

**CLIENT AGREEMENT
FOR STOCK OPTIONS TRADING**
Version Series Number: **OPT201812**

THIS AGREEMENT, effective immediately upon execution, is entered into

BETWEEN

- (A) **GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED** whose registered office is at 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (hereinafter referred to as "**GTJAS**"); and
- (B) the undersigned client(s) whose name(s) and address are as appeared on the signatory page of the Account Opening Form for securities (for the purposes of this Agreement, including Options) trading (hereinafter referred to as the "**Client**").

WHEREAS

- GTJAS is:-
 - a licensed and registered with the Securities and Futures Commission ("**SFC**") as a Licensed Corporation (CE number **ABY236**) for carrying on the regulated activities of (1) dealing in securities (including provision of financial accommodation to facilitate acquisitions or holdings of securities by Client); and (2) advising on securities; and
 - an Exchange Participant and an Options Exchange Participant of the Stock Exchange of Hong Kong Limited.
- This Agreement shall be read in conjunction with and as a supplement to the Client Agreement for Securities Trading entered into by the Client and GTJAS ("**Securities Trading Agreement**"). Where any conflict arises between the provisions of the Securities Trading Agreement and this Agreement, the provisions of this Agreement shall prevail.
- In consideration of GTJAS accepting to open an Options trading account(s) and operating such account in the Client's name and on the Client's behalf, for the purpose of and in connection with the client's stock option trading activities, the Client hereby agrees to abide by the following terms and conditions.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

- Terms defined in this Agreement have the same meanings as in the Securities Trading Agreement unless stated otherwise.
- Reference to "**Account**" in the Securities Trading Agreement is deemed to include the Options trading account as established pursuant to this Agreement.
- In this Agreement, the following terms shall bear the following meanings:-

"**AEOI**" or "**Automatic Exchange of Financial Account Information**" means one or more of the following, as the context requires: (i) FATCA (Foreign Account Tax Compliance Act); (ii) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance; (iii) any intergovernmental agreement, treaty, regulation, guidance, standard or any other arrangement between Hong Kong and any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations, guidance or standards described in (i) and (ii) above; and (iv) any legislation, regulations or guidance implemented in Hong Kong to give effect to the matters outlined above.

"**Affiliate**" means, in relation to GTJAS, any entity controlled, directly or indirectly, by GTJAS, any entity that controls, directly or indirectly, GTJAS or any entity directly or indirectly under common control with GTJAS. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"**Client Money Standing Authority**" means the standing authority granted by the Client to GTJAS in the terms set out in Clause 14 as amended from time to time.

"**Client Securities Standing Authority**" means the standing authority granted by the Client to GTJAS in the terms set out in Clause 14 as amended from time to time.

“**GTJA Group**” means GTJAS and its Affiliates.

“**FATCA**” or “**Foreign Account Tax Compliance Act**” means (i) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance; (ii) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of the legislation or guidance referred to in (i) above; and (iii) any agreement pursuant to the implementation of the legislation or guidance referred to in (i) or (ii) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“**HKEx**” means the Hong Kong Exchanges and Clearing Limited.

“**HKSCC**” means the Hong Kong Securities Clearing Company Limited.

“**Holding company** and **subsidiary**” shall have the respective meanings ascribed thereto by section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

“**Instruction**” means any instruction (including any subsequent amendment or cancellation thereof accepted by GTJAS) the Client may give for the trading, dealing and settlement in Options, whether verbally, through the electronic trading service or in such other manner as GTJAS may permit.

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

“**Margin**” means such amount in such currency and such other security whatsoever as GTJAS may from time to time demand in accordance with this Agreement from the Client by way of margin, variation adjustments or cash adjustments in relation to contracts.

“**Options**” or “**Options Contract**” means a stock option contract pursuant to which one party grants to the other party a right (but not the obligation), exercisable by the latter party on or before a specified date, to acquire or to dispose of (as the case may be) a specified quantity of a securities at an agreed price.

“**Rules**” means the Rules of the SEHK (to the extent applicable), the Options Trading Rules and Operational Trading Procedures for Options Trading Exchange Participants of the SEHK, the Options Clearing Rules and Operational Clearing Procedures for Options Trading Exchange Participants of the SECH and the General Rules of Central Clearing and Settlement System, and, where applicable, all other rules and regulations of the SEHK.

“**SEHK**” means the Stock Exchange of Hong Kong Limited.

“**SECH**” means the SEHK Options Clearing House Limited.

- 1.4 Words denoting the singular shall include the plural and vice versa, reference to one gender shall include all genders and words denoting person, the Client and GTJAS shall include a natural person, firm or a sole proprietorship, partnership, syndicate and corporation and vice versa.

2. JOINT ACCOUNTS

- 2.1 Where the Account is jointly owned by two or more individuals, the Client states that the Client are joint tenants with right of survivorship. The Client’s liabilities and obligations shall be joint and several. In the event of death of either or any of the Client, the entire interest in any account opened on the Client’s behalf shall be vested in the survivor or survivors on the same terms and conditions in this Agreement.
- 2.2 Each of the Clients shall have authority to exercise all his rights, powers and discretions hereunder and generally to deal with GTJAS as if each of them alone were the Account holder without notice to the other. GTJAS may follow the Instruction of any of them concerning the Account and shall not be obliged to inquire into or see the application of any monies as between the joint Account holders.

3. APPLICABLE RULES AND REGULATIONS

All Options Contracts for the Account shall be subject to the terms and conditions of this Agreement and the Rules. The Rules shall be binding on GTJAS and the Client in respect of Options Contracts traded in accordance with the Client’s Instruction, and the Rules contain provisions requiring GTJAS in certain circumstances to disclose to the SEHK the Client’s name, beneficial identity and such other information concerning the Client and the Account(s).

4. OPTIONS TRADING

- 4.1 The Client agrees that the terms of the Standard Contract (as defined in the Options Trading Rules) for the relevant Options series shall apply to each Options Contract between GTJAS and the Client, and that all Options Contracts shall be created, exercised, settled and discharged in accordance with the Rules. SECH has authority under the Rules to make adjustments to the terms of Contracts and the GTJAS shall notify the Client of any adjustments made by SECH to the terms of Contracts which affect Options Contracts to which the Client is a party.
- 4.2 GTJAS may place limits on the open positions or delivery obligations that the Client may have at any time. The Client acknowledges that:-
- (a) GTJAS may be required to close out or give-up Options Contracts to comply with the position limits imposed by SEHK; and
 - (b) if GTJAS goes into default, the default procedures of SEHK may result in Options Contracts being closed out or replaced by Options Contracts between the Client and another Options Exchange Participant.
- 4.3 GTJAS may agree, at the Client's written request, to have the Options Contracts entered into with the Client replaced by Options Contracts between the Client and another Options Exchange Participant in accordance with the Rules.
- 4.4 The Client acknowledges that the Client and GTJAS shall contract as principals under Options Contracts notwithstanding that all Options Contracts are to be executed on SEHK.
- 4.5 GTJAS may, where requested by the Client, and in accordance with the Client's Instructions, request the give-up of Options Contracts of the Client to a different Options Trading Exchange Participant. The Client agrees that, upon acceptance of such request, any Options Contract between GTJAS and the Client shall, by operation of the Options Trading Rules and this Agreement, immediately be novated into a new Options Contract, on identical terms to that Options Contract, between the other Options Trading Exchange Participant and the Client, as principals to such Options Contract. If the request is not accepted, the original Options Contract shall remain in full force and effect, as if the give-up has never been requested.
- 4.6 Every SEHK traded Options Contract shall be subject to the charge of the Investor Compensation Fund levy and a levy pursuant to the SFO, the cost of both of which shall be borne by the Client. The Client understands that if the Client suffers pecuniary loss by reason of GTJAS's default, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules (Cap.571 AC) and accordingly there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all.

5. INSTRUCTIONS AND TRANSACTIONS

- 5.1 Instructions may be given orally, in writing or electronically. GTJAS shall be entitled to rely and act upon any Instruction which purports or which GTJAS believes in good faith to have been given by the Client.
- 5.2 Unless the Client gives specific Instruction to GTJAS to the contrary and which Instruction is accepted by GTJAS, the Client acknowledges that all orders, Instruction or requests in relation to the Account are good for the day only and that they will lapse at the end of the official trading hours of the SEHK.
- 5.3 GTJAS may decline to accept any Instruction from the Client in its absolute discretion and without assigning any reason, whether in relation to the entering into or closing out of any Options Contract, or the exercise of any rights thereunder. In such event, GTJAS will endeavour to notify the Client accordingly, but GTJAS shall not in any circumstances whatsoever be liable in any way for any loss of profit or gain, damage, liability, cost or expense suffered or incurred by the Client arising out of or in connection with GTJAS declining to act on such Instruction or omitting so to notify the Client.
- 5.4 GTJAS may, for the purpose of carrying out any Instruction given by the Client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with GTJAS, on such terms and conditions as GTJAS may in its absolute discretion determine.
- 5.5 Subject to applicable laws and regulations and market requirements, GTJAS may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by GTJAS.
- 5.6 The Client acknowledges and consents that GTJAS shall, at its absolute discretion, be entitled to claim margin offset for the Client's positions through the Client Offset Claim Account ("COCA") in Derivatives Clearing and Settlement System ("DCASS") of the HKEx.

5.7 The Client understands that the SEHK and the SEOCH have established cut-off times for the tender of exercise Instructions and that an Options will become worthless if exercise Instructions are not delivered before such expiration time. The Client also understands that the SEHK and the SEOCH automatically will exercise some "in-the-money" Options unless instructed otherwise. The Client acknowledges full responsibility for taking action either to exercise or not to exercise an Options Contract. GTJAS is not required to take any action with respect to an Options Contract, including but not limited to any action to exercise a valuable Options prior to its expiration date or to prevent the automatic exercise of an Options, except upon the Client's express Instructions. The Client further understands that GTJAS has established exercise cut-off times, which may be earlier than the times established by the SEHK or the SEOCH.

6. COMMISSION AND CHARGES

- 6.1 In consideration of GTJAS carrying out or entering into Options Contracts on the Client's behalf or for the Account, the Client agrees to pay GTJAS commissions at such rate or rates and on such basis as it may from time to time determine and notify the Client as being the rate or rates applicable to the Account. In addition, the Client shall pay or reimburse GTJAS forthwith on demand all commission, brokerage, levies, fees, duties and taxes and all other charges and expenses incurred by GTJAS arising out of or in connection with any purchase or sale of Options Contracts entered into by GTJAS on behalf of the Client or otherwise arising out of or in connection with the performance of any of GTJAS's duties under this Agreement. All such amounts may be deducted from the Account and any other accounts maintained by the Client with GTJAS.
- 6.2 Every Options Contract executed on the SEHK shall be subject to any levies or charges that the SEHK may from time to time impose. GTJAS is authorized to collect from the Client any such levies in accordance with the Rules prescribed by the SEHK.

7. MARGIN

- 7.1 In respect of all Options Contracts entered into by GTJAS on behalf of the Client, the Client shall before the relevant Options Contract is entered into or otherwise immediately upon demand provide GTJAS with such Margin together with such guarantees and other security in such form and amount and on such terms as GTJAS may in its absolute discretion require from time to time. Such Margin shall be maintained with GTJAS and the Client shall not withdraw the same until the Options Contract to which it relates has been closed out. GTJAS shall be entitled to refuse to execute the Client's Instruction unless the Margin required by GTJAS has been provided to GTJAS.
- 7.2 The Client agrees to maintain such Margin and shall on demand pay or deliver such additional Margin by means of cash, securities and/or other assets in such form and amounts and within such time as may be determined by GTJAS to be payable by the Client or by GTJAS on the Client's behalf in respect of such Margin or any other payment in connection with any Options Contracts entered into on the Client's behalf under the terms of this Agreement. The amounts required by way of Margin should not be less than, but may exceed, the amounts as may be required by the Rules in respect of the Client's open positions and delivery obligations, and further Margin may be required to reflect changes in market value.
- 7.3 If GTJAS accepts securities by way of Margin, the Client will on request provide GTJAS with such authority as GTJAS may require under the Rules to authorise GTJAS to deliver such securities, directly or through an Options Exchange Participant, to SEOCH as SEOCH Collateral. Subject to any consent given by the Client, GTJAS does not have any further authority from the Client to borrow or lend Client's securities or otherwise part with possession (except to the Client or on the Client's Instructions) of any of the Client's securities for any other purpose.
- 7.4 The time for payment of any Margin is of the essence and if no other time is stipulated by GTJAS when making a demand then the Client is required to comply with such demand before expiry of two (2) hours from the time of making the demand (or more quickly if required by GTJAS to do so). The Client also agrees to pay immediately in full and on demand any amount owing with respect to any of GTJAS's accounts. All initial and subsequent deposits and payments for Margin and other purposes shall be made in cleared funds and in such currency and in such amounts as GTJAS may in its sole discretion require.
- 7.5 Without prejudice to clause 7.2 above, GTJAS shall be entitled to revise Margin requirements from time to time in its absolute discretion. No previous Margin requirements shall establish a precedent and revised requirements once established shall apply to existing positions as well as to the new positions in the Options Contracts affected by such revision.
- 7.6 For the avoidance of doubt, failure by the Client to meet Margin calls made by GTJAS by the time prescribed by GTJAS or any other accounts payable hereunder shall give GTJAS the right (without prejudice to other rights) to close out open positions in respect of which any Margin calls are not met without notice to the Client and to dispose of any or all assets held for or on behalf of the Client and to apply the proceeds and any cash deposit(s) to pay

GTJAS all outstanding balances owing to GTJAS. Any monies remaining after that application shall be refunded to the Client.

- 7.7 For the avoidance of doubt, if a debit balance arises on any of the Client's Account(s), GTJAS shall not be, nor shall GTJAS be deemed to be, obliged to make available or continue to make available any financial accommodation. In particular, the fact that GTJAS permits a debit balance to arise in any Account(s) so debited shall not imply any obligation on the part of GTJAS to advance monies or incur any obligation on the Client's behalf.

8. PAYMENTS AND REMISSION OF MONIES

- 8.1 The Client shall pay GTJAS forthwith upon demand by GTJAS at any time the full amount of all losses, debit balances and deficiencies resulting from any Options trading of the Client, or from the operation of the Client's Account. Payment shall be made in such currencies as GTJAS may prescribe from time to time.
- 8.2 Without prejudice to the Client's obligation to effect payment on demand, each payment (whether by way of direct payment, transfer, debit or credit) to be made by Client to GTJAS in relation to this Agreement shall be not later than the close of business (Hong Kong time) on the date on which payment is required to be made.
- 8.3 Subject to the deduction of all amounts which GTJAS is entitled to deduct under the Rules, applicable laws and regulations and/or this Agreement, any Margin required as referred to in clause 7 above and subject to the prior discharge in full of all sums or liabilities actual or contingent owed by the Client to GTJAS, GTJAS shall as soon as practicable after receiving a demand in writing from the Client to the Client all or part of the monies forming part of the Account and/or the proceeds of sale of any Options Contracts. All monies payable by GTJAS to the Client shall be transferred by GTJAS to the bank account specified by the Client on the Account Opening Form or in such other manner as may be agreed between the parties from time to time. All monies paid as aforesaid to the Client's specified bank account shall be deemed good discharge of GTJAS's obligation to make payment to the Client.
- 8.4 The Client will be responsible to GTJAS for any losses, costs, fees and expenses in connection with the Client's failure to meet the Client's obligations by the due settlement date as described above.
- 8.5 All payments by the Client for Options Contracts in connection with this Agreement shall be made in cleared funds in the currency and at the place specified by GTJAS
- (a) free of any restrictions, conditions or equities;
 - (b) free and clear and without any deduction or withholding on account of any taxes; and
 - (c) without deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

9. INTEREST

- 9.1 GTJAS may retain for its own use any benefit it may derive from cash for the time being in its hands as part of the Account, and the Client agrees that no interest will accrue to the Client upon any amounts which may be held by GTJAS to the Client's credit, unless there is an agreement to the contrary between the parties hereto.
- 9.2 The Client undertakes to pay interest on all overdue amounts owed by him to GTJAS at any time (after as well as before any judgment) at such rate as may be specified from time to time by GTJAS or failing any such specification at a rate equivalent to eight (8) per cent above the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited as GTJAS shall in its sole discretion determine as being the then prevailing prime rate and such interest shall be payable monthly in arrears or forthwith upon any demand being made by GTJAS.

10. SETTLEMENT

- 10.1 The Client agrees to pay the Premium in cash for long call/put Options payable in respect of an Options Contract in cash in such amount and within such time period as notified by GTJAS. If no time period is specified by GTJAS, then the Client is required to comply with such demand before expiry of two (2) hours from the time of making the demand (or more quickly if GTJAS requires the Client to do so). GTJAS may require the Client to make arrangements for payment of Premium in cash in advance of accepting long call/put Instructions from the Client or may impose other requirements from time to time for the payment of Premium as GTJAS in its absolute discretion thinks fit.
- 10.2 The Client acknowledges that on and only on the expiry day, the SEOCH Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by SEOCH from time to time. The Client may instruct GTJAS to override these automatically generated exercise instructions before the System Closure on the expiry day in accordance with the Operational Clearing Procedures of SEOCH as amended from time to time.

- 10.3 In respect of the Client's short positions, in cases where the Options Contract is validly exercised (including cases pursuant to clause 10.4), the Client shall fulfill his obligations under the relevant Options Contract by 3:15 p.m. on the Business Day following the day of exercise. In default thereof, without prejudice to other rights or remedies that GTJAS may have against the Client, GTJAS may without demand or notice cover any liability of the Client under any short positions or deal with the same in the manner deemed most appropriate by GTJAS. The Client agrees that the Client will be responsible for all the expenses of GTJAS in connection with the above and that GTJAS will not be liable for any loss that may thereby be incurred.
- 10.4 The Client understands and agrees that in accordance with the Options Trading Rules and Option Clearing Rules, SEOCH may randomly select any Options Trading Exchange Participant to perform the delivery obligation under an Options Contract in a short open position. If GTJAS is selected, GTJAS will randomly select an Options Contract from among all Options Contracts comprised in short open positions of clients in the same Options series as the client with delivery obligation. The Options Contract so selected shall, by operation of this Agreement and the Options Trading Rules and Options Clearing Rules, for all purposes be treated as having been validly exercised at the time of such selection. GTJAS shall notify the Client of the details of such exercise as soon as possible and in any event no later than 12:00 noon on the Business Day following the day of exercise.
- 10.5 Delivery obligation shall arise when a Options Contract is validly exercised. On exercise of a Options Contract by or against the Client, the Client will perform its delivery obligations under the relevant Contract in accordance with the Standard Contract (as defined in the Options Trading Rules) and as the Client has been notified by GTJAS.
- 10.6 The Client hereby acknowledges that the Client shall be responsible to GTJAS for any losses, costs, fees and expenses (including legal costs) incurred by GTJAS (on an indemnity basis) in connection with the Client's failure to meet his obligations by the due date as described in this clause 10.

11. SECURITY

- 11.1 The Client as beneficial owner hereby charges any and all Options Contracts, monies and other property held or carried in the Account or to be acquired by him in relation to the Account to and in favor of GTJAS free from any encumbrances as continuing security for Client's performance and observance of his obligations under this Agreement, for the discharge of all monies and liabilities (whatever actual or contingent) which are now or at any time hereafter may be due, owed or incurred from or by Client to GTJAS in connection with the Account or otherwise and the payment of all costs, charges and expenses incurred by GTJAS in the exercise or enforcement of the charge hereby created.
- 11.2 The Client agrees to do all such things and execute all such documents which GTJAS shall from time to time consider necessary or desirable in connection with the implementation, execution and enforcement of any of the terms of this Agreement or with a view to perfecting or improving any security created in favor of GTJAS.
- 11.3 At the request of GTJAS, the Client shall procure that such persons as are acceptable to GTJAS to grant further security in terms satisfactory to GTJAS in respect of any of the obligations of the Client under this Agreement.
- 11.4 Without prejudice to any rights to which GTJAS may be entitled to by law, the Client authorize and agree that GTJAS may deal with securities or securities collateral from time to time received or held on Client's behalf in one or more of the following ways, namely to:-
- (a) apply any of Client's securities or securities collateral pursuant to a securities borrowing and lending agreement;
 - (b) deposit any of Client's securities collateral with an authorized financial institution as collateral for financial accommodation provided to GTJAS;
 - (c) deposit any of Client's securities collateral with (i) a recognized clearing house; or (ii) another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of GTJAS's settlement obligation and liabilities.

Such authority shall remain valid for a period of 12 months from the date when Client's Account is first approved by GTJAS to conduct trading in Options Contracts unless Client gives not less than five business days' prior written notice to GTJAS to revoke the same at any time, provided that no such revocation shall be effective if there is outstanding liability owing by Client or on Client's behalf to GTJAS. Such standing authority which is not revoked prior to its expiry may be renewed or shall be deemed to have been renewed in accordance with the relevant provisions of the SFO.

12. EVENT OF DEFAULT

- 12.1 Any one of the following events shall constitute an event of default ("Event of Default"):

- (a) the Client's failure to pay any deposits, Margins, Premium, exercise price of any Options Contract payable by it or any other sums payable to the GTJAS in connection with the Account(s), or submit to GTJAS any documents or deliver any securities to GTJAS hereunder, when called upon to do so or on due date;
- (b) default by the Client in the due performance of any of the terms of this Agreement including its delivery and settlement obligations and the observance of any by-laws, rules and regulations of the SEHK and/or the SEOCH;
- (c) the Client's failure to liquidate any debit balance or any of the Client's Account(s), when called upon to do so or otherwise agreed;
- (d) the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Client;
- (e) the death of the Client (being an individual);
- (f) the levy or enforcement of any attachment, execution or other process against the Client;
- (g) any representation or warranty made by the Client to GTJAS in this Agreement or in any document being or becoming incorrect or misleading;
- (h) any consent, authorisation or board resolution required by the Client (being a corporation or a partnership) to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (i) the occurrence of any event which, in the sole opinion of GTJAS, might jeopardize any of its rights under this Agreement; and
- (j) GTJAS has made at least two attempts to demand from the Client any Margin, but, for whatever reason, has not been able to communicate directly with the Client.

12.2 If an Event of Default occurs, without prejudice to any other rights or remedies that GTJAS may have against the Client and without further demand or notice to the Client, GTJAS shall be entitled to:-

- (a) decline to accept further Instructions from the Client in respect of the options trading under this Agreement;
- (b) immediately close the Account(s);
- (c) terminate all or any part of this Agreement;
- (d) cancel any or all outstanding Instructions or any other commitments made on behalf of the Client;
- (e) close out, give up or exercise any or all Options Contracts, cover any short position of the Client through the purchase of securities on the SEHK or liquidate any long position of the Client through the sale of securities on the SEHK;
- (f) enter into Options Contracts or transactions in securities, futures or commodities (on an exchange or otherwise), for the purpose of meeting obligations arising or hedging risks to which GTJAS is exposed in relation to the Client's default;
- (g) dispose of any or all of the Margin, SEOCH Collateral (other than cash) or securities held for or and on behalf of the Client and to apply the proceeds thereof and any cash deposit(s) including SEOCH Collateral to discharge the Client's liabilities to GTJAS;
- (h) combine, consolidate and set-off any or all accounts of the Client in accordance with clause 14; and
- (i) take any action deemed fit by GTJAS in its absolute discretion.

12.3 In the event of any actions taken pursuant to this Clause:-

- (a) GTJAS shall not be responsible for any loss occasioned thereby howsoever arising if GTJAS has already used reasonable endeavors to close out, give up or exercise Options Contracts, cover short positions through the purchase of securities or liquidate long positions at the then available market price;
- (b) GTJAS shall be entitled to close out and/or liquidate all or any of the Options Contracts pursuant to this clause at the then current price without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by GTJAS; and
- (c) the Client undertakes to pay to GTJAS any deficiency if the net proceeds of sale and/or liquidation of Options Contracts shall be insufficient to cover all the outstanding balances owing by the Client to GTJAS.

13. CONTRACT SPECIFICATIONS, MARGIN PROCEDURES AND CLOSURE OF POSITIONS

13.1 Without prejudice to GTJAS's rights under clause 12.2 above, GTJAS may, without the Client's consent, close all or any of the Client's positions if GTJAS is of the opinion that there has been a change or development involving a prospective change:-

- (a) in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of GTJAS likely to result in a material or adverse fluctuation in the stock market or Options market in Hong Kong and/or overseas; or
- (b) which is or may be of a material adverse nature affecting the condition or operations of the Client.

13.2 GTJAS shall provide to the Client upon written request options Contract Specifications (as defined in the Options Trading Rules) or other product specifications, any prospectus or other offering document covering such products, and shall provide to the Client a full explanation of margin procedures.

14. STANDING AUTHORITIES

- 14.1 The Client Money Standing Authority covers money held or received by GTJAS in Hong Kong (including any interest derived from the holding of the money which does not belong to GTJAS) in one or more segregated account(s) on the Client's behalf ("Monies").
- 14.2 The Client authorizes GTJAS to:
- combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by GTJAS and GTJAS may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to GTJAS, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several; and
 - transfer any sum of Monies interchangeably between any of the segregated accounts maintained at any time by GTJAS.
- 14.3 The Client Securities Standing Authority is in respect of the treatment of the Client's securities as set out below in this clause 14.
- 14.4 The Client authorizes GTJAS to deposit the securities with the SEOCH as SEOCH Collateral in respect of SEHK traded stock options resulting from the Client's instructions to GTJAS.
- 14.5 The Client acknowledges and agrees that GTJAS may do any of the things set out in clauses 14.2 and 14.4 without giving the Client notice.
- 14.6 The Client also acknowledges that:-
- the Client Money Standing Authority is given without prejudice to other authorities or rights which GTJAS may have in relation to dealing in Monies in the segregated accounts; and
 - the Client Securities Standing Authority shall not affect GTJAS's right to dispose or initiate a disposal of by GTJAS's associated entity of the Client's securities or securities collateral in settlement of any liability owed by or on behalf of the Client to GTJAS.
- 14.7 The Client understands that a third party may have rights to the Client's securities, which GTJAS must satisfy before the Client's securities can be returned to the Client.
- 14.8 Each of the Client Money Standing Authority and the Client Securities Standing Authority is valid for a period of 12 months from the date of this Agreement, subject to renewal by the Client or deemed renewal under the Securities and Futures (Client Money) Rules or Securities and Futures (Client Securities) Rules (as the case may be) referred to in Clause 14.10.
- 14.9 Each of the Client Money Standing Authority and the Client Securities Standing Authority may be revoked by Client by giving GTJAS written notice addressed to the Customer Service Department at GTJAS's address specified in the Account Opening Form or such other address which GTJAS may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 14 days from the date of GTJAS's actual receipt of such notice.
- 14.10 The Client understands that each of the Client Money Standing Authority and the Client Securities Standing Authority shall be deemed to be renewed on a continuing basis without the Client's written consent if GTJAS issues the Client a written reminder at least 14 days prior to the expiry date of the relevant authority, and the Client does not object to such deemed renewal before such expiry date.

15. SET-OFF AND COMBINATION OF ACCOUNTS

- 15.1 GTJAS may, at any time, combine or consolidate all or any of such accounts as are for the time being opened and maintained by the Client with GTJAS or other GTJA Group companies, including the Account, and the Client hereby irrevocably authorizes GTJAS (without prejudice to the other authorities granted to GTJAS hereunder):-
- to instruct other member of GTJA Group to transfer on the Client's behalf any funds standing from time to time in any account maintained at any time by the Client with other member of GTJA Group to any of the Client's account maintained at any time with GTJAS;
 - to transfer any funds standing from time to time in any account maintained by the Client with GTJAS to any account maintained at any time by the Client with other member of GTJA Group;
 - to set-off or transfer any sum standing to the credit of any one or more such accounts by the Client in or towards satisfaction of the Client's indebtedness, obligation or liability to GTJAS, other member of GTJA Group or GTJAS's affiliates on any of the accounts or in any other respect whatsoever, whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint, secured or unsecured; and
 - to give other member of GTJA Group notice of such authority, and when such combination, consolidation, set-off or transfer requires the conversion of the currency into another, such conversion shall be calculated at

such rate of exchange as conclusively determined by GTJAS's prevailing in such foreign exchange market as GTJAS may at its absolute discretion (but shall notify the Client of GTJAS's decision) select on or about the date of the combination, consolidation, set-off or transfer.

In respect of any payments by GTJAS to offset and discharge any of the Client's obligations to other member of GTJA Group or GTJAS's affiliates, GTJAS shall not be concerned whether or not such obligation exist, provided demand has been made on GTJAS by other member of GTJA Group or GTJAS's affiliates.

- 15.2 Unless expressly provided otherwise in the Agreement, all sums payable by the Client under the Agreement shall be paid in full without set-off or counterclaim or any restriction or condition.
- 15.3 The Client irrevocably and unconditionally authorises GTJAS to apply any amounts (in whatever currency) standing to the credit of the Accounts and/or any other account(s) in the Client's name with GTJAS or GTJAS's Affiliates in reduction of any amounts (whether matured or contingent) payable by the Client under the Agreement.
- 15.4 In addition to any right of set-off, offset, combination of accounts, lien, right of retention or withholding or similar right GTJAS may have under the Agreement or by law, GTJAS may, without prior notice to the Client or any other person, set off any sum or obligation (whether or not arising under the Agreement, whether matured or contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by the Client to GTJAS or any Affiliate of GTJAS against any sum or obligation (whether or not arising under the Agreement, whether matured or contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by GTJAS or any Affiliate of GTJAS to the Client.
- 15.5 The rights of set-off hereby conferred are in addition and without prejudice to any general right of set-off arising by law or any other rights granted to GTJAS under this Agreement or any lien or other security now or hereafter held by GTJAS.

16. ELECTRONIC TRADING SERVICE

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

17. AEOI Compliance

- 17.1 The Client shall provide to GTJAS, GTJA Group, their agents or service providers, upon request, any documentation or other information regarding the Client and its beneficial owners that GTJAS, GTJA Group, their agents or service providers may require from time to time in connection with their obligations under, and compliance with, applicable laws and regulations including, but not limited to, AEOI. The Client hereby agrees and consents that GTJAS, GTJAS's affiliated companies and their agents and service providers may collect, store and process information obtained from the Client or otherwise in connection with this Agreement and/or the Client's Options transactions for the purposes of complying with AEOI and/or other applicable law, including disclosures between GTJAS and any of them and to the governmental authorities of the United States of America, Hong Kong and/or other jurisdictions. To the extent permitted by law, Client hereby waives any provision of any data protection, privacy, banking secrecy or other law or regulation of any jurisdiction and/or the terms of any confidentiality agreement, arrangement or understanding that would otherwise prevent compliance by GTJAS, GTJAS's affiliated companies and their agents and service providers with AEOI and/or other applicable law. The Client acknowledges that this may include transfers of information to jurisdictions which do not have strict data protection, data privacy laws or banking secrecy laws. The Client shall ensure that, before the Client or anyone on its behalf discloses information relating to any third party to GTJAS, GTJAS's affiliated companies or their agents or service providers in connection with this Agreement or the Client's Options transactions that third party has been provided with such information and has given such consents or waivers as are necessary to allow GTJAS, GTJAS's affiliated companies and their agents and service providers to collect, store, process and disclose his, her or its information as described in this Clause.
- 17.2 The Client shall upon request by GTJAS confirm to GTJAS (i) whether the Client is a person who is entitled to receive payments free from any deduction or withholding as required by AEOI (the "**AEOI Exempt Person**"); and (ii) supply to GTJAS such forms, documentation and other information relating to the Client's status under AEOI (including its applicable passthru rate or other information required under the US Treasury Regulations or other

official guidance including intergovernmental agreements) as GTJAS reasonably requests for the purposes of that GTJAS's compliance with AEOI (and the compliance of any of GTJA's affiliated companies).

If the Client confirm to GTJAS pursuant to the above that the Client is a AEOI Exempt Person and the Client subsequently becomes aware that the Client is not, or has ceased to be a AEOI Exempt Person, the Client shall notify GTJAS as soon as reasonably practicable.

If the Client fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for avoidance of doubt, where paragraph (b) above applies), then:

- (i) If the Client failed to confirm whether the Client is (and/or remains) a AEOI Exempt Person then the Client will be treated as if the Client is not a AEOI Exempt Person; and
- (ii) If the Client failed to confirm its applicable passthru rate then the Client will be treated as if its applicable passthru rate is 100%, until such time as the Client provide GTJAS the requested confirmation, forms, documentation or other information.

17.3 If GTJAS is required pursuant to AEOI or otherwise by law to withhold or deduct any AEOI withholding taxes (including any penalties or interest payable in connection with any failure to pay or any delay in paying any such taxes) on any payments to the Client, GTJAS may deduct such taxes. GTJAS will not be required to increase any payment in respect of which GTJAS makes such withholding. The Client shall be treated for all purposes of this Agreement as if the Client had received the full amount of the payment, without any deduction or withholding. The Client shall provide GTJAS such additional documentation reasonably requested by GTJAS to determine the amount to deduct and withhold from such payment.

18. PERSONAL DATA (PRIVACY) ORDINANCE (CAP.486)

18.1 The Client may from time to time be requested by the GTJAS to supply personal data (as defined under the PDPO) relating to the Client. For the purposes of this Clause 18, personal data (i) in the case of individual account holders, joint account holders or sole proprietors, means personal data relating to the relevant individual concerned; (ii) in the case of a partnership, means personal data relating to each partner of the partnership; and (iii) in the case of a corporate entity, means personal data relating to any individual director, shareholder, officer or manager which has been provided to GTJAS.

18.2 The Client shall provide all such personal data as shall be reasonably requested by GTJAS in the Account Opening Form or otherwise, and any failure to do so may result in GTJAS being unable to open or continue the Account, or to effect transactions under the Account.

18.3 The Client understands and accepts that GTJAS may provide personal data received from the Client to the following persons (whether within or outside of Hong Kong) for the purposes set out in Clause 18.4:-

- (a) any nominees in whose name securities or other assets may be registered;
- (b) any member or affiliated or related company in the GTJA Group including but not limited to GTJAS's parent and/or subsidiary companies;
- (c) any contractor, adviser, agent or third party service provider which provides administrative, background checking, data processing, financial, computer, telecommunication, payment or clearing, professional or other services to GTJAS in connection with the operation of its business or provision of financial services or products to the Client;
- (d) credit reference agencies, and, in the event of default, to debt collection agencies;
- (e) any person with whom GTJAS enters into or proposes to enter into a transaction with on behalf of the Client or the Account, or the persons representing the same;
- (f) any person who provides financial services or issues, distributes or provides financial products to the Client through or with GTJAS;
- (g) any foreign or local exchanges of securities, futures and/or other financial products where the Client's orders to buy or sell such securities, futures and/or other financial products are placed or transacted; or their associated clearing houses or operators;
- (h) any assignee, transferee, participant, sub-participant, delegate, successor or person to whom this Agreement is novated; and
- (i) any foreign or local governmental, regulatory, supervisory, tax, law enforcement or other authorities, bodies or institutions.

18.4 The Client understands and accepts that the purposes for which the personal data provided by the Client from time to time may be used are:-

- (a) executing or giving effect to the Client's orders relating to transactions or otherwise, and carrying out the Client's other Instruction;

- (b) providing financial services or products to the Client or in connection with the Account, whether the services or products are provided by or through any other member of GTJA Group or any other person, within or outside Hong Kong;
- (c) providing personalized financial analysis and planning or designing financial services or products for the Client's use;
- (d) marketing services or products which may be of interest to the Client;
- (e) conducting credit inquiries or background checks on the Client and ascertaining the Client's financial situation and investment objectives;
- (f) collecting of amounts due, enforcing of security, charges or other rights and interests in favour of GTJAS or any member of GTJA Group;
- (g) complying with and/or enabling any affiliated or related company in the GTJA Group to comply with any foreign or local laws, regulations (including Foreign Account Tax Compliance Act, Automatic Exchange Of Financial Account Information, Common Reporting Standards and similar regulations), notifications, directives, guidelines or guidance given or issued by or in agreement with any legal, regulatory, governmental, tax, law enforcement or other authorities, exchanges, or self-regulatory or industry bodies or associations of financial services providers, within or outside Hong Kong, existing currently and in the future;
- (h) complying with obligations, requirements, policies, procedures, measures and arrangements for sharing personal data and information within the GTJA Group and/or any other use of personal data in accordance with any GTJA Group wide programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities; and
- (i) other purposes related or incidental to any one or more of the above.

18.5 GTJAS may from time to time transfer the personal data of the Client outside Hong Kong to any of the persons referred to in Clause 18.3 above and for any of the purposes referred to in Clause 18.4 above.

18.6 Use of Personal Data in Direct Marketing

GTJAS intends to use, from time to time, Client's personal data in direct marketing of financial products and services, including but not limited to securities, futures, fixed income, currencies, commodities, wealth management, asset management, equity financing, equity derivatives, insurance, and other financial products and services. Only the following kinds of personal data of the Client may be used in such direct marketing:

- (i) name;
- (ii) gender;
- (iii) date of birth;
- (iv) part of identity card or passport number;
- (v) contact information (including but not limited to phone number, fax number, email address, correspondence address and residential address);
- (vi) information about the products and/or services the Client has purchased or applied for.

GTJAS may not so use the data unless it has received the Client's consent to the intended use.

18.7 Provision of Personal Data for Use in Direct Marketing

GTJAS intends to provide, from time to time and for money and other property, Client's personal data to GTJA Group (other than GTJAS itself) for use by GTJA Group in direct marketing of financial products and services, including but not limited to securities, futures, fixed income, currencies, commodities, wealth management, asset management, equity financing, equity derivatives, insurance, and other financial products and services. Only the following kinds of personal data of the Client may be provided to GTJA Group (other than GTJAS itself) for use by GTJA Group in such direct marketing:

- (i) name;
- (ii) gender;
- (iii) date of birth;
- (iv) part of identity card or passport number;
- (v) contact information (including but not limited to phone number, fax number, email address, correspondence address and residential address);
- (vi) information about the products and/or services the Client has purchased or applied for.

GTJAS may not so use the data unless it has received the Client's consent to the intended use.

18.8 China Connect Securities Trading Service

The Client acknowledges and agrees that in providing GTJAS's China Connect securities trading service to the Client, GTJAS will be required to:

- (i) tag each of the Client's orders submitted to the China Stock Connect System ("CSC") with a Broker-to-Client Assigned Number ("BCAN") that is unique to the Client or the BCAN that is assigned to the Client's joint account with GTJAS, as appropriate; and
- (ii) provide to the Exchange the Client's assigned BCAN and such identification information ("Client Identification Data" or "CID") relating to the Client as the Exchange may request from time to time under the Rules of the Exchange.

Without limitation to any notification GTJAS has given the Client or consent GTJAS has obtained from the Client in

respect of the processing of the Client's personal data in connection with the Client's account and GTJAS's services to the Client, the Client acknowledges and agrees that GTJAS may collect, store, use, disclose and transfer personal data relating to the Client as required as part of GTJAS's China Connect securities trading service, including as follows:

- (a) to disclose and transfer the Client's BCAN and CID to the Exchange and the relevant SEHK Subsidiaries from time to time, including by indicating the Client's BCAN when inputting a China Connect Order into the CSC, which will be further routed to the relevant China Connect Market Operator on a real-time basis;
- (b) to allow each of the Exchange and the relevant SEHK Subsidiaries to: (i) collect, use and store the Client's BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant China Connect Clearing House (in the case of storage, by any of them or via HKEX) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange; (ii) transfer such information to the relevant China Connect Market Operator (directly or through the relevant China Connect Clearing House) from time to time for the purposes set out in (c) and (d) below; and (iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;
- (c) to allow the relevant China Connect Clearing House to: (i) collect, use and store the Client's BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to the relevant China Connect Market Operator, the Exchange and the relevant SEHK Subsidiary; (ii) use the Client's BCAN and CID for the performance of its regulatory functions of securities account management; and (iii) disclose such information to the Mainland regulatory authorities and law enforcement agencies having jurisdiction over it so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets; and
- (d) to allow the relevant China Connect Market Operator to: (i) collect, use and store the Client's BCAN and CID to facilitate their surveillance and monitoring of securities trading on the relevant China Connect Market through the use of the China Connect Service and enforcement of the rules of the relevant China Connect Market Operator; and (ii) disclose such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets.

By instructing GTJAS in respect of any transaction relating to China Connect Securities, the Client acknowledges and agrees that GTJAS may use the Client's personal data for the purposes of complying with the requirements of the Exchange and its rules as in force from time to time in connection with the Stock Connect Northbound trading. The Client also acknowledges that despite any subsequent purported withdrawal of consent by the Client, the Client's personal data may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent.

Consequences of failing to provide Personal Data or Consent

Failure to provide GTJAS with the Client's personal data or consent as described above may mean that GTJAS will not, or no longer be able, as the case may be, to carry out the Client's trading instructions or provide the Client with GTJAS's China Connect securities trading service.

18.9 The Client has the right to request a copy of such personal data and may request the correction of the personal data (if applicable). Any such request must be made in accordance with the PDPO and shall be addressed to the Data Protection Officer of GTJAS at 27/F, Low Block, Grand Millennium Plaza, No.181 Queen's Road Central, Hong Kong. The Client understands that a fee shall be charged by GTJAS for any such request.

19. RISK DISCLOSURE STATEMENTS

19.1 The following statements are furnished to the Client in accordance with the Code of Conduct for Persons Licensed By or Registered With the Securities and Futures Commission.

Risk of Trading Futures and Options

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

Risk of Providing an Authority to Repledge Client Securities Collateral etc.

There is a risk if the Client provides GTJAS with an authority that allows it to lend the Client's securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge the Client's securities collateral for financial accommodation or deposit the Client's securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If the Client's securities or securities collateral are received or held by GTJAS in Hong Kong, the above arrangement is allowed only if the Client consent in writing. Moreover, unless the Client is a professional investor, the Client's authority must specify the period for which it is current and be limited to not more than 12 months. If the Client is a professional investor, these restrictions do not apply.

Additionally, the Client's authority may be deemed to be renewed (i.e. without the Client's consent) if GTJAS issues the Client a reminder at least 14 days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the then existing authority.

The Client is not required by any law to sign the authorities. But an authority may be required by GTJAS, for example, to facilitate margin lending to the Client or to allow the Client's securities or securities collateral to be loaned to or deposited as collateral with third parties. GTJAS would explain to the Client the purposes for which one of these authorities is to be used.

If the Client signs one of these authorities and the Client's securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on the Client securities or securities collateral. Although GTJAS is responsible to the Client for the Client's securities or securities collateral lent or deposited under the authority, a default by GTJAS could result in the loss of the Client's securities or securities collateral.

A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If the Client does not require margin facilities or does not wish the Client's securities or securities collateral to be lent or pledged, the Client should not sign the authorities and should ask to open this type of cash account.

External position transfer arrangement for the Client Offset Claim Account ("COCA") in DCASS under GTJAS' default situation

The Client acknowledges that as offset may be available between the positions pairs belonging to different clients maintained in the COCA, any request for external transfer of positions from the COCA under GTJAS' default situation must be for ALL but not part of the positions. As a result, in a default scenario, no position maintained in the COCA could be externally transferred to another company if one or more clients with positions in COCA do not wish to transfer out their positions for whatever reasons.

19.2 Additional Risk Disclosure For Options Trading

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

Options

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

The purchaser of Options may offset or exercise the Options or allow the Options to expire. The exercise of an Options results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the Options is on a future, the purchaser will acquire a futures position with associated liabilities for margin. If the purchased Options expire worthless, the Client will suffer a total loss of the Client's investment, which will consist of the Options premium plus transaction costs.

Selling ("writing" or "granting") an Options 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 Options and the seller will be obligated to either settle the Options in cash or to acquire or deliver the underlying interest. If the Options is on a future, the seller will acquire a position in a future with associated liabilities for margin. If the Options is "covered" by the seller holding a corresponding position in the underlying interest or a future or another Options, the risk may be reduced.

Certain exchanges in some jurisdictions permit deferred payment of the Options 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 Options is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

19.3 Additional Risks Common to Futures and Options

Terms and conditions of contracts: The Client should ask the firm with which the Client deals about the terms and conditions of the specific futures or Options which the Client is trading and associated obligations (e.g. the circumstances under which the Client may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of Options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an Options) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

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

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

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

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

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

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

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

Electronic trading: If the Client undertakes transactions on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to the Client's Instruction or is not executed at all.

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

- 19.4 The Client acknowledges that due to the volatile nature of securities markets, the purchase and writing and writing of options over securities involves a high degree of risk.

Warning to Option Holders

The Client understands that some options may only be exercised on an expiry day (European-style exercise) and that other options may be exercised at any time before expiration (American-style exercise). The Client understands that upon exercise some options require delivery and receipt of the underlying securities and that other options require a cash payment.

The Client is aware that an option is a wasting asset and there is a possibility that as an option holder you may suffer the loss of the total premium paid for the option. The Client is aware that as an option holder in order to realize a profit it will be necessary to either exercise the option or close the long option position in the market. Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. The Client is also aware that GTJAS has no obligation either to exercise a valuable option in the absence of the Client's instruction or to give to the Client prior notice of the expiration date of the option.

Warning to Option Writers

The Client is also aware that as a writer of any option the Client may be required to pay additional margin at any time. The Client is aware that as an option writer, unlike an option holder, the Client may be liable for unlimited losses based on the rise or fall of the price of the underlying securities and the Client's gains are limited to the option premium.

Additionally, writers of American-style call (put) options may be required at any time before expiry to deliver (pay for) the underlying securities to the full value of the strike price multiplied by the number of underlying securities. The Client recognizes that this obligation may be wholly disproportionate to the value of premium received at the time the options were written and may be required at short notice.