as a result of, a Compliance Action or if any person or entity relating to any related underlying transaction is a Sanctioned Party;
- (b) (if SHKFX becomes aware that any payment made to or at the request of Client contravenes the Compliance Rules) immediately recouping such payment from Client, irrespective of any other contrary agreement with Client;
- (c) the interception and investigation of any payment messages and other information or communications sent to or by Client or on Client's behalf via the systems of SHKFX; and
- (d) making further enquiries as to whether a name which might refer to a Sanctioned Party actually refers to that party.

SHKFX will not be liable for any loss (whether direct, indirect or consequential loss, including without limitation loss of profit or interest) or any damage suffered by Client or any party arising out of:

- (i) any delay or failure by SHKFX in processing any payment messages or other information or communication or any request from Client, or in performing any of its duties or other obligations in connection with any transaction, caused in whole or in part by any Compliance Action; or
- (ii) the exercise of any of SHKFX's rights under or any action taken or omission made by SHKFX pursuant to this section.

In this section:

"**Applicable Law**" means the legal requirements of any place or any jurisdiction that SHKFX operates in or such legal requirements are otherwise applicable on SHKFX; and

"**Compliance Rules**" means all regulations, sanction regimes, international guidance or procedures or rules of relevant regulatory or industry body that may be applicable to SHKFX.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE

Save for any member of the Group and any of their respective officers, employees or agents ("Qualified Third Parties"), a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any term of this Agreement. Notwithstanding anything to the contrary in this Agreement or in the Contracts (Rights of Third Parties) Ordinance:

- (a) the parties to this Agreement may terminate, rescind or agree any variation, waiver or settlement under this Agreement without the consent of any Qualified Third Parties; and
- (b) No Qualified Third Party who is not a party to this Agreement may enforce any right under this Clause without first obtaining the prior written consent of the relevant licensed corporation or company in the Group who is a contracting party to this Agreement.

FIRST SCHEDULE

MARGIN

1. INTERPRETATION

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this First Schedule unless the context otherwise requires. References to clauses in this First Schedule shall refer to clauses contained in this First Schedule, unless the context otherwise requires. In the event of any inconsistency between the provisions of this Agreement and this First Schedule, the provisions of this First Schedule shall prevail.

2. MARGIN

- 2.1 Client shall pay to SHKFX an Initial Margin in such amount and currency(ies) and in such manner as SHKFX may, subject to the requirements as imposed by the Regulatory Rules from time to time, in its absolute discretion determine.
- 2.2 SHKFX shall be entitled from time to time and at any time to demand Client to pay to SHKFX Additional Margin for any outstanding FX Contract (notwithstanding that the Value Date thereof has expired) in such amount and currency(ies) and in such manner as SHKFX may determine in its absolute discretion, and Client shall forthwith on demand pay to SHKFX such Additional Margin and such demand therefor shall be deemed conclusively and validly made with immediate effect notwithstanding that Client (or any of them in case where Client is more than one person) cannot be contacted personally or message has been left for Client (or any of them in case where Client is more than one person) by telephone at the telephone number(s) of Client on SHKFX's records or in writing left at Client's address on record with SHKFX. Notwithstanding any demand for Additional Margin, SHKFX may at any time exercise its rights under Clause 11.2 of this Agreement.
- 2.3 Subject to the provisions of the Regulatory Rules, SHKFX may change Margin requirements at any time and from time to time at its sole discretion. No previous Margin shall establish any precedent and these requirements once established may apply to existing positions as well as to the new positions in the FX Contracts affected by such change.
- 2.4 All Margin shall be paid to SHKFX forthwith upon demand of the same as deposit for the performance by Client of all the FX Contracts of Client for the time being and from time to time outstanding.
- 2.5 Client shall at all times be liable for the payment of any debit balance owing in the Account, and that in all cases, Client shall be liable for any Margin deficiency in the Account. Any debit balance or Margin deficiency in the Account shall be charged with (and Client shall pay) interest thereon (after as well as before any demand or judgment) at such rate as SHKFX shall in its absolute discretion determine with reference to the prevailing market rate. The aforesaid interest rate may be changed by SHKFX in its absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this Clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client shall immediately upon demand settle all liabilities outstanding to SHKFX together with all costs of collection (including but not limited to reasonable legal costs) on a full indemnity basis. Client agrees that SHKFX shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with SHKFX and/ or any other account(s) of Client with other member(s) of the Group) with any interest payable by Client in accordance with this clause 2.5 and Client undertakes to, immediately upon demand by SHKFX, do such act(s) and/or execute such document(s) as may be required by SHKFX at any time and from time to time in order to give full effect to each such debit.
- 2.6 Client hereby undertakes to immediately fulfil any Margin requirement and to immediately settle any debit balance(s) in the Account with or without demand from SHKFX.
- 2.7 Client hereby confirms and authorises SHKFX that in the event that there is a credit balance accrued to Client in the Account which balance is in excess of the Margin requirements in respect of Client, SHKFX may at its sole discretion but is not obligated to transfer from the Segregated Account(s) the whole or part of any such amount in excess of the Margin requirements into the Bank Sub-Account opened by SHKFX or any other member of the Group for Client. **[Note: please refer to standing authority]**

SECOND SCHEDULE

CLIENT IDENTIFICATION

1. INTERPRETATION

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Second Schedule unless the context otherwise requires. References to clauses in this Second Schedule shall refer to clauses contained in this Second Schedule, unless the context otherwise requires.
- 1.2 In the event of any inconsistency between the provisions of this Agreement and this Second Schedule, the provisions of this Second Schedule shall prevail.
2. Client shall immediately upon SHKFX's request and within two (2) days (or such other time period as may be specified by SHKFX) provide to SHKFX and/or a Regulator information (including, without limitation, details of identity, address, occupation, contact details and/or in the case of a corporate entity, nature and scope of business activities, source of funds, business structure, shareholdings and other information) relating to the ultimate beneficial owner(s) of the Account and/or the person(s) ultimately responsible for the giving of instructions in relation to any transaction or investments in the Account.
3. If Client operates the Account or effects any transaction for a collective investment scheme, discretionary account or trust, Client shall:
 - 3.1 immediately upon SHKFX's request and within two (2) days (or such other time period as may be specified by SHKFX) provide to SHKFX and/or a Regulator the name, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation or business structure and contact details of the person who, on behalf of such scheme, account or trust, ultimately originated the instruction to Client to operate the Account and/or effect the transaction; and
 - 3.2 as soon as practicable, inform SHKFX when Client's discretion or power to operate the Account and/or to invest on behalf of such scheme, account or trust has been overridden, revoked or terminated. In such case, Client shall, immediately upon SHKFX's request and within the time specified by SHKFX, provide to SHKFX and/or a Regulator the identity, address, occupation and contact details of the person who has given such overriding instruction or notice of revocation or termination.
4. If Client does not know the information referred to in Clauses 2 and 3 above, Client must confirm that:
 - 4.1 Client has arrangements in place which would entitle Client to obtain and provide to SHKFX and/or a Regulator upon its/their request(s) all such information or to procure that such information be so obtained and provided within two (2) days;
 - 4.2 Client shall, upon SHKFX's request, immediately obtain all such information from any relevant third party, and provide that information to SHKFX and/or a Regulator within two (2) days or such other time period as may be specified by SHKFX and/or the Regulator; and
 - 4.3 SHKFX may, pending receipt by it and/or by a Regulator of such information, or if such information is not received within two (2) days or such other time period as may be specified by SHKFX and/or the Regulator, decide in its absolute discretion and at any time, not to act in accordance with any instruction of or commitment with Client and/or to suspend or terminate the operation of the Account and Client agrees that SHKFX shall not be liable for any damages, loss, cost or expenses suffered or incurred by Client or any other person, directly or indirectly, as a result of any such decision of SHKFX.
5. Client confirms that Client is not subject to any Regulatory Rules, or any law of any relevant jurisdiction, which prohibits Client's performance of the obligations under this Second Schedule or, if Client is subject to such Regulatory Rules and/or such law, that Client or Client's own customers, as the case may be, has or have waived the benefit of such Regulatory Rules and/or such law or consented in writing to the performance by Client of the obligations under this Second Schedule. Client confirms that such waivers are valid and binding under the laws of all relevant jurisdictions.
6. Client's obligation to provide information under this Second Schedule shall continue in full force and effect notwithstanding the termination of this Agreement.

THIRD SCHEDULE PERSONAL DATA

1. INTERPRETATION

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Third Schedule unless the context otherwise requires. References to clauses in this Third Schedule shall refer to clauses contained in this Third Schedule, unless the context otherwise requires.
- 1.2 In the event of any inconsistency between the provisions of this Agreement and this Third Schedule, the provisions of this Third Schedule shall prevail.

2. From time to time, it shall be necessary for Client to supply SHKFX with data (including "personal data" as defined in the Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong) as amended from time to time) in connection with the establishment or continuation of accounts or the provision of services by SHKFX and generally Client's relationship with SHKFX in Hong Kong. This may include but will not be limited to information obtained in relation to Client's identity (name, date of birth, passport/identity card number, address(es), marital status, education level and employment information), as well as information collected for the purposes of ascertaining Client's financial profile, risk appetite, income (including sources of income) and net worth. Failure to supply, or to allow SHKFX to use or disclose, such data may result in SHKFX being unable to provide, or continue to provide any of the above facilities or services to or for Client in Hong Kong or elsewhere.

3. The purposes for which data may be collected, used and/or disclosed by SHKFX (whether before or after the termination of Client's relationship with SHKFX) are set out as follows:

- 3.1 the processing of applications for, and daily operation of services provided to Client or to other persons for whom Client acts as guarantor or for whom Client provides third-party security;
- 3.2 customer relationship management (including but not limited to loyalty programs or privileges and rewards schemes);
- 3.3 conducting, seeking or obtaining credit checks, matching procedures, data verification, due diligence and risk management;
- 3.4 assisting other financial institutions to conduct credit checks and collect debts;
- 3.5 ensuring Client's or any surety's ongoing creditworthiness;
- 3.6 maintaining Client's or any surety's credit history for present and future reference;
- 3.7 improving, enhancing, designing or launching existing or new financial services or related products for Client's use (including, where appropriate, providing Client with financial advice);
- 3.8 if Client has consented (including an indication of no objection) to the use of Client's personal data for direct marketing purposes by members of the Group and/or entities outside the Group in the Account Application, or otherwise marketing the following goods, products, services and facilities;
 - 3.8.1 Financial services;
 - 3.8.2 Related investment products;
 - 3.8.3 Financial and investment advice;
 - 3.8.4 Client relationship management services;
 - 3.8.5 Client credit protection and maintenance services; or
 - 3.8.6 Any other related goods, products or services that SHKFX or a member of the Group may develop under paragraph 3.7 of this Third Schedule, unless Client instructs SHKFX otherwise, and seeking or obtaining the same;
- 3.9 determining the amount of indebtedness owed to or by Client or any surety;
- 3.10 collecting of amounts outstanding from Client or any surety;
- 3.11 meeting any requests or requirements to make disclosure under the Laws;
- 3.12 enabling an actual or proposed assignee of SHKFX in connection with merger, amalgamation, reconstruction or otherwise to evaluate the transaction intended to be the subject of the assignment;
- 3.13 any other purpose disclosed in the website(s) of SHKFX or a member of the Group from time to time;
- 3.14 commencing, defending or otherwise participating in any legal or administrative proceedings or inquiry before any court or competent authority;
- 3.15 satisfying any requirements under the codes on takeovers and mergers and share repurchases issued by the SFC (as amended from time to time) and/or any other applicable Laws and/or Regulatory Rules in relation to takeovers in Hong Kong and/or any part of the world;
- 3.16 seeking or obtaining administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, market data provision, audit, banking, financing, insurance, business consulting, outsourcing, or other services to SHKFX in connection with the operation of its business; and
- 3.17 any other lawful purpose directly or indirectly relating or incidental to any of the above.

4. Data held by SHKFX relating to Client, any surety and/or the Account shall be kept confidential but SHKFX may, at its sole discretion, provide such information to the following persons for direct marketing purposes (where consented (including an indication of no objection) by Client) or any other purposes permitted by this Third Schedule:

- 4.1 any agent, contractor or third party service provider (whether in Hong Kong or elsewhere) who provides administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, market data provision, audit, banking, financing, insurance, risk management, business consulting, outsourcing, customer relationship management, marketing or other services to SHKFX in connection with the operation of its business;
- 4.2 any branch or office of SHKFX or any member of the Group, whether in Hong Kong or elsewhere;
- 4.3 any person acting or proposing to act as surety;
- 4.4 any person under a duty of confidentiality to SHKFX (or any member of the Group) or who has undertaken to keep such information confidential;
- 4.5 any financial institution with which Client has or proposes to have dealings;
- 4.6 credit reference agencies and, in the event of default, to debt collection agencies;

- 4.7 the drawee bank providing a copy of a paid cheque (which may contain information about the payee) to the drawer;
 - 4.8 any actual or proposed assignee or transferee of SHKFX;
 - 4.9 any person or entity who has established or proposes to establish any business relationship with SHKFX or the recipient of the data; and
 - 4.10 any person in accordance with the Laws or Regulatory Rules including through or pursuant to any rules, judgment, decision or ruling of the courts, arbitral tribunals, Financial Dispute Resolution Centre Limited, governmental, regulatory or other bodies or institutions, whether as required by the Laws and Regulatory Rules that are applicable to any member of the Group, or otherwise, or any company issuing a notice under section 329 of the Securities and Futures Ordinance.
5. Client agrees that data may be transferred overseas pursuant to the provisions of this Third Schedule.
 6. Client acknowledges and accepts the risks that the information disclosed pursuant to this Third Schedule may be subject to further disclosure by the recipient to other parties in accordance with the laws of the country in which the recipient is located. Such laws may be wider in scope and implemented under less restrictive terms than would otherwise be the case in Hong Kong due to difference in applicable laws and regulations.
 7. Client agrees to allow SHKFX to disclose Client's data for the purposes and to those persons as set out in this Third Schedule and to use such data pursuant to this Third Schedule.
 8. Where Client supplies SHKFX with any data (including personal data), Client represents and warrants to SHKFX that Client has taken all action necessary to authorise the disclosure of such data to SHKFX and the use by SHKFX of such data pursuant to this Agreement.
 9. Client may request to ascertain whether SHKFX holds Client's personal data and SHKFX's policies and practices in relation to personal data. Further, Client may request access to and correction of Client's personal data. Client also has the right to be informed about the kind of personal data held by SHKFX and which items of data SHKFX routinely discloses to credit reference agencies, and to be provided with further information to enable the making of a data access and correction request to the relevant credit reference agency. Any requests should be made in writing with fourteen (14)-day advance notice to the Data Privacy Officer, Sun Hung Kai Forex Limited, 28/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong or such other address as SHKFX may subsequently notify from time to time. SHKFX may charge a reasonable fee for processing any data access request.
 10. Where SHKFX grants any credit facilities to Client or to another person for whom Client acts as guarantor, in the event that Client or the borrower defaults in repayment for a period exceeding sixty (60) days or such other period as prescribed by the laws or the relevant Regulators from time to time, data (which has been provided by SHKFX to the relevant credit reference agency) may be retained by that credit reference agency until the earlier of the expiry of five (5) years from the date of final settlement of the amount in default and five (5) years from the date of Client's discharge from bankruptcy as notified to that credit reference agency. In the event of termination of the relevant account by full repayment and on condition that there has not been, within five (5) years immediately before account termination, any material default on that account, Client may instruct SHKFX to make a request to the relevant credit reference agency to delete from its database any account data relating to the terminated account but such instruction should be given within five (5) years after account termination.
 11. Without limiting the other provisions of this Third Schedule where Client applies for credit (including any loan, overdraft facility or any other kind of credit) to be granted to Client or to another person for whom Client acts as guarantor, the data which Client provides to SHKFX may be passed on to a credit reference agency or, in the event of a default, to a debt collection agency in accordance with the provisions of the code of practice on consumer credit data approved and issued under the Personal Data (Privacy) Ordinance as amended from time to time.
 12. For the purposes of this Third Schedule, if applicable, account data may include account general data (i.e. general particulars of the relevant account such as account opening date, repayment terms, whether Client as a borrower or guarantor, approved loan amount, repayment terms) and account repayment data (such as the amount repaid, outstanding balance of the loan, default data including the amount and number of days overdue).
 13. Without prejudice to the right of SHKFX to rely on grandfathering provision(s) or exemption(s) under the Personal Data (Privacy) Ordinance as amended from time to time or other applicable law, by consenting (including an indication of no objection) to the use of Client's personal data for direct marketing purposes by members of the Group in the Account Application, or otherwise Client agrees and consents that SHKFX may send by telephone, mail, email or other electronic means to Client from time to time direct marketing materials or messages relating to services or products which, in the opinion of SHKFX, Client may be interested in. Client agrees that to the extent permitted by Laws and the Regulatory Rules the consent herein shall constitute specific opt-in for the purpose of any applicable privacy rules or regulations. Notwithstanding this, Client may at any time request not to receive such direct marketing materials or messages from SHKFX if Client so requests in writing to SHKFX at this address: Data Privacy Officer, Sun Hung Kai Forex Limited, 28/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong or such other address as SHKFX may subsequently notify from time to time. Unless and until Client has so requested in writing, Client shall be deemed to be willing to receive any such information.
 14. The contents of this Schedule may be updated by SHKFX by giving written notice to Client at any time.

FOURTH SCHEDULE

The E-SERVICE

1. INTERPRETATION

- 1.1 In this Fourth Schedule, unless the context otherwise requires, the following words and expressions have the meanings set out below:
- 1.1.1 **“Access Codes”** means together any Key File (if applicable), Password and the Login ID;
 - 1.1.2 **“E-Service”** means the Internet or other facility provided by, and/or on behalf of, SHKFX which enables Client to give electronic Instructions in accordance with the terms of this Agreement, whether in Hong Kong or elsewhere, and to receive information and related services;
 - 1.1.3 **“Instruction”** means any offer or acceptance in relation to any FX or, where applicable, any instruction in relation to the Account and “Instruct” shall be construed accordingly;
 - 1.1.4 **“Internet Trading Policy”** means the policy relating to the operation of the E-Service as amended from time to time;
 - 1.1.5 **“Key File”** means a computer file, disk or other device which contains a file code which may be used in conjunction with the Login ID and the Password to gain access to the E-Service;
 - 1.1.6 **“Login ID”** means personal identification used in conjunction with other Access Codes to gain access to the E-Service; and
 - 1.1.7 **“Password”** means Client’s personal password, used in conjunction with other Access Codes to gain access to the E-Service.
- 1.2 Terms and expressions defined in this Agreement shall have the same meaning in this Fourth Schedule unless the context otherwise requires. References to clauses in this Fourth Schedule shall refer to clauses contained in this Fourth Schedule, unless the context otherwise requires.
- 1.3 In the event of any inconsistency between the provisions of this Agreement and this Fourth Schedule, the provisions of this Fourth Schedule shall prevail.

2. SHKFX may at its discretion provide Client with the E-Service on the terms of this Agreement, and the provisions of this Fourth Schedule apply if SHKFX provides Client with the E-Service. Client agrees to use the E-Service in accordance with the terms of this Agreement.

3. Client understands that the E-Service is a semi-automated facility which enables it to send electronic Instructions and receive information services. Client acknowledges that notwithstanding anything to the contrary contained herein or in any other document (written form or otherwise), SHKFX shall have the absolute discretion to determine the functions of E-Services available to Client and such functions may be changed by SHKFX at any time and from time to time without notice to or consent from Client and without assigning any reason therefor. Client further acknowledges receipt of the Access Codes and agrees to be the sole user of the Access Codes and not to disclose the Access Codes to any other person; and to be solely responsible for the confidentiality, use and protection of the Access Codes and all Instructions entered through the E-Service using the Access Codes. Client agrees that neither SHKFX nor SHKFX’s directors, officers or employees shall have any liability to Client, or to any other person whose claim may or may not arise through Client, for any claims with respect to the handling, mishandling or loss of, or loss of confidentiality of, any Instruction.

4. SHKFX may, at any time and from time to time, block Client’s access to and/or use of the E-Service (or any part thereof) without prior notice to or any consent from Client and without assigning any reason therefor.

5. CLIENT SHALL FORTHWITH NOTIFY SHKFX IF:

- 5.1 An Instruction has been placed through the E-Service and Client has not received an accurate acknowledgment receipt of the Instruction (whether by hard copy, electronic or verbal means) within one working day of the Instruction and the aforesaid “working day” means a day when SHKFX opens for business in Hong Kong;
- 5.2 Client has received notification (whether by hard copy, electronic or verbal means) of a transaction which Client did not Instruct;
- 5.3 Client becomes aware of any apparent unauthorised use of any of Client’s Access Codes;
- 5.4 Client experiences any problems in accessing its Account through the E-Service; or
- 5.5 Client loses, fails or is otherwise unable to adequately protect confidentiality of the Access Codes.

6. Any risk, including (without limitation) the risk of transmission error, transmission failure, delay, unauthorised access and unauthorised use, arising from or related to the access to and/or use of the E-Service by Client and/or any software or equipment for accessing and/or using the E-Service (whether provided by SHKFX or otherwise), is at the risk of Client. Client shall provide and maintain, at Client’s own risk and cost, the connection equipment (including personal computers, mobile trading devices and modems) and services for accessing and using the E-Service. Client shall be solely responsible for preventing anything which may be harmful to any such equipment (including, without limitation, computer virus, malicious program or harmful component) from entering into any such equipment, whether or not it is originated from SHKFX’s websites (including, without limitation, the Group’s Website and the website comprising E-Service), whether maintained or provided by or on behalf of SHKFX, (together, the **“Websites”**) and, if applicable, whether or not originated from anything provided by SHKFX. Further, Client acknowledges that the Internet or other electronic medium (including E-Service or any part of the Websites) is an inherently unreliable medium of communication and that such unreliability is beyond SHKFX’s control. Client further acknowledges that such unreliability may give rise to various consequences e.g. it may result in failure or delay in transmission of any Instruction or information or affect any function of E-Service or the timeliness, sequence, accuracy, adequacy or completeness of any Instruction or information transmitted or cause loss, or loss of confidentiality, of any Instruction or information transmitted or any transaction made on terms different from the relevant Instruction. Client understands that the aforesaid is not an exhaustive list of all consequences resulted from such unreliability. Client agrees that without limiting the generality of Clause 12.1 of this Agreement above, SHKFX shall not be responsible for any loss, damage, cost, expenses, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with such unreliability or the public nature of the Internet or other electronic medium (including E-Service or any part of the Websites).

7. Client shall use information and materials available through the E-Service for its own needs and shall not resell to any third party or otherwise allow or permit any third party’s access to or use of any such information or materials or otherwise deal with it/them in any way.

8. Client acknowledges that the E-Service, the Websites, information available via or on the E-Service and/or any part of the Websites and the software comprised in the E-Service and/or any part of the Websites are proprietary to SHKFX and/or its agents, partners or contractors. Client warrants and undertakes that it shall not, and shall not attempt to,

- (i) tamper with, modify, de-compile, reverse-engineer or otherwise alter in any way, or
- (ii) gain unauthorised access to or make unauthorised use of,

any part of the E-Service or any part of the Websites or any information available via or on the E-Service or any part of the Websites or any of the software comprised in the E-Service or any part of the Websites. Client acknowledges that SHKFX may take legal action against it, if Client at any

time breaches this warranty and undertaking or if SHKFX at any time reasonably suspects that Client has breached the same. Client undertakes to notify SHKFX immediately if Client becomes aware that any action described in this clause 8 is being perpetrated or attempted by another person.

9. Client acknowledges that in providing the E-Service, SHKFX may use such authentication technologies as it deems appropriate. Client acknowledges that no authentication, verification or computer security technology is completely secure or safe and Client agrees to bear all risks of unauthorised access/use, hacking or identity theft.
10. Client understands that SHKFX shall be entitled to prepare the Internet Trading Policy (as amended from time to time) setting out the operation policy and procedures of the E-Service which shall be available on the Websites (or such part thereof as designated by SHKFX from time to time) and the terms of which shall be binding on Client in respect of its use of the E-Service. The Internet Trading Policy may be amended by SHKFX at any time and from time to time and each amended version shall be applicable on the effective date as specified in the relevant notice available on the Websites (or such part thereof as designated by SHKFX from time to time). In the event of inconsistencies between the terms of this Agreement and the Internet Trading Policy, the terms of this Agreement shall prevail.
11. Client acknowledges that the price quotation service (if any) available on any part of the Websites may be provided by a third party provider appointed by SHKFX from time to time. Client acknowledges and agrees that SHKFX shall not be responsible to Client or any other person for any losses, costs, expenses, damages, claims or liabilities of whatsoever nature which Client or such other person may suffer, directly or indirectly, as a result of or in connection with any aspect of such service including, without limitation, Client's or such other person's reliance on such service. Client shall use price quotation (if any) for its individual use only and shall not furnish such data to any other person or entity for any reason.
12. Client understands that any part of the Websites may provide, for informational purpose only, data regarding FX and/or other investments published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant FX or investment. Client understands that whilst SHKFX believes such data to be reliable, there is no independent basis for SHKFX to verify or contradict the accuracy or completeness of such data. Client understands that no recommendation or endorsement from SHKFX shall be inferred from such data.
13. Client acknowledges and agrees that SHKFX does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of any information provided by or via the E-Service or on or via the Websites (or any part thereof) and any such information is provided on an "as is", "as available" basis. SHKFX gives no express or implied warranties (including but not limited to warranties of merchantability or fitness for a particular use) with respect to such information. Further, Client acknowledges that SHKFX gives no express or implied warranties, representations or undertakings with respect to the prices available from or via E-Service at which Client may make offers in respect of FX (including, without limitation, any warranty, representation or undertaking that such prices are real-time market quotes or best available market prices).
14. Client accepts the risks of receiving or gaining access to services and communication and conducting transactions via the E-Service or over the Internet or by other electronic means or facilities.
15. Client shall, forthwith upon SHKFX's demand from time to time, pay to SHKFX such applicable costs, charges, expenses, fees, taxes, levies, duties, brokerages, commissions and other applicable remuneration and payments in respect of any transaction via the E-Service and/or the provision to Client of the E-Service (or any part thereof) as notified in writing by SHKFX to Client from time to time.
16. Client consents that any document (including, without limitation, any Advice), information, notice or communication may be given or presented to or exchanged with Client electronically on, via or over the Internet, the E-Service and/or any part of the Websites. Any document (including, without limitation, any Advice), information, notice or communication so given or presented to or exchanged with Client as aforesaid shall be deemed to have received by it immediately upon despatch. However, all notices and communications given or delivered to SHKFX electronically on, via or over the Internet, the E-Service and/or any part of the Websites shall be deemed to have been given or delivered to SHKFX on the day of actual receipt by it.
17. Client agrees that should it experience any problems in accessing to and/or using the E-Service, it shall attempt to use the alternative method to communicate with SHKFX (whether or not for the purpose of any transaction) and inform SHKFX of the difficulty it is experiencing.
18. Client understands that each association/entity asserts a proprietary interest in all of the market data it furnishes to the parties who disseminate such data. Client also understands that no party guarantees the timeliness, sequence, adequacy, accuracy or completeness of market data or any other market information. Client agrees that neither SHKFX nor any disseminating party shall be liable in any way for any loss or damage arising from or caused by any inaccuracy, error or delay in or omission from any such data, information or related message, or the transmission or delivery of the same, or non-performance or interruption of any such data, message or information due to any negligent act of SHKFX or any disseminating party, or to any force majeure event, or any other cause beyond SHKFX's control or the reasonable control of any disseminating party.
19. Client acknowledges and agrees that there are risks of misunderstanding or errors in any communication (including any communication or Instruction via the E-Service) and that such risks shall be absolutely and solely borne by Client.
20. Client acknowledges and agrees that each Instruction once given cannot be revoked and if acted on by SHKFX, such Instruction shall be binding on Client. For the avoidance of doubt, any Instruction in relation to any FX given via E-Service shall constitute an irrevocable offer which, if accepted by SHKFX, shall become a binding contract between SHKFX and Client. Notwithstanding anything to the contrary which may be contained in this Agreement or any other document, SHKFX may, at any time and from time to time, in its absolute discretion without notice and without giving any reason therefor, decline to accept any Instruction. Client acknowledges that without prejudice to the foregoing in this clause 20, any trade confirmation issued from or via E-Service shall be merely an acknowledgement of the receipt of the relevant Instruction.
21. Client understands that the order management engine used in processing Client's Instructions is, generally speaking, handled on a "First-In-First-Out" order and accordingly, SHKFX does not guarantee that any of Client's Instructions will be processed even though it may have been received.
22. If Client gives any Instruction to SHKFX outside Hong Kong, Client agrees to ensure and represent that such Instruction will have been given in compliance with any applicable law of the relevant jurisdiction from which such Instruction is given, and Client further agrees that it shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. Client accepts that there may be taxes and/or charges payable to relevant authorities in respect of any Instruction given outside Hong Kong, and Client agrees to pay such taxes and/or charges as applicable.
23. Without limiting the generality of Clause 12.1 of this Agreement above, Client agrees that SHKFX shall not be responsible for any loss, damage, cost, expenses, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with:
 - 23.1 Client's access to and/or use of the Internet or other electronic medium (including E-Service or any part of the Websites) notwithstanding that such access and/or use is for accessing any website operated by SHKFX and/or on SHKFX's behalf and/or using any service provided by SHKFX and/or on SHKFX's behalf;
 - 23.2 any reliance on any information obtained via Client's use of the Internet or other electronic medium (including E-Service or any part of the Websites) notwithstanding that such information is obtained from any website operated by SHKFX and/or on SHKFX's behalf; and
 - 23.3 any other cause beyond SHKFX's control or anticipation including, without limitation, any delay in the transmission, receipt or execution of any Instruction due to a breakdown or failure of transmission of communication facilities.
24. Client agrees that notwithstanding anything to the contrary contained herein or in any other document, should there be any inconsistency between the information (including any document but not any Advice) available from or via the E-Service, the Websites, the Internet or other electronic medium

(whether or not the same being available in accordance with this Agreement) and the information on SHKFX's records, the information on SHKFX's records shall prevail save for any manifest error and that SHKFX shall accept no liability as a result of the unreliable nature of the Internet or other electronic medium (including E-Service or any part of the Websites) or other reason beyond the control of SHKFX.

25. Client understands and accepts the following risks in using the E-Service:

25.1 Risk in relation to the use of the Internet or other electronic medium

- (a) The Internet or other electronic media (including without limitation, where applicable, electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) is/are an inherently unreliable form(s) of communication, and that such unreliability is beyond SHKFX's control.
- (b) Transactions over the Internet or through other electronic media (including without limitation, where applicable, electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) may be subject to interruption (including, without limitation, stoppage of price data feed), transmission blackout, delayed transmission due to data volume, incorrect data transmission due to the public nature of the Internet or other electronic media or loss of information or loss of confidentiality.
- (c) As a result of such unreliability, there may be time-lags or delays in the transmission of data and receipt of Instructions and Client has to solely bear any loss resulting from any such time-lag or delay.

25.2 Risk of Electronic Trading System

Trading on one electronic trading system may differ from trading on other electronic trading systems. If Client undertakes transactions on an electronic system, Client shall be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that in respect of Client's Instructions, there may be transmission error, failure or delay.

25.3 Risk of Trading Facilities

Electronic trading facilities are supported by computer-based component systems. As with all facilities and systems, they are vulnerable to temporary disruption or failure. 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: Client should ask the firm with which Client deals for details in this respect

Client understands and acknowledges that the risks above disclosed do not purport to disclose or discuss all of the risks associated with using E-Service and that Client should consult Client's own independent legal and other advisors prior to entering into any transaction via E-Service.

- 26.** Client consents and authorises SHKFX to deliver the Password to Client by email ("Authorisation") to the email address specified in the Account Application and agrees to bear all risks associated with such email delivery, including but not limited to the risks of transmission error, delay, unauthorised disclosure and unauthorised use. Client agrees that the Password will be deemed to have been received by Client immediately upon despatch. Client acknowledges that once the Password is deemed to be received by Client, Client shall be the sole user of the Password and be solely responsible for the confidentiality, protection and use of the Password as well as all instructions/offers placed by using the Password. SHKFX shall not have any liability to Client or any third party for any loss, damages, expense, cost, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with any such instruction/offer and/or the handling, inaccurate or incomplete transmission, delay in transmission, loss or loss of confidentiality, or the same. Client agrees at all times on demand to indemnify and keep indemnified SHKFX from and against all liabilities, costs and expenses of any nature whatsoever reasonably incurred by it arising from or in any way related to its reliance and/or acting on this Authorisation (including any email address provided by Client). Client acknowledges that this Authorisation will become effective on the date of SHKFX's approval of sending the Password in accordance with the terms hereof, which approval may or may not be given by SHKFX in its absolute discretion.
- 27.** Client acknowledges and agrees that the fees set forth in the Websites (or any part thereof) appropriately reflect the allocation of risks set forth in this Agreement. Accordingly, based on the foregoing, Client acknowledges as reasonable the exclusions of warranties and limitations on liability set forth in this Agreement. As such, Client acknowledges and agrees that if any of the exclusions or limitation of warranties or liabilities set forth in this Agreement should be deemed to be invalid, ineffective or unenforceable, or in the event SHKFX is found liable for any claim arising out of or in connection with this Agreement or this Sixth Schedule, then, the entire collective liability of SHKFX and/or any member of the Group shall in no circumstance exceed two (2) times the amount of fees paid by Client to SHKFX in the month immediately preceding the act or omission or circumstance giving rise to a claim.
- 28.** All or any part of the E-Service (or any option permitted under all or any part of the E-Service) may be provided at the sole and absolute discretion of SHKFX either on an individual account basis or on the basis of all accounts maintained by Client with SHKFX. SHKFX shall have the right to send a notice by way of a letter, email or other electronic means to require Client to clarify or confirm its instructions relating to all or any part of the E-Service and/or any other service provided under the Agreement. Client shall have the duty to clarify or confirm its instruction as required by such notice. If SHKFX does not subsequently receive any express instruction in writing from Client correcting SHKFX's understanding of Client's instruction as stated in such notice by the response time limit stated in such notice, Client shall be deemed to have confirmed SHKFX's understanding of the relevant instruction of Client and/or the manner in which SHKFX handles or will handle Client's instruction as stated in such notice.

FIFTH SCHEDULE

FOREIGN LAW REQUIREMENTS

1. INTERPRETATION

1.1 Definitions

In this Fifth Schedule, unless the context otherwise requires, the following words and expressions have the meanings set out below:

“Close-Out Amount” means, unless otherwise specifically provided for in the transaction documentation applicable to a particular transaction or group of transactions, with respect to each terminated transaction, the amount of the losses or costs of SHKFX that are or would be incurred under then prevailing circumstances (expressed as a positive number) or gains of SHKFX that are or would be realised under then prevailing circumstances (expressed as a negative number) in replacing, or in providing for SHKFX the economic equivalent of the material terms of that terminated transaction. Any Close-out Amount will be determined by SHKFX (or its agent), which will act in good faith and use commercially reasonable procedures in order to produce a commercially reasonable result. Unpaid Amounts in respect of a terminated transaction and legal fees and out-of-pocket expenses are to be excluded in all determinations of Close-out Amounts. In determining a Close-out Amount, SHKFX may consider any relevant information, including, without limitation, quotations (either firm or indicative) for replacement transactions supplied by one or more third parties and market data in the relevant market. When it is commercially reasonable to do so, SHKFX may in addition consider in calculating a Close-out Amount any loss or cost (or gain) incurred in connection with its terminating, liquidating or re-establishing any hedge related to a terminated transaction. Commercially reasonable procedures used in determining a Close-out Amount may include the application of pricing or other valuation models that are, at the time of the determination of the Close-out Amount, used by SHKFX in the regular course of its business in pricing or valuing transactions.

“FATCA” means

- (a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
- (b) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with item (a) including as entered into by the government of Hong Kong;
- (c) agreements between SHKFX and the IRS or other regulator or government agency pursuant to or in connection with item (a); and
- (d) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

“Foreign Law Requirement” means any obligation imposed on SHKFX pursuant to any future or present:

- (a) foreign laws (including foreign laws in respect of which SHKFX considers itself bound);
- (b) Hong Kong laws that implement Hong Kong’s obligations under an agreement with a foreign government (including the government of the PRC) or regulator;
- (c) agreements entered into between SHKFX and a foreign government (including the government of the PRC) or regulator;
- (d) agreements entered into between SHKFX and any counterparty or between SHKFX and any issuer of securities or other investment products under or pursuant to or in connection with which SHKFX is required to comply with any foreign laws or any guidelines or guidance mentioned in item (e) below; or
- (e) guidelines or guidance issued by any legal, regulatory, government, tax or law enforcement body within or outside of Hong Kong in respect of items (a) to (c).

For the avoidance of doubt, this definition includes any obligation or requirement applying to SHKFX as amended or introduced from time to time, including pursuant to FATCA.

“Government Authority” means any government, government body, government agency or regulator, in or outside of Hong Kong, including the Inland Revenue Department of Hong Kong and the IRS.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC. “IRS” means the U.S. Internal Revenue Services.

“PRC” means the People’s Republic of China (excluding Hong Kong, Macau and Taiwan).

“Relevant Information” means any information, document or certification given by or relating to Client, any Ultimate Owner, any authorised representatives of the Client, any Account with SHKFX or any transaction and shall include where the context permits identity information and personal data including Client’s name, address, tax payer identification number, Account numbers, Account balances or value and any payments made in respect to the Accounts.

“Ultimate Owner” means any ultimate beneficial owner of any Account with SHKFX, the person ultimately responsible for giving of instructions of any transaction, any person who act on Client’s behalf in receiving payment or any other person identified by SHKFX in its sole and absolute discretion as being connected with Client.

“Unpaid Amounts” mean any unpaid amounts and the value of unsettled transactions together with interest thereon as determined by SHKFX in good faith and a commercially reasonable manner.

“U.S.” means the United States of America.

1.2 Terms and expressions defined in this Agreement shall have the same meaning in this Fifth Schedule unless the context otherwise requires. References to clauses in this Fifth Schedule shall refer to clauses contained in this Fifth Schedule, unless the context otherwise requires.

1.3 In the event of any inconsistency between the provisions of this Agreement and this Fifth Schedule, the provisions of this Fifth Schedule shall prevail; provided, however, that this Fifth Schedule in no way seeks to limit any of SHKFX’s rights under this Agreement and should be interpreted accordingly.

2. UNDERTAKING TO PROVIDE INFORMATION

2.1 Client agrees that SHKFX may disclose Relevant Information to any person or Government Authority, whether or not established under Hong Kong law, as required under any Foreign Law Requirement (including but not limited to FATCA) as determined by SHKFX.

2.2 Client undertakes to provide SHKFX with information, documents and certifications as reasonably required by SHKFX in order to meet SHKFX’s obligations under any Foreign Law Requirement (including but not limited to FATCA). Client acknowledges and agrees that this may include information, documents or certifications in connection with Client, its authorized representatives, or the Ultimate Owner.

2.3 Client will, promptly and from time to time, supply SHKFX with identity information and personal data in connection with the establishment

or continuation of any Account with SHKFX or provision of services. Client further acknowledges that failure to supply Relevant Information may result in SHKFX being unable to effect a transaction, provide the services under this Agreement or operate or maintain any Account with SHKFX; or may result in SHKFX terminating the Account. It may also result in SHKFX having to withhold or deduct amounts as required under any Foreign Law Requirement (including but not limited to FATCA).

- 2.4 Client shall notify SHKFX forthwith of any change to the Relevant Information. SHKFX shall be entitled to rely fully on all such Relevant Information for all purposes until SHKFX is notified to the contrary in writing and any such written notification shall be duly signed by Client. Client understands and accepts that notwithstanding anything to the contrary which may be contained in this Agreement including this Fifth Schedule, any change to any such information shall not take effect until five (5) days after the actual receipt by SHKFX of the relevant written notification or until such shorter period of time as may be agreed by SHKFX in writing.
- 2.5 For the avoidance of doubt, to the extent that applicable non-disclosure, confidentiality, bank secrecy, data privacy or other law imposes non-disclosure requirements on transaction and similar information required or permitted to be disclosed as contemplated herein but permits a party to waive such requirements by consent, the consent and acknowledgements provided herein shall be a consent by Client for purposes of such law.

3. INDEMNITY

Without limiting any other indemnity provided by Client, Client will indemnify SHKFX and its directors, employees and representatives against any liability, reasonable loss or expense (including tax or levy) arising from Client's instructions, Account or the provision of a service to Client, including as a result of any failure by Client to comply with this Agreement, including this Fifth Schedule, Client or other agent of Client providing misleading or false information in respect of Client or any other person or matter in connection with this Agreement, unless SHKFX is guilty of wilful misconduct.

4. CONSENT TO DEDUCT, WITHHOLD AND BLOCK

4.1 Client acknowledges and agrees that notwithstanding any other provisions of this Agreement:

- (a) any payments by SHKFX under this Agreement will be subject to taxes, levies, imposts, duties or other charges, withholding and/or deduction of a similar nature, at present or in the future, as required under any Foreign Law Requirement (including but not limited to FATCA), including but not limited to value added taxes, stamp duties, fines, penalties or interest payable in connection with any failure to pay or any delay in paying any of the above;
- (b) any amount withheld under paragraph (a) above may be held in whatever Account or in whatever manner determined by SHKFX; and
- (c) SHKFX is not liable for any gross up, loss or damage suffered as a result of the exercising of our rights under this Clause 4.1.

4.2 Client further acknowledges and agrees that

- (a) SHKFX has the right to refuse to carry out any instruction or perform any service under this Agreement if such instruction or service, in SHKFX's opinion, is in contradiction with or constitutes a breach of any Foreign Law Requirement (including but not limited to FATCA) and/or SHKFX's policies in relation thereof;
- (b) any transaction, payment or instruction under this Agreement may be delayed, blocked, transferred or terminated as required for SHKFX to meet its obligations including those under any Foreign Law Requirement (including but not limited to FATCA) as determined by SHKFX; and
- (c) Client waives any rights to claim for any loss, damage, cost or expenses suffered as a result SHKFX exercising its rights under the Fifth Schedule.

5. TERMINATION

5.1 SHKFX may take such action that it deems in its sole discretion as appropriate, in respect of the Account, including without limitation suspending or closing the Account if Client fails to comply with any requirement of this Fifth Schedule in respect of any Foreign Law Requirement (including but not limited to FATCA), including failing to provide information, documents and supporting materials as required by SHKFX or closure is otherwise necessary or convenient for compliance with any Foreign Law Requirement (including but not limited to FATCA).

5.2 If SHKFX terminates the services under this Agreement and close the Account(s) of Client, then SHKFX shall have the right, by termination notice to Client, to designate a day not earlier than the day such termination notice is effective as a close-out date (the "**Close-Out Date**") and close out some or all of the outstanding transaction(s) in relation to the terminated Account(s) of Client at SHKFX's sole and absolute discretion. For the avoidance of doubt, when exercising its right to close out the transactions pursuant to this Clause 5, SHKFX is not liable for any losses or damages arising therefrom.

5.3 SHKFX shall calculate in good faith, with respect to such terminated transaction(s) as of the Close-Out Date or as soon thereafter as reasonably practicable, the early termination amount (the "**Early Termination Amount**") as follows:

- (a) for each such terminated transaction or each group of such terminated transactions, calculate a Close-Out Amount;
- (b) calculate the Early Termination Amount being an amount equal to (1) the sum of (A) the aggregate sum of the Close-Out Amount (whether positive or negative) for each terminated transaction, (B) the Unpaid Amounts owing to SHKFX and (C) any legal cost and out-of-pocket expenses incurred by SHKFX in good faith less (2) the Unpaid Amounts owing to Client; and
- (c) if the Early Termination Amount is a positive number, Client will pay it to SHKFX; if the Early Termination Amount is a negative number, SHKFX will pay the absolute value of the Early Termination Amount to Client.

RISK DISCLOSURE STATEMENTS

The below does not purport to disclose or discuss all of the risks, or other significant aspects, of conducting transactions or of the transactions conducted. You (i.e. Client) should not construe this generic disclosure statements as business, legal, tax or accounting advice or as modifying applicable law. In light of the risks involved, you should undertake a transaction only if you understand its nature, the contractual relationship into which you are entering, and the nature and extent of your exposure to risk. You should also consider whether a transaction is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. While Sun Hung Kai Forex Limited (“SHKFX”) proposes to give this general risk warning, it is not acting as your financial advisor and you must not regard SHKFX as so acting. You should consult your own independent business, legal, tax and financial advisors prior to entering into any transaction and refrain from entering into any transaction unless you have fully understood the terms and conditions of the transaction, including the extent of your potential risk of loss.

RISKS OF TRADING

1. Any representation of past performance is not necessarily a guide to future performance.
2. Changes in rates of exchange may cause the value of the investments to fluctuate up or down.
3. SHKFX is entitled to act upon your instructions and you cannot assume that SHKFX will warn you if your instructions are ill-timed or inadvisable for any reason or if the instructions are likely to cause you loss.
4. Before you make any investment, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

For the sake of simplicity, derivative transactions can be divided into four basic forms, although the forms can be overlapping and one deal can be a combination of those four forms. The basic forms are swaps, options, forwards and hybrid instruments (which are asset, liability, equity or debt obligations with an embedded transaction from one of the other three categories). Derivative transactions can be settled in cash, by delivery of property against other property or cash, or by normal hold to maturity with no cash settlements. No matter what form is involved, a common feature of all derivatives is that the obligations of one or both of the parties are based on price movements in an underlying financial asset from which the transaction is derived. This financial asset may be, for example, securities (including shares and bonds), interest rates, indices, currencies or the creditworthiness of a reference entity.

You should not enter into a derivative transaction unless you fully understand:

- the nature and fundamentals of a derivative and the financial asset underlying such derivative;
- the legal terms and conditions of the documentation for such derivative;
- the extent of the economic risk to which you are exposed as a result of entering into such derivative transaction (and you have determined that such risk is suitable for you in light of your specific experience in relation to such derivative transaction and/or the relevant derivative and your financial objectives, circumstances and resources);
- the tax treatment of such derivative (which can be complex and/or uncertain); and
- the regulatory treatment of such derivative.

RISK OF TRADING IN LEVERAGED FOREIGN EXCHANGE CONTRACTS

The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

RISKS OF TRADING IN OPTIONS

The risk of loss in trading in options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in light of your own financial position and investment objectives. If you trade options, you should inform yourself of exercise and expiration procedures (as relevant) and your rights and obligations upon exercise or expiry (as the case may be). If you are in any doubt about this document or about the sale and purchase of options or otherwise, you should consult your bank manager, solicitor, accountant or other independent professional adviser(s).

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

1. OPTIONS

Variable degree of risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. Some options may only be exercised on an expiry day (European-Style Exercise) and other options may be exercised at any time before expiration (American-Style Exercise).

You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

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

Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. You acknowledge that SHKFX has no obligation either to exercise a valuable option in the absence of your instruction, or to give you prior notice of the expiration date of the option.

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 unfavorably. 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 futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin. If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract 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.

2. ADDITIONAL RISKS FOR OPTIONS

(a) Terms and conditions of contracts

You should ask SHKFX about the terms and conditions of the specific options which you are trading and associated obligations (e.g. 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.

(b) 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. You acknowledge that if you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between 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.

(c) Deposited cash and property

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

(d) Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss. By commencing any trading activities with SHKFX, you acknowledge that you have been so informed by SHKFX.

(e) Trading facilities

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

(f) Electronic trading

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

(g) Transactions in other jurisdictions

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

(h) Currency risks

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

(i) Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should become familiarised with applicable rules and attendant risks. (Please also see the section on “Generic Risks Associated with OTC Derivative Transactions” below.)

RISKS IN RELATION TO THE USE OF THE INTERNET OR OTHER ELECTRONIC MEDIUM

Any communication or transaction via or information (including any document) transmitted via the Internet or other electronic medium involves risks and you understand and accept the following risks:

- (a) The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) are an inherently unreliable form of communication, and that such unreliability is beyond SHKFX’s control.
- (b) Information (including any document) transmitted or communication or transactions over the internet or through other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) may be subject to interruption, transmission blackout, delayed transmission due to data volume or incorrect data transmission (including without limitation incorrect price quotation) or stoppage of price data feed due to the public nature of the Internet or other electronic media.

- (c) As a result of such unreliability, there may be time-lags or delays or failures or loss of data or loss of confidentiality in the transmission of data and receipt of instructions and instructions may be executed at prices different from those prevailing at the time the instructions were given.

RISKS OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL ETC.

There is risk if you provide SHKFX with an authority that allows it to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If your securities or securities collateral are received or held by SHKFX in Hong Kong, the above arrangement is allowed only if you consent in writing.

Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if SHKFX issues you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by SHKFX, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. SHKFX should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although SHKFX is responsible to you for securities or securities collateral lent or deposited under your authority, a default by it could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from SHKFX. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

RISKS 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 SHKFX. 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.

RISK IN RELATION TO AUTHORISED THIRD PARTY

There are substantial risks in allowing an Authorised Third Party to trade or operate your account, and it is possible that instructions could be given by persons not properly authorised. You accept all of the risks of such an operation and irrevocably releases SHKFX from all liabilities arising out of or in connection with such instructions, whether taken by SHKFX or otherwise.

RISKS OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES

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

RISKS IN LEAVING MONEY OR OTHER PROPERTY IN THE CUSTODY OF SHKFX OR ITS NOMINEES OR AGENTS

You acknowledge that there are risks in leaving money or other property in the custody of SHKFX or its nominees or agents. For example, if SHKFX is holding your money or other property and becomes insolvent, you may experience significant delay in recovering the same. These are risks that you are prepared to accept.

RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by SHKFX or SHKFX's nominee outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) 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.

GENERIC RISKS ASSOCIATED WITH OVER-THE-COUNTER ("OTC") DERIVATIVE TRANSACTIONS

OTC derivative transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular OTC derivative transaction necessarily depend upon the terms of the transaction and your circumstances. In general, however, all OTC derivative transactions involve some combination of market risk, credit risk, funding risk and operational risk.

- (a) **Market risk** is the risk that the value of a transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices, rates or indices or other market factors or by illiquidity in the market for the relevant transaction or in a related market.
- (b) **Credit risk** is the risk that a counterparty will fail to perform its obligations to you when due.
- (c) **Funding risk** is the risk that, as a result of mismatches or delays in the timing of cash flows due from or to your counterparties in OTC derivative transactions or related hedging, trading, collateral or other transactions, you or your counterparty will not have adequate cash available to fund current obligations.
- (d) **Operational risk** is the risk of loss to you arising from inadequacies in or failures of your internal systems and controls for monitoring and quantifying the risks and contractual obligations associated with OTC derivative transactions, for recording and valuing OTC derivative and related transactions, or for detecting human error, systems failure or management failure.

There may be other significant risks that you should consider based on the terms of a specific transaction. Highly customised OTC derivative transactions in particular may increase liquidity risk and introduce other significant risk factors of a complex character. Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in the value or level of an underlying or related market factor.

Because the price and other terms on which you may enter into or terminate an OTC derivative transaction are individually negotiated, these may not represent the best price or terms available to you from other sources.

In evaluating the risks and contractual obligations associated with a particular OTC derivative transaction, you should also consider that an OTC derivative transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Accordingly, it may not be possible for you to modify, terminate or offset your obligations or your exposure to the risks associated with a transaction prior to its scheduled termination date.

Similarly, while market makers and dealers generally quote prices or terms for entering into or terminating OTC derivative transactions and provide indicative or mid-market quotations with respect to outstanding OTC derivative transactions, they are generally not contractually obligated to do so. In addition, it may not be possible to obtain indicative or mid-market quotations for an OTC derivative transaction from a market maker or dealer that is not a counterparty to the transaction. Consequently, it may also be difficult for you to establish an independent value for an outstanding OTC derivative transaction. You should not regard your counterparty's provision of a valuation or indicative price at your request as an offer to enter into or terminate the relevant transaction at that value or price, unless the value or price is identified by the counterparty as firm or binding.

The above does not purport to disclose all of the risks and other material considerations associated with over-the-counter ("OTC") derivative transactions. You should not construe this generic disclosure statement as business, legal, tax or accounting advice or as modifying applicable law. You should consult your own business, legal, tax and accounting advisers with respect to proposed OTC derivative transactions and you should refrain from entering into any OTC derivative transaction unless you have fully understood the terms and risks of the transaction, including the extent of your potential risk of loss.

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