

**CLIENT AGREEMENT<sup>1</sup>**  
**FOR DERIVATIVES TRADING**  
Version Series Number: F202601

**THIS AGREEMENT**, effective immediately upon execution of the Account Opening Form for Derivatives Trading, is entered into

**BETWEEN**

(A) **GUOTAI JUNAN FUTURES (HONG KONG) LIMITED** (CE No. ADI115) whose registered office is at 27<sup>th</sup> Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (hereinafter referred to as "**GTJAF**"); and

(B) the client(s) whose name(s) and identification number are appeared on the signatory page of the Account Opening Form for Derivatives Trading (hereinafter referred to as the "**Client**").

**WHEREAS**

(a) GTJAF is an Exchange Participant and a Futures Commission Merchant of the HKFE number EP 0049.

(b) In consideration of GTJAF agreeing to open one or more Accounts (as defined below) and operate such Account(s) in the Client's name or on the Client's behalf for the purchase, sale or exchange of, or for the trading or dealing in Derivatives, the Client hereby agrees that the Account shall be operated and maintained by GTJAF upon the terms and subject to conditions as are set out in this Agreement.

**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

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

**"Access Codes"** means the combination of a Password and an Account Number to gain an access to GTJAF's Electronic Trading Services.

**"Account"** means the dealing account now or in the future opened in the name of the Client with, and operated and maintained by, GTJAF from time to time for use in connection with the Client's purchase, sale or exchange of, or the trading or dealing in Derivatives pursuant to this Agreement.

**"Account Number"** means a serial number assigned by GTJAF to be used as the Client's personal identification when opening the Account.

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

**"Agreement"** means this client agreement and the Account Opening Form for Derivatives Trading as amended or supplemented from time to time.

**"Authorized Person"** means the person or any of the persons set out in the Account Opening Form as having authority to operate and issue Instruction in relation to the Account or any such person or persons as the Client

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<sup>1</sup>如果希望閱讀此協議書之中文版本, 請向甲方受理開戶申請人員索取. 中英文版本之間若有差異, 以英文版本為准。

may from time to time notify to GTJAF in writing as being authorized to operate the Account and issue such Instruction.

**"Beneficial Identity"**, in relation to the Client, means the ultimate beneficiary of the Account or, where the Client is a company or body corporate, the individuals who are the ultimate beneficial owners of the share capital of the company or body corporate, and includes a beneficiary holding an interest through a nominee or trust.

**"Business Day"** means a day (other than a Saturday) on which licensed banks and the HKFE are open for business.

**"Connected Person"** means connected persons as defined in the Listing Rules.

**"Currency"** means money denominated in the lawful currency of any country or territory.

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

**"Electronic Trading Service" or "ETS"** means the software, systems and other facilities, including but not limited to the website, telephone, facsimile, electronic mail and other devices provided by GTJAF under this Agreement, which enables the Client to give electronic Instruction and to obtain information services provided by GTJAF.

**"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.

**"Financial Product"** means, where applicable, any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO.

**"GTJA Group"** means GTJAF and its Affiliates.

**"HKEx"** means the Hong Kong Exchanges and Clearing Limited.

**"HKFE"** means the Hong Kong Futures Exchange Limited.

**"HKFE Clearing House"** means the HKFE Clearing Corporation Limited, or such other body appointed by or established and operated by HKFE to provide clearing services to its participants in respect of option or futures contracts.

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

**"Holding company and subsidiary"** shall have the respective meanings ascribed thereto by Part 1 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

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

**"Instruction"** means any instruction (including any subsequent amendment or cancellation thereof accepted by GTJAF) the Client may give for the trading or dealing in Derivatives, whether verbally or in writing, through the electronic trading service or such other means or in such other manner as GTJAF may permit.

**"Listing Rules"** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**"Margin"** means such amount in such currency and such other security whatsoever as GTJAF 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.

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

**“Option” or “Option Contract”** means a 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 (as the case may be) to dispose of a specified quantity of a commodity or financial contract at an agreed price.

**“Password”** means the Client’s unique personal password used in conjunction with the Account Number to gain access to the GTJAF’s Electronic Trading Services.

**“PIN”** means Personal Identification Number used by the Client, as a security measure, to identify and verify the identity of an authorized individual(s) giving Instruction.

**“Regulator(s)”** refers to the SFC, the HKEx, the HKFE and/or other relevant regulatory bodies in Hong Kong or elsewhere.

**“SFC”** means the Securities and Futures Commission established under the SFO or any other body, which assumes in whole or in part the powers and functions of the Securities and Futures Commission and has jurisdiction over the HKFE under that Ordinance.

**“SFO”** means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1.2 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 GTJAF shall include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality) and vice versa.

## 2. THE ACCOUNT

2.1 **Negative Interest:** The Account is non-interest bearing, *provided that* if in respect of any day, the interest rate applicable to a Currency (such Currency, a “**Negative Rate Currency**”) of the Account in respect of such day (as determined by GTJAF in its sole and absolute discretion) is a negative figure, the Client shall pay the absolute value of the interest amount (the “**Client Interest Amount**”) equal to the product of (i) the interest rate; and (ii) the amount denominated in such Negative Rate Currency and deposited in the Account in respect of such day, in each case, as determined by GTJAF in its sole and absolute discretion. Without prejudice to any other provisions, the Client irrevocably and unconditionally authorises GTJAF to apply, on the first trading day of each calendar month, any amounts (in whatever Currency and converted into the Negative Rate Currency at GTJAF’s spot exchange rate determined by GTJAF in its sole and absolute discretion) standing to the credit of the Account and/or any other account(s) in the Client’s name with GTJAF or with any of GTJAF’s Affiliates in reduction of the total Client Interest Amount payable by the Client on all such days on which the interest rate is negative in the previous calendar month under the Agreement.

2.2 **Accurate Information:** The Client confirms that the information provided in the Account Opening Form and/or other information collection documents is complete, accurate and current. The Client acknowledges the importance to provide complete, accurate and current information to GTJAF as GTJAF will rely on such information to understand the Client’s personal background, financial situation and other necessary information for GTJAF to provide services or products to the Client. The Client undertakes to inform GTJAF immediately if there is any change to that information. It is the Client’s responsibility to ensure Account accuracy and to notify GTJAF immediately with regard to any discrepancies. GTJAF also undertake to inform the Client of any material change of GTJAF’s name, address, registration status, services, remuneration and margin facilities.

2.3 **Credit Inquiries:** The Client hereby authorizes GTJAF to conduct from time to time personal/credit enquiries or checks on the Client to ascertain the Client’s financial situation, investment experience and investment objectives and to verify the information the Client have provided.

2.4 **Legal Capacity:** The Client represents that the Client has authority, power and legal capacity to enter into and perform the Client’s obligations under this Agreement and this Agreement constitutes a valid and legally binding obligation on the Client:-

(a) in the case of an individual, the Client has attained the age of 18, is of sound mind and legal competence and has not been adjudged a bankrupt; or

(b) in the case of a corporate, the Client is duly organized and validly existing under the laws of its place of incorporation or establishment; and no steps have been taken or being taken to appoint a receiver, manager or liquidator over its assets or undertaking, or to wind up or dissolve the business of the Client.

**2.5 Ultimate Beneficial Owner(s) of the Account:** Unless otherwise advised, the Client is trading on Client's own account and that no one other than the Client has any interest in the Derivatives, monies or property comprised in or held for the Account. Should the ownership or beneficial interests have changed, the Client agrees to inform and notify GTJAF in writing immediately.

**2.6 Omnibus Account:** Unless otherwise advised, the Client's own Account is not an Omnibus Account.

**2.7 Power of Attorney and Authorization:**

2.7.1 The Client agrees to and hereby irrevocably appoints GTJAF with full power as the Client's true and lawful attorney, to the fullest extent permitted by law, for the purpose of carrying out Client's Instructions only and in accordance with the provisions of this Agreement, including the taking of any action and executing any instrument, which GTJAF deems necessary or advisable to accomplish the purposes of this Agreement.

2.7.2 The Client authorizes GTJAF to take any action (including, without limitation, executing any document on the Client's behalf) which in the reasonable opinion of GTJAF is necessary or desirable for the purposes of this Agreement (which, for the avoidance of doubt, includes any act that is necessary or desirable to protect GTJAF's position) and the Client undertakes not to bring any action or proceedings against GTJAF for taking such actions.

**2.8 Safeguard of Password, PIN and Account Number:** For the protection of the integrity of the Client's Account, the Client will create a Password and a PIN to access the Client's Account. The Client acknowledges, represents and warrants that the Client is the sole and exclusive owner(s) and authorized user(s) of such Password and PIN. The Client accepts the full responsibility for monitoring and safeguarding the integrity and security of the Client's Password, PIN and Account Number. The Client will immediately notify GTJAF in writing, if the Client becomes aware of any loss, theft or unauthorized use of the Client's Password, PIN and/or Account Number. In the absence of such notification, GTJAF is not liable for any consequential damage in connection therewith.

**2.9 Material Change:** GTJAF and the Client agree to notify each other forthwith of any material changes in the information supplied in the Account Opening Form. Any change to the particulars as are set out in the Account Opening Form shall not be effective with respect to the operation of the Account unless GTJAF is notified of such change in writing pursuant to Clause 16.1 below.

**2.10 Genuine Signature:** The signature of the Client, the Client's authorized signatory, director, secretary or partner (as the case may be), and the signature of each of the Authorized Persons as they appear in the Account Opening Form are the genuine signatures of the individuals concerned.

**2.11 Disclosure of Information:** GTJAF may from time to time be required to share the Client's confidential information with certain third parties (whether in Hong Kong or elsewhere) for the purposes of proper and effective operation of the Account and provision of products and services to the Client, for the purposes of implementation of credit control or risk management policies of GTJA Group, and/or for the purposes for complying with and/or enabling any entity within 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. For these purposes, the Client authorizes GTJAF to disclose such confidential information to the following entities, whether in Hong Kong or elsewhere, (i) other entities within the GTJA Group; (ii) any GTJA Group's professional advisor (including any legal advisor or auditor), rating agency, insurer, insurance broker, direct or indirect provider of credit protection, or third party provider of services, (such as operational, administrative, data processing, back office support, payment or securities clearing, telecommunications, computer and technological service providers); (iii) any entity as required by any applicable law, regulation or contractual commitment, regulatory and other authorities (including government, quasi-government, administrative, regulatory or supervisory body or authority or court or tribunal having jurisdiction over any entity within the GTJA Group); (iv) any issuer of securities as required by its articles of association or any applicable constitutional document; and (v) upon default by the Client in payment on demand or on the due date therefor of any of the Client's indebtedness to GTJAF or any other default by the Client hereunder, to any party at GTJAF's absolute discretion.

**2.12 Associated with GTJAF's Employees or Agents:** The Client represents and warrants to GTJAF that the Client is not associated with any of GTJAF's employees or agents or any employees or agents of any member of the GTJA Group and agrees that if the Client is or becomes associated with any of such employees or agents, the Client shall promptly notify GTJAF of the existence and nature of such association and acknowledge that GTJAF may, upon

receipt of such notice, at GTJAF's absolute discretion, choose to immediately suspend or terminate the Account without any prior notice.

2.13 **Connected Person:** The Client further represents and warrants to GTJAF that the Client is not or is not deemed to be a Connected Person of the company(ies) that underlie the Derivatives which any sale or purchase are effected by GTJAF pursuant to the Client's Instruction unless the Client specifically notifies GTJAF to the contrary prior to the placing of such orders or Instructions.

### 3. JOINT ACCOUNTS

3.1 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.

3.2 Each of the Clients shall have authority to exercise all his rights, powers and discretions hereunder and generally to deal with GTJAF as if each of them alone were the Account holder without notice to the other. GTJAF 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.

### 4. APPLICABLE RULES AND REGULATIONS

4.1 **Laws and rules:** All transactions for the Account shall be subject to the terms and conditions of this Agreement, all applicable laws, rules and regulations, and the constitution, rules, regulations, procedures, by-laws, customs and usages of the HKFE, or of such other exchanges or markets (and their respective clearing houses, if any) in which GTJAF or its agents are dealing on the Client's behalf or for the Account (whether in Hong Kong or elsewhere). The rules of such exchanges and clearing houses shall be binding on GTJAF and the Client in respect of transactions concluded on the Client's Instruction, and these rules contain provisions requiring GTJAF in certain circumstances to disclose the Client's name, Beneficial Identity and such other information concerning the Client.

4.2 **Legally Binding:** The Client hereby agrees that this Agreement (including the terms of the Electronic Trading Service) and all the terms herein shall be binding upon the Client and the Client's heirs, estate, executors, representatives, successors and assignees. All actions taken by GTJAF in accordance with such laws, rules and regulations shall be binding on the Client. The trading in the Derivatives by the Client does not and will not violate any law, rules or regulations to which the Client is subject or bound.

If any term hereof is inconsistent with any present or future law, rules or regulations of the Regulator(s) or any authority having jurisdiction over the subject matter of this Agreement, such inconsistent term shall be deemed to be rescinded or modified in accordance with any such law, rule or regulation. In all other respects, this Agreement shall continue and remain in full force and effect.

4.3 **Hong Kong Jurisdiction:** This Agreement and all rights, obligations and liabilities arising out of and in connection with it shall be governed by, interpreted and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China. The courts of Hong Kong have non-exclusive jurisdiction to resolve any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement). The Client irrevocably waive any objection which the Client may have now or in future to the laying of the venue of any proceedings arising out of or in connection with this Agreement ("Proceedings") in the courts of Hong Kong and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agree that a judgment in any such Proceedings brought in such courts shall be conclusive and binding upon the Client and may be enforced in any other jurisdiction. Nothing in this clause shall prevent GTJAF from taking or limit the rights of GTJAF to take Proceedings against the Client in any other courts of competent jurisdiction. To the extent allowed by law, GTJAF may take concurrent Proceedings in any number of jurisdictions, and the taking of Proceedings by GTJAF against the Client in one or more jurisdictions shall not preclude the taking of Proceedings in any other jurisdiction whether concurrently or not.

### 5. PROVISIONS PRESCRIBED BY THE HKFE RULES

Without prejudice and in addition to any other provisions of the Agreement, all transactions entered into on HKFE shall be subject to the provisions of the HKFE Rules, and which shall constitute, and be construed as, part of the Agreement.

5.1 **Investor Compensation Fund:** Every HKFE traded Derivatives 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 GTJAF'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.

## 5.2 **Conflicts of Interests:**

(a) GTJAF or any member within the GTJA Group may act in any capacity for any other person to execute transactions in Derivatives as well as acting for the Client, whether in the same transaction or otherwise. GTJAF or any member of the GTJA Group, and any of its or their respective directors, officers and employees, may from time to time trade on its or their own account on any exchange. **Subject to the provisions of the SFO and any applicable law, GTJAF or any member of the GTJA Group may take the opposite position to the Client's order in relation to any Derivatives, whether for its own account or for the account of GTJAF's other clients or GTJAF's associated companies, provided that such trade is executed competitively on or through the facilities of the HKFE or of such other exchange in accordance with the applicable exchange rules, regulations and procedures.**

(b) The Client acknowledges and agrees that GTJAF may solicit, accept and retain for its own benefit any rebate, brokerage, commission, fee, discount, and/or other benefit or advantage from any transaction effected by GTJAF. GTJAF will disclose such benefit or advantage to the Client upon request or otherwise in accordance with applicable laws, regulations and rules. GTJAF may also offer at its discretion any benefit or advantage to any person in connection with such transaction.

## 5.3 **Dealing in non-HKFE Markets:** If the Client wishes to deal in any Derivatives contract in markets other than those organized by HKFE, such transactions will be subject to the rules and regulations of those markets and not those of HKFE with the result that the Client may have a markedly different level and type of protection in relation to those transactions as compared to the level and type of protection afforded by HKFE Rules.

## 5.4 **HKFE Mandatory Transfer:** The Client acknowledges that the HKFE Clearing House may do all things necessary to transfer any open positions held by GTJAF on the Client's behalf and any money and security standing to the credit of the Account with GTJAF to another exchange participant of HKFE in the event the rights of GTJAF as an exchange participant of HKFE are suspended or revoked.

## 5.5 **Custody of Funds:** All monies and other property that GTJAF receives from the Client or from any other person (including the HKFE Clearing House and any other clearing house) for the Account shall be held by GTJAF as trustee, segregated from its own assets and be paid into a segregated bank account as soon as practicable and in any event within two (2) Business Days after its receipt. These assets so held by GTJAF do not form part of the assets of GTJAF for insolvency or winding up purposes and shall be returned to the Client promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of GTJAF's business or assets.

GTJAF shall be entitled and is hereby authorized to hold any monies held by GTJAF on behalf of the Client whether for the Account or otherwise, in a bank account whether situated in Hong Kong or not.

## 5.6 **Authorization to Appropriate Funds:** The Client authorizes GTJAF to apply any monies which the Client may pay to GTJAF, in particular, GTJAF may apply such monies in or towards meeting GTJAF's obligations to any party insofar as such obligations arise in connection with or incidental to the business of dealing in Derivatives transacted on the Client's behalf.

## 5.7 **GTJAF Deals as Principal:** The Client acknowledges that in respect of any account that GTJAF maintains with the HKFE Clearing House or any other clearing house, whether or not such account is maintained wholly or partly in respect of Derivatives transacted on the Client's behalf and whether or not any monies paid by the Client has been paid to the HKFE Clearing House or such other clearing house, as between GTJAF and the HKFE Clearing House or such other clearing house, GTJAF deals as principal. The Client agrees that GTJAF can deal with such account free of any trust or other equitable interest in favor of the Client and monies paid to the HKFE Clearing House or such other clearing house are thereby free from the trust referred to in Clause 5.5.

## 5.8 **Position Limits and Reportable Large Open Position:**

(a) The Client is bound by the HKFE Rules which permits HKFE to take steps to limit the positions or require the closing out of contracts on behalf of the clients who, in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular market(s) or which capable of adversely affecting the fair and orderly operation of any of the market(s) operated by HKFE. GTJAF, at any time in its sole discretion or as required by the relevant rules and regulations, may limit the number of positions, which the Client may maintain or acquire through GTJAF. The Client agrees not to exceed the position limits established by the HKFE or any other exchange or by GTJAF on any contract type, whether acting alone or with others, and to promptly advise GTJAF if the Client is required to file any reports on positions under the Securities and

Futures (Contracts Limits and Reportable Positions) Rules (Cap.571Y) directly to the HKFE or through GTJAF as an agent to make the report on its behalf.

- (b) In the event that the Client holds or controls a reportable position in accounts at more than one agents, the Client has the sole responsibility to notify HKFE of the reportable position. If the Client decides to submit the notice of the reportable position to HKFE through GTJAF as an agent to submit such notice on the Client's behalf, the Client should notify GTJAF and provide its total positions held at other agents so that GTJAF can submit the notice of reportable position to the HKFE on its behalf. Alternatively, the Client shall instruct all agents (including GTJAF) to separately report positions in each of its accounts to the HKFE even though positions in the individual accounts may not exceed the reportable level. The Client is advised to understand the prescribed limits of relevant contracts on the website of The Stock Exchange of Hong Kong Limited. GTJAF has no obligation to report to the HKFE any positions held or controlled by the Client with other agents or participants of the HKFE. Unless otherwise accepted by GTJAF in writing to submit such notice on the Client's behalf, GTJAF shall not be responsible for Client's reporting obligations of Client's reportable positions held at other agents.
- (c) The Client shall file the large open position report by the next trading day (whether it is a Hong Kong public holiday or not) following the day on which the Client first holds or controls the reportable positions and each succeeding day on which the Client continues to hold or control the reportable positions. The Client should submit the large open position report by using a prescribed form by 12:00 noon on the reporting day.
- (d) The Client hereby acknowledges and agrees to provide GTJAF immediately upon request of HKFE with any details of transactions/positions in other markets (e.g. OTC market) underlying the reportable positions held by GTJAF on behalf of the Client. Failure to provide such information to the HKFE could lead to the imposition of position limits other than the prescribed limits according to the HKFE Rules.
- (e) The Client hereby acknowledges the responsibilities of reporting and shall comply with all reporting and/or position limit requirements set out in this Agreement, the HKFE Rules, the Securities and Futures (Contracts Limits and Reportable Positions) Rules, the Guidance Note on Position Limits and Large Open Position Reporting Requirements issued by the SFC and any other applicable rules, regulations or guidelines of any exchanges and/or regulatory authorities (including but not limited to the Chicago Mercantile Exchange, The Chicago Board of Trade, the New York Mercantile Exchange, the Commodity Exchange Inc and the Commodity Futures Trading Commission).

## 6. INSTRUCTIONS AND TRANSACTIONS

- 6.1 **Agency Trading:** GTJAF will act as the Client's agent in effecting transactions unless GTJAF indicates (in the contract note for the relevant transaction or otherwise) that GTJAF is acting as principal. Unless otherwise disclosed to the Client orally or in writing, GTJAF and its directors and employees will carry out Instruction and effect transactions for the Account as agent for the Client and not as principal. Unless otherwise proved to the contrary, the Client acknowledges that any sale or purchase of Derivatives effected by GTJAF pursuant to the Client's Instruction or any Authorized Person on behalf of the Client as aforesaid will not result from the selection or advice in the selection of such Derivatives by GTJAF.
- 6.2 **Client Instruction:** Instructions may be given orally, in writing or electronically, and shall be irrevocable once given. GTJAF shall be entitled to rely and act upon any Instruction which purports or which GTJAF believes in good faith to have been given by the Client or by an Authorized Person. Subject to prior written agreement with GTJAF, the Client may limit the powers and authorities of individual Authorized Persons. Amendments to the list of Authorized Persons shall take effect only when GTJAF has received and accepted written notification from the Client.
- 6.3 **Reliance on Instruction:** The Instruction, notices or other communications (whether given orally or in writing) of the Client or the Authorized Person shall be a full, sufficient and immediate authority for GTJAF. GTJAF may, at its absolute discretion, rely upon and act in accordance with any Instruction, notices or other communications which may be given or made or purported to be given or made by telephone or in writing, and which it believes to have emanated from the Client or an Authorized Person for and on behalf of the Client. GTJAF shall not be under any duty to verify the identity or authority of the persons giving or making or purporting to give or make the Instruction, notices or communications. GTJAF shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such Instruction, notices or communications as GTJAF may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of Derivatives involved and notwithstanding any error or misunderstanding, whether apparent or actual, in the terms of such Instruction, notices or communications. All Instruction or orders whether made by telephone, cable, facsimile transmission, internet transmission, electronic mail, mail, orally or otherwise are transmitted at the Client's risks.
- 6.4 **Orders are for Good for the Day:** Unless the Client gives specific Instruction to GTJAF to the contrary and which Instruction is accepted by GTJAF, 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 day of the exchange or market in respect of which they are given.

6.5 **Delays in Making Prices:** By reason of physical restraints on the floors of any exchange and rapid changes in the prices of Derivatives that frequently take place, there may, on occasions, be a delay in making prices or in dealing at any specific time or "at best" or "at market". The Client agrees in any event to accept and be bound by dealings which take place on his behalf and agrees that GTJAF shall not be under any liability for any loss arising by reason of GTJAF's failing or being unable to comply with any terms of an order of the Client or for any loss incurred as a result of transactions carried out or effected pursuant to this Agreement unless due to the wilful default of any of GTJAF's employees or agents.

6.6 **Voice recording:** GTJAF may use voice-recording procedures in connection with any communications with the Client or in order to record or verify Instruction from the Client or the Authorized Person. Any voice recording made by GTJAF shall constitute conclusive evidence of the communications so recorded.

6.7 **Third Party Instruction:** The Client understands that GTJAF will not accept any third party instruction, unless the Client have formally executed and delivered a valid power of attorney which expressively authorizes a named specific party to emit trade Instruction on the Client's behalf. The Client further agrees to indemnify GTJAF (on demand) from any disputes, losses, costs, expenses and other claims arising from reliance thereupon. Should the Client decide to employ a third party to relate trade Instruction, the Client agrees to supply GTJAF with an accurate and truthful identification and personal information about the designated third party.

6.8 **Order Cancellations:** The Client may amend or cancel the Client's Instruction that has been previously transmitted. The Client agrees that GTJAF is not obligated to accept such amendment or cancellation. Instruction may only be amended or cancelled prior to the execution. The Client shall accept full responsibilities for the transactions, partial or full, executed prior to the processing of the Client's amendment and/or cancellation request.

6.9 **Order Refusal:** GTJAF 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 contract, or the exercise of any rights thereunder. In such event, GTJAF will endeavour to notify the Client accordingly, but GTJAF 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 GTJAF declining to act on such Instruction or omitting so to notify the Client.

6.10 **Independent Judgment:** Except where GTJAF solicits the sale of or recommend any Financial Product to the Client, the Client acknowledges and agrees that the Client shall retain full responsibility for all trading decisions in relation to the Account and GTJAF is responsible only for the execution, clearing and carrying out of transactions for the Account in accordance with the Client's Instruction and does not act as the Client's investment adviser.

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

6.12 **Transaction in foreign currency:** In the event that the Client instructs GTJAF to enter into any Derivatives transactions which are effected in a foreign currency, (i) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the Client's account and at the Client's risk; (ii) Margin shall be recorded in such currency or currencies and in such amounts as GTJAF may in GTJAF's sole discretion elect; and (iii) GTJAF is authorized to convert funds in the Account into and from such foreign currency at a rate of exchange determined by GTJAF, in its sole discretion, on the basis of the then prevailing money market rates.

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

6.13 **Choice of Exchange:** Unless the Client gives GTJAF specific Instructions to the contrary, all Instructions given by the Client, which may be executed on more than one exchange, may be executed on such exchange(s) as GTJAF may, in its absolute discretion, determine.

6.14 **Market Information:** Subject to Clause 6.15 below, the Client acknowledges that (a) any market recommendations and information communicated to the Client by GTJAF do not constitute an offer to sell or the solicitation of any offer to buy any Derivatives; (b) such recommendations and information, although based upon information obtained from sources believed by GTJAF to be reliable, may be incomplete and may not be verified; and (c) GTJAF makes no representation, warranty or guaranty as to, and shall not be responsible for, the accuracy or completeness of any information or trading recommendation furnished to the Client.

6.15 **Suitability of Recommendation:** If GTJAF solicits the sale of or recommend any Financial Product to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provisions of this Agreement or any other document GTJAF may ask the Client to sign and no statement GTJAF may ask the Client to make derogates from this clause.

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

6.17 The Client understands that (i) all short option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned, and (ii) exercise assignment notices are allocated randomly from among all GTJAF customers' short option positions, which are subject to exercise.

6.18 **Restrictions on Trading:** The Client agrees that GTJAF may, in GTJAF's sole discretion and without giving the Client prior notice, prohibit or restrict his ability to trade Derivatives through the Client's Account. The Client agrees that GTJAF is not liable for any losses and/or damages, actual or hypothetical, as a result of such restrictions.

## 7. COMMISSION AND CHARGES

7.1 In consideration of GTJAF carrying out or entering into transactions in Derivatives, on the Client's behalf or for the Account, the Client agrees to pay GTJAF 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 provided that such commissions shall at all times be no less than the minimum, if any, as may be specified by any exchange from time to time. In addition, the Client shall pay or reimburse GTJAF forthwith on demand all commission, brokerage, levies, fees, duties and taxes and all other charges and expenses suffered or incurred by GTJAF arising out of or in connection with any purchase or sale of contracts entered into by GTJAF on behalf of the Client or otherwise arising out of or in connection with the performance of any of GTJAF's duties under this Agreement. All such amounts may be deducted from the Account and any other accounts maintained by the Client with GTJAF.

7.2 Every transaction executed on any exchange shall be subject to any levies or charges that such exchange may from time to time impose. GTJAF is authorized to collect from the Client any such levies in accordance with the rules prescribed by such exchange from time to time.

## 8. MARGIN

8.1 In respect of all transactions entered into by GTJAF as agent on behalf of the Client, the Client shall before the relevant transaction is entered into or otherwise immediately upon demand provide GTJAF with such Margin together with such guarantees and other security in such form and amount and on such terms as GTJAF may in its absolute discretion require from time to time. Such Margin shall be maintained with GTJAF and the Client shall not withdraw the same until the transaction to which it relates has been closed out. GTJAF shall be entitled to refuse to execute the Client's Instruction unless the Margin required by GTJAF has been provided to GTJAF.

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

- (a) in or towards the provision of any Margin or additional Margin demanded by GTJAF pursuant to this Clause 8 and Clause 9;
- (b) in payment to any exchange, clearing house or broker in or towards satisfaction of any liability to provide margin demanded or required by such exchange, clearing house or broker in respect of any transaction

entered into by GTJAF on behalf of the Client;

- (c) towards provision of security in favour of any exchange, clearing house or broker without prior notice to the Client and free of any beneficial interest of the Client as security for GTJAF's obligations to (and upon terms specified by) the exchange, clearing house or broker in respect of any transaction entered into by GTJAF on behalf of the Client;
- (d) in satisfaction of any other obligations of GTJAF to any party insofar as such obligations arise in connection with or incidental to any transaction entered into by GTJAF on behalf of the Client; or
- (e) in or towards payment of money properly required to meet commissions, brokerage, levies or other proper charges directly relating to any transaction entered into by GTJAF on behalf of the Client.

Notwithstanding that any such application may result in the Client being required by GTJAF to provide additional Margin.

8.3 **Margin Call:** All amounts (including Margin) payable by the Client in connection with this Agreement shall be due on demand and in the currency of GTJAF's choice subject only to any restrictions which may be imposed by the relevant exchange and/or clearing house on which the relevant Derivatives transactions were executed. Demands for Margin must be met within twelve (12) hours or such other time limit as GTJAF may in its absolute discretion determine to be necessary and notify to the Client. Without prejudice to the provisions of Clause 14, failure to meet margin calls may result in GTJAF being entitled or obliged by the rules or regulations of the relevant exchange and/or clearing house to close out the Derivatives contracts held on behalf of the Client in respect of which any Margin calls are not met within the period specified by GTJAF or at the time of making such call(s), and/or to notify the relevant exchange, clearing house or broker particulars of such contracts.

8.4 The Client shall provide to and maintain with GTJAF Margin in such amounts and in such form as GTJAF, in its sole discretion, from time to time may determine. Such Margin requirements established by GTJAF may exceed the Margin required of GTJAF by an exchange. GTJAF may change Margin requirements in its sole discretion at any time. If GTJAF determines that additional Margin is required, the Client agrees to deposit with GTJAF such additional Margin when and as required and determined by GTJAF, and will promptly meet all Margin calls in such manner as GTJAF shall designate in its sole discretion. Notwithstanding any demand for additional Margin, GTJAF at any time may proceed in accordance with Clause 15 below, and any failure to proceed shall not be deemed a waiver of any rights by GTJAF.

8.5 Unless specifically instructed by the Client, the Derivatives contracts held in the Account which the exchange allows to be set off for margin purpose will automatically be set off for the determination of Margin without reference to the Client, but these contracts will not be closed out or treated as netted off for any other purpose.

## **9. ADDITIONAL MARGIN REQUIREMENT OR DEMANDS FOR VARIATION ADJUSTMENT**

In respect of all Derivatives contracts entered into GTJAF on behalf of the Client, the Client shall provide to GTJAF such Margin or additional Margin or demands for variation adjustment or as GTJAF may in its absolute discretion require immediately upon demand. Such calls for Margin or additional Margin requirements or demands for variation adjustment by GTJAF may exceed any margin requirements or variation adjustments prescribed by HKFE or HKFE Clearing House and may be changed by GTJAF with immediate effect without prior notice to the Client. GTJAF may be required to report to HKFE and the SFC particulars of all contracts in respect of which the Client has failed on two successive occasions to meet a demand for Margin or additional Margin or variation adjustments as provided in this Clause within the period specified by GTJAF and GTJAF may close out Client contracts in respect of which any demand for Margin or additional Margin or variation adjustments or has not been met.

## **10. PAYMENTS AND REMISSION OF MONIES**

10.1 The Client shall pay GTJAF forthwith upon demand by GTJAF at any time the full amount of all losses, debit balances and deficiencies resulting from any transaction between the Client and GTJAF, or from the operation of the Client's Account. Payment shall be made in such currencies as GTJAF may prescribe from time to time.

10.2 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 GTJAF 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.

10.3 Subject to the deduction of all amounts which GTJAF is entitled to deduct under the HKFE Rules, the rules of any other exchanges or clearing houses, applicable laws and regulations and/or this Agreement, any Margin required as referred to in Clauses 8 and 9 above and subject to the prior discharge in full of all sums or liabilities actual or contingent owed by the Client to GTJAF or any member of the GTJA Group, GTJAF shall as soon as practicable after

receiving a demand in writing from an Authorized Person remit to Client all or part of the monies forming part of the Account and/or the proceeds of sale of any Derivatives contracts. All monies payable by GTJAF to the Client shall be transferred by GTJAF 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 GTJAF's obligation to make payment to the Client.

10.4 The Client confirms that unless an Authorized Person is also the Client, Authorized Person shall only have authority in placing trade orders on behalf of the Client in relation to this Agreement. No Authorized Person shall be authorized to instruct or direct GTJAF to transfer or debit any money or property from the Account to any other account the holder of which is or includes an authorized third party, and the Client hereby agrees that if GTJAF receives any Instruction or directions to such effect from any authorized third party, GTJAF is expressly authorized not to act on or carry out any such Instruction or directions unless GTJAF has received notice in writing to the contrary from the Client.

10.5 The Client will be responsible to GTJAF 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.

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

- (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.

## **11. INTEREST**

11.1 GTJAF 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 GTJAF to the Client's credit, unless there is an agreement to the contrary between the parties hereto.

11.2 The Client undertakes to pay interest on all overdue amounts owed by him to GTJAF at any time (after as well as before any judgment) at such rate as may be specified from time to time by GTJAF; and in absence of such specification, an annual rate of eight (8) per cent above the best lending rate (Prime Rate) on Hong Kong dollars quoted by a GTJAF's usual banker, including (i) Standard Chartered Bank or (ii) The Hongkong and Shanghai Banking Corporation Limited, from time to time. Such interest shall be payable monthly in arrears or forthwith upon any demand being made by GTJAF.

## **12. SETTLEMENT**

12.1 The Client accepts that every transaction effected for the Account contemplates actual performance in accordance with its terms, including delivery and receipt of any Derivatives and payment for them. Notwithstanding this and subject to Clause 12.4 below, in respect of each open position in relation to the Account which remains subsisting on the maturity date for its settlement, neither GTJAF nor the Client shall have any obligation to make or take delivery (as the case may be) of the commodities forming the underlying subject matter of the Derivatives transaction on the maturity date, if, according to the rules or usual practice of the relevant exchange, the outstanding obligations of the buyer and seller of such open position shall be satisfied solely by cash settlement based on a difference in price or value, in which case GTJAF or the Client (as the case may be) shall settle or close the open position by paying the relevant difference to the other on the maturity date thereof. The Client shall take all necessary actions to enable GTJAF to effect due settlement of each transaction effected for the Account in accordance with the rules, regulations and requirements of the relevant exchange and/ or clearing house.

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

12.3 To exercise an option pursuant to an option contract effected for the Account, the Client shall (subject to the rules and regulations of the relevant exchange on which the option contract is traded) deliver to GTJAF a notice of exercise no later than such time limit as may be specified by GTJAF from time to time before the cut-off date for the tender of exercise Instruction prescribed by the writer of the option or the relevant exchange or clearing house

(whichever prescribes the earliest cut-off date). Unless required by the rules of the relevant exchange or otherwise agreed between GTJAF and the Client that the outstanding obligations of the buyer and seller of an option contract are satisfied solely by cash settlement based on a difference in price or value, such notice shall only be considered valid when accompanied:-

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

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

12.4 If GTJAF or another broker (as the case may be) shall for any reason whatsoever and howsoever fail to receive payment of all or any amount, or to receive delivery of all or any part of any amount of any commodity (whether from the relevant exchange, clearing house, executing or clearing agent and/or any other person), due to be paid or delivered to the Client in respect of any transaction in relation to the Account on the due date for payment or delivery thereof in accordance with the rules and regulations of the relevant exchange and/or clearing house and/or any applicable laws, GTJAF's obligations to make payment or to deliver any commodity to the Client in respect of such transaction shall thereupon and by virtue of such failure become obligations to make payment of such amount or delivery of such quantity of such commodity as is equal to such payment or such quantity as is actually received by the GTJAF in respect thereof. GTJAF shall have no other liability to the Client in any respect, for any loss suffered by the Client, including any loss resulting from action, inaction or insolvency by or of any exchange, clearing house, executing or clearing agent and/or any other person (including wrongful or unlawful action or inaction), or howsoever otherwise suffered and/or incurred by the Client, provided that such person is engaged by GTJAF in good faith and necessary or desirable to carry out the services hereunder as it deems fit.

12.5 GTJAF may in its absolute discretion but shall not be bound to act on any Instruction from the Client to take any action whatsoever or howsoever against any exchange, clearing house, executing or clearing agent, other broker and/or any other person in respect of any failure by such exchange, clearing house, executing or clearing agent, other brokers and/or other person to make any payment or to deliver any amount of any commodity in respect of any transaction executed in relation to the Account as referred to in Clause 12.4 above, provided that if any such action is taken by GTJAF, the Client shall fully indemnify and keep GTJAF indemnified on demand in respect of all costs, claims, demands, damages, fees and expenses arising out of, or in connection with, the taking of such action.

12.6 Where the Client holds a short position under an option contract and the option is exercised (or deemed to be exercised on expiry or otherwise), the Client shall on demand pay GTJAF in cash the settlement amount payable by the Client or make or take delivery (as the case may be) of the commodity or the subject matter of the option contract pursuant to the terms of the option contract.

12.7 Any statement or confirmation signed by any authorized signatory of GTJAF stating the price or value at which any Derivatives contract is entered into or closed out, or the exchange rate applicable in any currency conversion, or the amount owed by the Client to GTJAF at any given time, shall (in the absence of manifest error) be binding on the Client as to the particulars stated.

12.8 The Client acknowledges and agrees that:

- (a) the Client's right to assets held by GTJAF in its omnibus account with a clearing house may be subject to GTJAF fulfilling its obligations to the clearing house, which may be further subject to GTJAF's other clients fulfilling their obligations to GTJAF, despite the fact that the Client did not default on his or her obligations to GTJAF; and
- (b) the Client's rights to assets held by GTJAF in its omnibus account with an executing or clearing agent may be subject to GTJAF, GTJAF's other clients, the executing or clearing agent or their agents, and other clients of the executing or clearing agent or their agents fulfilling their obligations to their counterparties, despite the fact that the Client did not default on his or her obligations to GTJAF.

GTJAF will deal with the Client's enquiries in a timely manner, in particular, on request by the Client, disclose the latest licensing or authorization status of its overseas counterparties or that futures markets (as the case may be).

### **13. SECURITY**

13.1 The Client as beneficial owner hereby charges in favour of GTJAF, on trust for itself and any other member of the GTJA Group, by way of first fixed charge any and all Derivatives 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 GTJAF 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 GTJAF or any other member of the GTJA Group

in connection with the Account or any agreement with any other member of the GTJA Group and the payment of all costs, charges and expenses incurred by GTJAF or any member of the GTJA Group in the exercise or enforcement of the charge hereby created.

### 13.2 Floating Charge

- (a) The Client, as a continuing security for the payment and satisfaction 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 GTJAF or any other member of the GTJA Group in connection with the Account or any agreement with any other member of the GTJA Group and the payment of all costs, charges and expenses incurred by GTJAF or any member of the GTJA Group, charges by way of a first floating charge, in favor of GTJAF, on trust for itself and any other member of the GTJA Group, free from any encumbrances, any and all Derivatives contracts, monies and other property referred to in Clause 13.1 above not at any time otherwise effectively charged or mortgaged by way of a first fixed charge under Clause 13.1.
- (b) The first floating charge created by the Client under this Clause 13.2 shall crystallise into a first legal charge forthwith and automatically upon the earlier of (i) the creation and issue to or receipt by the Client of the Derivatives contracts, monies and other property referred to in Clause 13.1 above, (ii) any corporate action, legal proceedings or other formal procedure or formal step is taken in relation to the winding-up, dissolution or re-organisation of the Client, (iii) upon default by the Client in payment on demand or on the due date therefor of any of the Client's indebtedness to GTJAF or any other default by the Client hereunder, to any party at GTJAF's absolute discretion, (iv) any person taking any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Derivatives contracts, monies and other property referred to in Clause 13.1 above, or (v) the issue of a written notice by GTJAF to the Client if GTJAF considers it desirable to convert any floating charge created pursuant to this Clause 13.2 in order to protect or preserve the security over the Derivatives contracts, monies and other property referred to in Clause 13.1 above and/or the priority of the charge.

13.3 The charges under Clauses 13.1 and 13.2 shall be continuing notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum owed by the Client to GTJAF or any other member of GTJA Group notwithstanding the closing of any the Client's accounts with GTJAF or any other member of GTJA Group and which are subsequently reopened or the subsequent opening of any account by the Client either alone or jointly with others and shall extend to cover all or any sum of monies which shall for the time being constitute the balance due from the Client to GTJAF or any other member of GTJA Group on any account or otherwise.

### 13.4 The Client represents and warrants that:-

- (a) the Derivatives contracts, monies and other property held or carried in the Account is legally and beneficially owned by the Client; and
- (b) the Derivatives contracts, monies and other property are and will remain free from any lien, charge or encumbrance of any kind.

13.5 Upon irrevocable payment in full of all sums which may be or become payable to GTJAF or any other member of GTJA Group under this Agreement or any agreement with any other member of the GTJA Group, and the full performance of the Client's obligations towards GTJAF and/or any other member of GTJA Group, GTJAF will at the Client's request and expense release to the Client all the rights, title and interests of GTJAF in the Derivatives contracts, monies and other property held or carried in the Account and will give such instructions and directions as the Client may require in order to perfect such release.

13.6 The Client agrees to do all such things and execute all such documents which GTJAF 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 GTJAF hereunder including but not limited to the execution by the Client of an irrevocable power of attorney appointing GTJAF to be his lawful attorney (with full power to appoint substitutes and to sub-delegate) to do all such acts and things and execute all such documents on the Client's behalf as GTJAF shall in its absolute discretion consider necessary or appropriate.

13.7 At the request of GTJAF, the Client shall grant or shall procure that such persons as are acceptable to GTJAF shall grant further security in terms satisfactory to GTJAF in respect of any of the obligations of the Client under this Agreement.

13.8 The provisions of this Clause 13 shall be without prejudice to any rights to which GTJAF may be entitled to by law.

## 14. CLOSING OUT OF POSITIONS

**14.1 Forced Liquidation:** On the happening of any of the following:-

- (a) the dissolution or liquidation of the Client,
- (b) the filing of a petition in bankruptcy, or a petition for the appoint of a receiver, by or against the Client,
- (c) the filing of any attachment against any of the Client's accounts carried by GTJAF,
- (d) insufficient margin or GTJAF's determination that any collateral deposited to protect one or more Accounts of the Client is inadequate, regardless of current market quotations, to secure the Account, or
- (e) any other circumstances or developments that GTJAF deems to require action necessary for its protection.

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

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

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

Any sales or purchases hereunder may be made according to GTJAF's judgment and at its sole discretion on any exchange or other market where such business is then usually transacted or at public auction or at private sale, and GTJAF may purchase the whole or any part thereof free from any right of redemption. It is understood that, in all cases, a prior demand, call, or notice of the time and place of a sale or purchase shall not be considered a waiver of GTJAF's right to sell or buy without demand or notice as herein provided. The Client at all times shall be liable for the payment of any debit balance of the Client upon demand by GTJAF and shall be liable for any deficiency remaining in the Client's accounts(s) in the event of the liquidation thereof in whole or in part by GTJAF or by the Client. In the event the proceeds realized pursuant to this authorization are insufficient for the payment of all liabilities of the Client due to GTJAF, the Client promptly shall pay, upon demand, the deficit and all unpaid liabilities, together with interest thereon equal to an annual rate of eight (8) per cent above the Prime Rate on Hong Kong dollars quoted by a GTJAF's usual banker, including (i) the Standard Chartered Bank (Hong Kong) Limited or (ii) the Hongkong and Shanghai Banking Corporation Limited from time to time and all costs of collection including reasonable attorney's fees, with respect to any account of the Client, the Client agrees to be liable therefor.

**14.2 Exercise of Option:**

- (a) Exercise of option on open positions maturing in a current delivery month must be given to GTJAF at least five (5) Business Days prior to the first notice day in the case of long positions and, in the case of short positions, at least five (5) Business Days prior to the last trading day. Alternatively, sufficient funds to take delivery or the necessary delivery documents must be delivered to GTJAF within the same periods described above. If neither Instructions, funds, nor documents are received, GTJAF, without notice may, either liquidate the Client's position or make or receive delivery on behalf of the Client upon such terms and by such methods which GTJAF deems feasible.
- (b) If at any time the Client fails to deliver to GTJAF any property previously sold by GTJAF on the Client's behalf or fails to deliver property, securities or financial instruments in compliance with commodity contracts, or GTJAF shall deem it necessary (whether by reason of the requirements of any exchange, clearing house, or otherwise) to replace any securities, commodity contracts, financial instruments, or other property delivered by GTJAF for the account of the Client with other property of like or equivalent kind or amount, the Client authorizes GTJAF in its judgment to borrow or to buy any property necessary to make delivery or to replace any such property necessary to make delivery thereof or to replace any such party to whom delivery is to be made. GTJAF may subsequently repay any borrowing thereof with property purchased or otherwise acquired for the account of the Client. The Client shall pay GTJAF for any cost, loss and damage from the foregoing (including consequential damages, penalties, and fines) which GTJAF may be required to incur or which GTJAF may sustain from its inability to borrow or buy any such property.

**14.3 In the event of any sale pursuant to this clause:**

- (a) GTJAF shall not be responsible for any loss occasioned thereby howsoever arising if GTJAF has already used reasonable endeavors to sell or dispose of the Derivatives, Option Contracts or commodities or any part thereof at the then available market price;
- (b) GTJAF shall be entitled to appropriate to itself or sell or dispose of the Derivatives, Option Contracts or commodities or any part thereof at the current price to any of the member of the GTJA Group without

being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by GTJAF and/or any member of the GTJA Group; and

(c) the Client undertakes to pay to GTJAF any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by the Client to GTJAF.

## 15. SET-OFF AND COMBINATION OF ACCOUNTS

15.1 GTJAF 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 GTJAF or other member of GTJA Group, including the Account, and the Client hereby irrevocably authorizes GTJAF (without prejudice to the other authorities granted to GTJAF hereunder):-

- (a) 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 GTJAF (including the Account);
- (b) to transfer any funds standing from time to time in any account maintained by the Client with GTJAF to any account maintained at any time by the Client with other members of GTJA Group;
- (c) to set-off or transfer any sum standing to the credit of any one or more such accounts by the Client in or towards satisfaction of the Client's indebtedness, obligation or liability to GTJAF, other member of GTJA Group or GTJAF's affiliates on any of the accounts (including the Account) or in any other respect whatsoever, whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint, secured or unsecured; and
- (d) to give other members 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 GTJAF's prevailing in such foreign exchange market as GTJAF may at its absolute discretion (but shall notify the Client of GTJAF's decision) select on or about the date of the combination, consolidation, set-off or transfer.

In respect of any payments by GTJAF to offset and discharge any of the Client's obligations to other member of GTJA Group or GTJAF's affiliates, GTJAF shall not be concerned whether or not such obligation exist, provided demand has been made on GTJAF by other member of GTJA Group or GTJAF'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 GTJAF to apply any amounts (in whatever currency) standing to the credit of the Account and/or any other account(s) not opened pursuant to this Agreement in the Client's name with GTJAF or GTJAF'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 GTJAF may have under the Agreement or by law, GTJAF 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 GTJAF or any Affiliate of GTJAF 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 GTJAF or any Affiliate of GTJAF 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 GTJAF under this Agreement or any lien or other security now or hereafter held by GTJAF.

## 16. NOTICE AND COMMUNICATIONS

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

- (a) at the time of delivery if delivered by means other than by post; or
- (b) twenty-four (24) hours after dispatch if sent by post,

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

**16.2 Presumption of Receipt:** All communications so sent whether by messenger, mail, telegraph, facsimile, electronic mail or otherwise, shall be deemed delivered and received, unless otherwise notify to GTJAF by the Client. It is the Client's responsibility to ensure the Account correctness and accuracy and to contact GTJAF immediately with any discrepancies.

**16.3 Responsibility to Retrieve and Review Communications:** The Client agrees to check regularly the Client's mailbox, electronic mailbox, facsimile machine and other sources of facilities through which the Client receives communication from GTJAF. GTJAF will not be responsible for any losses that arise from the Client's failure, delay or negligence to check such sources or facilities.

**16.4 Monitoring and Recording of Telephone Conversations and Electronic Mails:** For the protection of the Client and GTJAF, and as a tool to detect and rectify misunderstandings, the Client agrees and authorizes GTJAF, at GTJAF's discretion and without further prior notice, to monitor and record any or all telephone conversations and any electronic communications between GTJAF and the Client.

**16.5 Confirmation and Account Statements:** In respect of every transaction of sale, purchase or exchange of Derivatives entered into by GTJAF for the Account in Hong Kong, GTJAF will (unless otherwise provided by the SFO) make out a contract note which will contain all the necessary information required by the SFO, and shall deliver the contract note to the Client within the time limit specified in the SFO. In respect of all other transactions, GTJAF will as soon as practicable after effecting such transactions, confirm the essential features of the transactions to the Client either orally or in writing. GTJAF will provide the Client with a statement of account in relation to the transactions and dealings, which GTJAF has entered into in relation to the Account on a monthly basis. The contract notes, statements of account and any confirmations in writing of execution of transactions for the Account which GTJAF sends to the Client shall be conclusive in respect of all information set out therein, and shall be deemed to have been accepted by the Client, in the case of contract notes, if not objected to by the Client in writing, within twenty-four (24) hours after delivery to the Client, and in the case of statements of accounts and confirmations in writing, within five (5) Business Days after posting thereof to the Client by ordinary mail.

**16.6 Undelivered or Returned Mails:** The Client agrees to keep the Client's Account information up to date, and to notify GTJAF of any changes within forty-eight (48) hours. The Client understands, for the security and integrity of the Client's Account, that GTJAF may temporarily or permanently disable or restrict the Client's Account, if and when the mails become undeliverable or are returned as a result of the Client's failure to provide, update and/or notify GTJAF with most current and accurate Account information.

## **17. ELECTRONIC TRADING SERVICE**

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

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

**17.3 Proprietary System:** The Client acknowledges that the ETS is proprietary to GTJAF. The Client warrants and undertakes that the Client shall not, and shall not attempt to, tamper with, modify, de-compile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the ETS. The Client acknowledges that GTJAF may take legal action against the Client, if the Client at any time breaches this warranty and undertaking or if GTJAF at any time reasonably suspect that the Client has breached the same. The Client undertakes to notify GTJAF immediately if the Client becomes aware that any of the actions described above in this Clause is being perpetrated by any other person.

**17.4 Responsibility to Notify Errors:** The Client further acknowledges and agrees that, as a condition of using the ETS to give Instruction, the Client shall immediately notify GTJAF if:-

- (a) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an order number;

- (b) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an accurate acknowledgement of the Instruction or of its execution, whether by hard copy or via electronic or verbal means;
- (c) the Client has received acknowledgement, whether by hard copy, electronic or verbal means, of a transaction which Client did not originate or instruct; and/or
- (d) the Client become aware of any unauthorized use of the Account No. and/or Password.

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

**17.6 Third Party Market Data:** The Client understands that the ETS may provide, for informational purpose only data about price quotation and information published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time price quotes and information for the relevant investments. The Client understands that whilst GTJAF believes such data to be reliable, it has no independent basis to verify or contradict the accuracy or completeness of the information provided. The Client understands that no recommendation or endorsement from GTJAF shall be inferred from the data provided with respect to any investments.

**17.7 No Guarantee of Accuracy or Timeliness of Information:** The Client acknowledges that the price quote service available at the ETS is provided by a third party provider appointed by GTJAF from time to time. The Client understands that information provided in the ETS is on an "as is", "as available" basis and GTJAF does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information.

17.8 The Client hereby confirms that due to unpredictable traffic congestion and other reasons, the ETS may not be a reliable medium of communication and that such unreliability is beyond the control of GTJAF. 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 GTJAF and so on. Whilst GTJAF will take every possible step to safeguard its systems, client information, accounts and assets held for the benefit of GTJAF's clients, the Client accepts the risk of conducting financial and other transactions via the ETS.

## **18. FAX INDEMNITY**

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

## **19. GENERAL PROVISIONS**

**19.1 Entire Understanding:** This Agreement, together with all other written agreements, existing or subsequent, between GTJAF and the Client related to the Client's Account and terms contained on statements and confirmations sent to GTJAF, contains the entire understanding between and binding upon GTJAF and the Client concerning the subject matter of this Agreement.

**19.2 Severability:** If any provision of this Agreement shall be held to be invalid or unenforceable by any court or regulatory agency or body, such invalidity or unenforceability shall attach only to such provision. The validity of the

remaining provisions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained here. Time shall be of the essence in relation to all matters arising under this Agreement. Where the Client consists of more than one person, the liability of each of the person shall be joint and several and references to the persons shall be construed, as the context requires, to any or each of the persons. GTJAF shall be entitled to deal separately with any of the persons including the discharge of any liabilities to any extent without affecting the liabilities of the other persons.

**19.3 Presumption of Authorization:** All notices and communications to the Client may be effectively given by mailing the same by post addressed to the Client at any of the Client business, residential or mailing addresses as they appear from time to time on GTJAF's records, or by delivering the same to the Client or to any such address, or by facsimile or telephone or e-mail to any number or address notified to GTJAF from time to time for the purpose and shall be deemed to be received:-

- (a) on the third Business Day after such notice is mailed (in the case of post); and
- (b) when delivered (in the case of personal delivery), or communicated (in the case of telephone, facsimile transmission or e-mail) and that no such notice or communication need be signed on GTJAF's behalf.

**19.4 Duty to Notify Error:** The Client shall inform GTJAF within seven (7) days of the possession or knowledge of information if the Client is aware of any discrepancies and/or error with regard to and in connection with any of the Client's Account information, transactions, settlements and fund transfers. The Client agrees that the Client's failure to notify of such discrepancy and/or error in a prompt manner within seven (7) days would exonerate GTJAF and GTJAF's agents from any claims, liabilities or damages resulted from those discrepancies and/or errors and the Client shall indemnify them against any loss they may incur as a result of its delay or failure.

**19.5 Amendment:** To the extent permitted by law, GTJAF may from time to time amend any of the terms and conditions of this Agreement by notifying the Client and such amendments shall come into effect immediately upon the Client's deemed receipt of GTJAF's notice. The Client acknowledges and agrees that if the Client does not accept any amendments as notified by GTJAF from time to time, the Client shall have the right to terminate this Agreement in accordance with termination clause under this Agreement. The Client further agrees that any amendments shall be deemed to be accepted by the Client, should the Client continue to effectuate transaction(s) in the Client's Account without expressively communicate the Client's objections to such amendments prior to the transaction(s).

**19.6 Waiver:** Waiver of any right under this Agreement must be in writing signed by the party waiving such right. GTJAF will not be regarded as having waived any right under this Agreement if GTJAF fails or delays in exercising such right. Any single or partial exercise of any rights under this Agreement will not preclude any further exercise of such right or exercise of any other right. GTJAF's failure to insist at any time on strict compliance with any of the terms or conditions of this Agreement or any continued course of such conduct on GTJAF's part shall, in no event, constitute or be considered as a waiver by GTJAF of any of GTJAF's powers, rights, remedies or privileges.

**19.7 Assignment:** GTJAF may assign GTJAF's rights or obligations under this Agreement to any of GTJAF's subsidiaries or affiliates without giving any prior notice, or to any other entity upon prior written notice to the Client. The Client shall not assign the Account and/or any of the Client rights and/or obligations under this Agreement to any other party except with GTJAF's prior written consent.

**19.8 Termination:** This Agreement may be terminated at any time by written notice given by either party to this Agreement provided that this Agreement shall not be deemed to be terminated by the Client until GTJAF accepts the Client's termination notice on the basis that the Client does not have any outstanding balances in the Account. In addition, GTJAF may terminate this Agreement immediately and without notice to the Client pursuant to Clause 26.3 below. This shall not affect any undertakings or indemnities given by the Client under this Agreement or any rights or obligations under this Agreement outstanding as at the date of termination, all of which shall survive such termination. Without prejudice to the foregoing, any termination shall not affect the rights or liabilities of either party arising out of or in connection with any contracts at the time of such termination, including as to Margin, until all such contracts have been closed out or settlement and/or delivery has been effected and all such liabilities fully discharged.

**19.9 English/Chinese Version:** The Client confirms that the Client has read the English or Chinese version of this Agreement and that the contents of this Agreement have been fully explained to Client in a language which Client understands, and that the Client accepts this Agreement in its entirety. In the event that there is inconsistency between the English version and the Chinese version of this Agreement, the English version shall prevail.

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

**19.11 Indemnification:**

- (a) Neither GTJAF nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client as a result of:-
  - (i) GTJAF failing to perform any of its obligations under this Agreement or otherwise as the broker of Client due to any reasons beyond GTJAF's control; or
  - (ii) GTJAF acting or relying on any Instruction given by the Client whether such Instruction was given following any recommendation, advice or opinion given by GTJAF or by any of its directors, employees or agents; or
  - (iii) any act or omission of GTJAF or its directors, employees or agents in relation to the Account unless such loss or damage results directly from the fraud, negligence or wilful default of GTJAF or its directors or employees; or
  - (v) any conversion of one currency to another pursuant to, in relation to or arising from this Agreement.
- (b) Without limiting the generality of 19.11(a) above, neither GTJAF nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the ETS or any delay or alleged delay in acting or any failure to act on any Instruction given by the Client to GTJAF, even if GTJAF has been advised of the possibility of such losses or damages.
- (c) The Client undertakes to (on demand) indemnify and keep GTJAF and any of its directors, employees or agents fully indemnified from and against all costs, claims, demands, damages, liabilities and expenses (including legal expenses on a full indemnity basis) whatsoever which may be reasonably suffered or incurred by GTJAF directly or indirectly arising out of or in connection with any transaction entered into by GTJAF as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by GTJAF in accordance with the terms of this Agreement or pursuant to any Client's Instruction or communication. Further, the Client agrees to do such things and acts as are necessary, or in GTJAF's opinion, as is desirable, to ratify or confirm any thing or act done by GTJAF as the Client's agent or on his behalf pursuant to this Agreement. The Client also agrees to pay promptly to GTJAF all damages, costs, expenses incurred by GTJAF in the enforcement of any of the provisions of this Agreement.
- (d) The Client undertakes to indemnify (on demand) GTJAF and its officers, employees and agents for any loss, cost, claim, liability or expense arising out of or connected with any breach by the Client of its obligations hereunder, including any costs reasonably and necessarily incurred by GTJAF in collecting any debts due to GTJAF or in connection with the closure of the Account(s).

## **20. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 20.1 The Client warrants that he has full and unrestricted power to enter into this Agreement and that it has obtained all necessary consents and has taken all necessary actions (including, where appropriate, any action required under its corporate or other organizational documents) to authorize it to enter into this Agreement and to perform its obligations hereunder.
- 20.2 The Client confirms that the Account Opening Form in relation to the opening of the Account has been duly completed and that the information therein is true, complete and accurate. GTJAF is entitled to rely fully on such information and representations for all purposes. GTJAF is authorized at any time to contact anyone, including the Client's banks, brokers or any credit agency, for the purpose of verifying the information provided in the Account Opening Form.
- 20.3 The Client is entering into this Agreement with GTJAF as a principal, the Account is opened in the name of the Client only and no other person shall have any rights in the Account. The Client is solely responsible to GTJAF for all Instructions and transactions.
- 20.4 This Agreement and the Client's performance and compliance with the obligations contained herein do not and will not: (i) contravene any existing applicable law, statute, ordinance, rule or regulation or any judgment, decree or permit to which the Client is subject or any provisions of the memorandum and articles of association or bye-laws of the Client (if applicable); or (ii) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Client is a party or is subject or by which any of the Client's property is bound.

## **21. CLIENT IDENTITY DISCLOSURES**

Without affecting any other provisions of this Agreement, in connection with any lawful request for information made to GTJAF by Regulator(s) in respect of any transaction relating to the Account:-

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

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

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

## 22. PERSONAL DATA

22.1 The Client acknowledges it has read, understood and agreed with the content of GTJAF's Personal Information Collection Statement ("PICS"), which has been provided to the Client and is posted on GTJAF's website ([www.gtjai.com](http://www.gtjai.com)). The Client agrees that GTJAF may: (1) use such personal data on the terms of and for the purposes set out in the PICS; (2) use such sensitive personal data for the purposes set out in the PICS; and (3) conduct any cross-border transfer of such personal data for the purposes set out in the PICS. The Client further agrees to any revision or amendment that GTJAF may from time to time make in respect of any content of the PICS by notice to the Client. Where personal data or information relating to any representatives (including directors, employees, agents, customers (direct or indirect) or affiliates) of the Client or any third party is provided to or held by GTJAF in the course of the business dealings between GTJAF and the Client, the Client undertakes that it has obtained the consent of the relevant representatives/parties to enable GTJAF to use, process, deal, share or transfer such data or information for the purposes set out in the PICS and the Client further undertakes to promptly provide evidence of such consents to GTJAF upon request from time to time.

## 23. AEOI COMPLIANCE

23.1 **Disclosure, Consent and Waiver:** The Client shall provide to GTJAF, GTJA Group, their agents or service providers, upon request, any documentation or other information regarding the Client and its beneficial owners that GTJAF, 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 GTJAF, GTJA Group 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 transactions for the purposes of complying with AEOI and/or other applicable law, including disclosures between GTJAF 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 GTJAF, GTJA Group 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 GTJAF, GTJA Group or their agents or service providers in connection with this Agreement or the Client's transactions that third party has been provided with such information and has given such consents or waivers as are necessary to allow GTJAF, GTJA Group and their agents and service providers to collect, store, process and disclose his, her or its information as described in this Clause.

### **23.2 Provision of Information:**

- (a) The Client shall upon request by GTJAF confirm to GTJAF (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 GTJAF 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 GTJAF reasonably requests for the purposes of that GTJAF's compliance with AEOI (and the compliance of any of GTJA Group).
- (b) If the Client confirm to GTJAF pursuant to the above that the Client is a AEOI Exempt Party and the Client subsequently becomes aware that the Client is not, or has ceased to be a AEOI Exempt Party, the Client shall notify GTJAF as soon as reasonably practicable.
- (c) 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 Party then the Client will be treated as if the Client is not a AEOI Exempt Party; 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 GTJAF the requested confirmation, forms, documentation or other information.

**23.3 Withholding or Deduction:** If GTJAF 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, GTJAF may deduct such taxes and GTJAF will not be required to increase any payment in respect of which GTJAF 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 GTJAF such additional documentation reasonably requested by GTJAF to determine the amount to deduct and withhold from such payment.

## **24. RISK DISCLOSURE STATEMENTS**

**24.1** 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 Derivatives 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, GTJAF should inform the Client of exercise and expiration procedures and the Client's rights and obligations upon exercise or expiry.

### **Risk of Client Assets Received or Held Outside Hong Kong**

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

### **Risk of providing authority to hold mail or to direct mail to third parties.**

If the Client provides GTJAF with an authority to hold mail or to direct mail to third parties, it is important for the Client to promptly collect in person all contract notes and statements of my/our Account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

## **24.2 Additional Risk Disclosure For Futures and Options Trading**

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

### **Futures**

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

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

### **Options**

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

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

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

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

## 24.3 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 option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

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

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

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

**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 or outside Hong Kong:** 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. Specifically, transactions conducted in a futures market outside Hong Kong may involve certain risks, including but not limited to the fact that the overseas counterparties and that futures market are not subject to the regulation of the SFC and may be subject to laws and regulations which may be different from the SFO and the rules and regulations made thereunder. Consequently, the Client may not enjoy the same protection as that conferred on trading in a Hong Kong futures market. 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 open-outcry and 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.

**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.

## 24.4 Additional Risk Disclosure for Electronic Trading and Order Routing Services

This following statements describe some of the key risk factors and other information concerning the use of Electronic Trading Services and order routing system services (together, "Electronic Trading and Order Routing Services"), and do not disclose all the risks and other significant aspects of using Electronic Trading and Order

Routing Services. The Client should ensure that it understands the nature and risks of using Electronic Trading and Order Routing Services and it should consider carefully (and consult its own advisers where necessary) whether using Electronic Trading and Order Routing Services is suitable for it in light of its circumstances. The Client should not use Electronic Trading and Order Routing Services unless it fully understands and is willing to assume the risks associated with Electronic Trading and Order Routing Services and is able to understand and comply with all relevant laws and regulations, including but not limited to rules and regulations of the relevant exchange(s) offering the system and/or listing the relevant futures contracts, and to understand, among other things, the system's order matching procedure, opening and closing procedures and prices, error trade policies and trading limitations or requirements. The Client acknowledges the risks and agrees to the statements set out as follows:

Trading on an electronic trading and order routing system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If the Client undertakes transactions on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to the Client's Instruction or is not executed at all. In particular, the Client's attention is drawn to the following:

- (a) the internet is, and any other electronic media may also be, an inherently unreliable medium of data transmission and communication and that, accordingly, there are risks in conducting Transactions in the Client's Account through the Electronic Trading Services or otherwise communicating through the internet or any other electronic media;
- (b) access to any website operated by GTJAF or the Electronic Trading and Order Routing Services may at any time and from time to time be limited, delayed, interrupted or unavailable, including during periods of peak demand, market volatility, systemic failures (including hardware and software failures), systems upgrades or maintenance or for other reasons or errors in computer programs and telecommunication system;
- (c) Instructions given or transactions conducted through the internet or other electronic media may be subject to interruption, transmission blackout, delayed transmission or incorrect data transmission due to, where applicable, unpredictable traffic congestion, the public nature of the media used or other reasons;
- (d) Instructions given through the internet or other electronic media may not be executed or may be delayed so that they are executed at prices different from those prevailing at the time the instructions were given, modify or cancel the order previously entered, as well as a loss of order priority;
- (e) communications and personal data may be accessed by unauthorised third parties;
- (f) Instructions given through the internet or other electronic media may be executed without being subject to human review;
- (g) the status of the Client's Instructions or orders for transactions in the Account or execution thereof and the Client's cash position, securities position or other details relating to its Account as reflected in any acknowledgement, confirmation or other record posted on GTJAF's website may not be updated immediately. Such acknowledgement, confirmation or other record will only reflect transactions in the Client's Account conducted through the Electronic Trading Services and that, in the case of doubt; the Client should contact GTJAF to ascertain the status of its other transactions in its Account or other details relating to its Account; and
- (h) the order routing system is not GTJAF's proprietary system and has been licensed to GTJAF directly or indirectly. Accordingly, GTJAF does not in any way endorse or recommend any order routing services and the Client's use of the order routing services is at all time by its own choice and at its own risk.

## **25. Disclaimers**

### **25.1 HKFE Disclaimer**

Stock indices and other proprietary products upon which contracts traded on HKFE may from time to time be developed by HKFE, The HKFE Taiwan Index is the first of such stock indices developed by HKFE. The HKFE Taiwan Index and such other indices or proprietary products as may from time to time be developed by HKFE (the "Exchange Indices") are the property of HKFE. The process of compilation and computation of each of the Exchange Indices is and will be the exclusive property of and proprietary to HKFE. The process and basis of compilation and computation of the Exchange Indices may at any time be changed or altered by HKFE without notice and HKFE may at any time require that trading in and settlement of such futures or options contracts based on any of the Exchange Indices as HKFE may designate be conducted by reference to an alternative index to be calculated. HKFE does not warrant or represent or guarantee to any participant or any third party the accuracy or completeness of any of the Exchange Indices or their compilation and computation or any information related

thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by HKFE in respect of the use of any of the Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspensions, changes or failures (including but not limited to those resulting from negligence) of HKFE or any other person or persons appointed by HKFE to compile and compute any of the Exchange Indices in the compilation and computation of any of the Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with futures or options contracts based on any of the Exchange Indices. No claims, actions or legal proceedings may be brought by any participant or any third party against HKFE in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party engages in transactions in futures and options contracts based on any of the Exchange Indices in full knowledge of this disclaimer and can place no reliance on HKFE in respect of such transactions.

## 25.2 Hang Seng Indexes Disclaimers

### For Futures Contracts

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

### For Option Contracts

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

Option contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against HKFE and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on HKFE, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and / or HSDS and must not be construed to have created such relationship.

## 26. SANCTIONS

26.1 The Client represents on a continuing basis that neither the Client nor any of its Related Persons (a) is a Restricted Party; or (b) has received notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.

26.2 The Client shall (and shall procure each of its Related Persons to) ensure that (a) none of the transactions and services contemplated under this Agreement shall be used in connection with any Restricted Activity; and (b) none of the proceeds of any such transactions or services will be directly or indirectly paid, lent, contributed, used or otherwise made available to fund or support any Restricted Activity.

26.3 Where (a) the Client or any of its Related Persons is or becomes a Restricted Party or (b) GTJAF reasonably believes that the dealings with the Client or any of its Related Persons (including but not limited to any transactions or services contemplated by this Agreement) has led or may lead to any member of the GTJA Group being in breach of any Sanctions, GTJAF may immediately and without notice to the Client cease any further dealings with the Client and terminate this Agreement. GTJAF shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses directly or indirectly incurred by the Client as a result of such cessation of dealings or termination of this Agreement under this Clause.

26.4 Without prejudice to any other provisions in this Agreement (including without limitation to Clause 19.11), the Client shall upon demand indemnify GTJAF against any loss, claim, liability or expense, including legal and other professional fees, asserted against or incurred by GTJAF as a direct or indirect result of (a) any misrepresentation by the Client under Clause 26.1; or (b) any breach or alleged breach of the undertaking by the Client under Clause 26.2. This Clause 26.4 survives any termination of this Agreement.

26.5 For the purposes of this Clause 26:

- (a) **“Related Person”** means:
  - (i) in relation to the Client, its subsidiaries or joint ventures, any of its respective beneficial owners, controllers, directors, officers, affiliates or employees or any persons acting on any of its behalf; or
  - (ii) in relation to the Client who is an individual, any of his/her immediate relatives including but not limited to his/her spouse, his/her partner considered by national law as equivalent to spouse, his/her unmarried partner or cohabitant, his/her child or stepchild, the spouse, partner or cohabitant of his/her child, his/her sibling, step-sibling or half sibling, his/her parent or step-parent, his/her parent-in-law, any of the trustees, acting in their capacity as trustees of any trust of which the Client or his/her immediate relative is a beneficiary, any entity 50% or more of which ownership is held, directly or indirectly, by him/her, or any persons acting on any of his/her/its behalf.
- (b) **“Restricted Activity”** means any activities: (i) involving or for the benefit of any Restricted Party; (ii) conducted in any manner that would reasonably be expected to result in any member of the GTJA Group being in breach of any applicable Sanctions or becoming a Restricted Party; or (iii) that would be prohibited under any applicable Sanctions.
- (c) **“Restricted Party”** means a person that is:
  - (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List;
  - (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or
  - (iii) otherwise a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities.
- (d) **“Sanctions”** means the economic, financial or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by (i) the United States government; (ii) the United Nations; (iii) the European Union; (iv) the United Kingdom; (v) Hong Kong; (vi) the People’s Republic of China; or (vii) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (“OFAC”), the United States Department of State and His Majesty’s Treasury (“HMT”) (together, the **“Sanctions Authorities”**).
- (e) **“Sanctions List”** means the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions

Authorities.

## **27 COMPLIANCE WITH LAWS AND REGULATIONS**

- 27.1 No provision of this Agreement shall operate to remove, exclude or restrict any obligations of the Client, or any rights of GTJAF or any of the GTJA Group under the laws or regulations of Hong Kong except expressly provided otherwise.
- 27.2 The Client hereby authorizes GTJAF to do or refrain from doing anything that GTJAF deems necessary or desirable for the purposes of compliance with applicable laws and regulations and/or to prevent or remedy a breach thereof, and GTJAF shall not be liable to the Client for any claims, loss or damage arising out of or in connection with any such action or failure to act.
- 27.3 The Client undertakes not to engage in any conduct that will cause itself, GTJAF, GTJAF's agents or employees or any member of the GTJA Group to be in breach of applicable laws and regulations, and shall indemnify, protect and hold GTJAF and its officers, employees and agents harmless in respect of any loss arising out of or connected with any breach by the Client of its obligations under this Agreement.
- 27.4 The Client undertakes that it shall comply with all applicable requirements of the relevant rules and regulations. The Client acknowledges that GTJAF shall not be responsible for any of the Client's transaction notification, filing or reporting obligations and undertakes that it shall not rely on GTJAF to discharge its transaction notification filing or reporting obligation pursuant to applicable laws and regulations.
- 27.5 The Client shall remain solely responsible for observing its duty(ies), statutory or otherwise, derived from any Derivatives contracts and other property held on its behalf, notwithstanding that GTJAF acts as its agent.
- 27.6 The Client shall be bound by all GTJAF's rules and regulations applicable to the Account as amended from time to time.

## **28. THIRD PARTY RIGHTS**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce or to enjoy the benefit of any term of this Agreement.