

## PART IV(A) OF THE AGREEMENT

## DECLARATION BY APPLICANT (applicable to Securities and Derivatives trading applicants, unless otherwise stated)

## 1. ACCEPTANCE OF TERMS AND CONDITIONS

- 1.1 The Applicant declares that he/she is over 18 years of age and that he/she is not a bankrupt nor has any pending bankruptcy proceeding against the Applicant and that the Applicant has no criminal or adverse credit records at any time to date. The Applicant further confirms that the Applicant has full authority to enter into this contract and that any deficiency in the Applicant's declaration and/or legal standing shall not absolve the Applicant from any liabilities stated herein.
- 1.2 Any reference to a statutory enactment or provision shall include that enactment or provision and any regulations by-laws and guidelines made or issued in pursuance thereof as from time to time modified or re-enacted whether before or after the date of this Agreement so far as such modification or re-enactment applies or is capable of applying to any transactions entered into between the parties herein and shall include any past statutory enactment or provision or regulation (as from time to time modified or re-enacted) which such enactment or provision or regulation has directly or indirectly replaced.
- 1.3 The Applicant acknowledges and agrees to abide by all terms and conditions imposed by the Bank relating to the services extended to the Applicant herein and/or the Applicant's Account and that the Bank may at any time or from time to time impose or vary such terms and conditions in its sole and absolute discretion including but not limited to terms and conditions which may be imposed pursuant to the requirements of Foreign Account Tax Compliance Act of the United States of America ("FATCA"), Automatic Exchange of Financial Account Information Rules 2016 pursuant to the requirements of Organisation for Economic Co-operation and Development ("OECD") (also known as Common Reporting Standard "CRS") or other rules and regulations as may be imposed upon the Bank ("Terms and Conditions"), without prior or further reference to the Applicant. Upon the imposition or amendment being posted by the Bank on its website and/or the Applicant being notified by other means, notice of the same shall deemed to have been effected at the time when the notice is posted on the Bank's website. Upon the effective date of notice, the new or amended terms and conditions imposed by the Bank shall be deemed binding on the Applicant from the date of notice being effected. The relevant provisions of this Agreement shall thereafter be deemed to have been amended, modified, supplemented and/or varied accordingly and shall be read and construed as if such amendments, modification, supplements and/or variations had been incorporated in and had formed part of this Agreement at the time of execution hereof.
- 1.4 In the event of any conflict between these Terms and Conditions and any of the supplementary terms and conditions or declaration(s) made by Applicant in the Applicant's application(s) for such other Accounts with the Bank, such supplementary terms and conditions or declaration(s) shall prevail.
- 1.5 The Terms and Conditions shall be binding on the heirs, estate, representatives and/or successors in title of the Applicant and the Bank. The Applicant further undertakes that the Applicant shall not assign the Applicant's rights and liabilities under this Agreement or the Account, to any third party. The Applicant hereby expressly consents to the Bank assigning or transferring any of its rights and obligations under this Agreement or any contract hereunder to any other party, without any reference to the Applicant.
- 1.6 The rights and obligations of the Bank shall continue to be valid and binding for all purposes whatsoever notwithstanding any change by amalgamation, reconstruction or otherwise which may be made in the constitution of the Bank or of any company by which the business of the Bank may for the time being be carried on and shall be available to the company carrying on that business for the time being, and similarly the liabilities and/or obligations of the Applicant shall continue to be valid and binding for all purposes whatsoever and it is expressly declared that no change of any sort whatsoever in relation to or affecting the Applicant shall in any way affect the liabilities and/or obligations of the Applicant in relation to any transactions whatsoever, whether past, present or future.
- 1.7 In these terms and conditions, unless there is something in the subject or context that is inconsistent with such construction or unless it is otherwise expressly provided:
- (a) words denoting persons include corporations and vice versa and include their respective heirs, estate, personal representatives, successors in title or permitted assigns;
  - (b) any reference to "securities" includes any securities or rights, monies, interests, entitlement and property whatsoever which may at any time be accrued to the Applicant, or for which the Applicant is entitled to, under any rights, bonus, distribution or other issue, or dividends, or monies received under or attributable to any such securities;
  - (c) any reference to a "business day" is to a day whereby the Bursa Securities, Bursa Derivatives or the Specified Exchanges is/are open for business, where applicable;
  - (d) if any period of time is specified from a given day, or the day of a given act or event, it is to be calculated exclusive of that day and if any period of time falls on a day, which is not a business day, then that period is deemed to expire on the previous business day;
  - (e) words and phrases, definitions of which are given in the CMSA, shall be construed as having the meaning thereby attributed to them, but excluding any statutory modification thereof not in force at the date of this Agreement;
  - (f) any reference to "pay" includes payments made in cash or by way of bank drafts or effected through inter-bank transfers to the account of the payee, giving the payee access to immediately available, freely transferable and cleared funds; and
  - (g) any reference to these terms and conditions or any provisions in these terms and conditions shall include all amendments and modifications made to these terms and conditions from time to time.
- 1.8 Indulgence given by the Bank shall not constitute a waiver of any rights of the Bank. Knowledge or acquiescence by the Bank of, or in, any breach of any of the provisions of this Agreement, or the failure of, or delay by, the Bank to insist on strict compliance with any terms or conditions herein, shall not operate as, or be deemed to be, a waiver of such provisions and, notwithstanding such knowledge, acquiescence, failure or delay, the Bank shall remain entitled to exercise its rights and remedies under this Agreement, and at law, and to require strict performance of all of the provisions of this Agreement.
- 1.9 In the event that any one (or more) of the provisions herein is unenforceable for whatever reason, all other provisions herein shall remain valid and unaffected and a provision which is valid and enforceable and achieves to the greatest extent possible the

	<p>objectives of such illegal, void, invalid or unenforceable provision, will be substituted in its place.</p> <p>1.10 Time wherever mentioned shall be of the essence of this Agreement.</p> <p>1.11 The Applicant irrevocably submits to the jurisdiction of the Courts of Malaysia and the terms and conditions herein shall be governed by and construed according to the laws of Malaysia.</p> <p>1.12 The information provided by the Applicant in this application is complete, true and correct in all respects and that the Applicant has not withheld any material fact and information and undertakes to update the Bank of any changes to the information given.</p> <p>1.13 The Applicant further declares that the source of funds for the transaction(s) under the Account is derived from lawful means.</p> <p>1.14 The Applicant declares that the information provided hereunder is not intended to amount to or constitute investment, tax or legal advice by the Bank.</p> <p>1.15 The Applicant agrees to provide additional information or documentary proof as and when required by the Bank. The Applicant also authorises the Bank to obtain any other information from any sources as the Bank may in its sole discretion deem appropriate.</p> <p>1.16 The Applicant has read and understood the terms and conditions and information contained in Part I (applicable to Securities only) and Part II (applicable to Derivatives only) and accepts and agrees to be bound by them.</p> <p>1.17 The Applicant has read and understood the terms and conditions and information in relation to the Memorandum of Deposit of Securities contained in Clause 4 of the Part I (applicable to Securities only) and agrees to be bound by them.</p>
<b>2.</b>	<b>APPOINTMENT AND AUTHORISATION</b>
	<p><b>Authorisation Given To DR / FBR &amp; the Bank's Officers</b></p> <p>2.1 The Applicant hereby appoints and authorises the DR and/or such other DR (and/or other Registered Representatives) who the Applicant's DR deems fit; and/or (ii) the Applicant's FBR (as stipulated in Part F of the Trading Account Application Form), including their assistant, to collect CDS Account documents, cheque and such other documents in relation to the Account, to apply for withdrawal of trust deposit or available funds maintained in the Account and to do such acts on the Applicant's behalf in relation to the Account unless such documents have not been released by the Bank pursuant to Clause 6 below or the act is not permitted by Malaysian laws.</p> <p>2.2 The Applicant hereby authorises and consents to the Bank, its authorised officers and the Applicant's DR/FBR to enquire into and have full access to the Applicant's Account and to disclose all or part of the Applicant's stock portfolio to the Applicant's DR/FBR or to the authorised officers of the exempt dealers, as the case may be, for the purpose of facilitating the Applicant's sale or purchase of securities transactions and/or derivatives contracts. The Applicant hereby confirms that this authorisation shall be valid for an indefinite period (this authorisation shall bind the Applicant's successor-in-title) until revoked by the Applicant in writing and duly acknowledged by the Bank. The Applicant agrees that neither the Bank nor its employees or authorised officers or agents will be responsible for the accuracy, correctness, completeness, timeliness or sequence of the securities balance and/or derivatives contracts, nor are they liable for any delays in delivering the securities balance, or any part thereof to the Applicant or the Applicant's DR/FBR.</p> <p>2.3 The Applicant understands that this could give rise to risks of the documents and cheques being lost, misappropriated or otherwise mishandled while they are in the custody of the Applicant's DR/FBR and/or their assistant.</p> <p><b>Authorisation of Conducting Credit Reference Checks</b></p> <p>2.4 The Applicant confirms that the Applicant consents to the Bank conducting credit checks on the Applicant and the Applicant authorises the Bank to disclose the Applicant's personal data(s) (as defined under the Personal Data Protection Act 2010 ("PDPA")) to Bank Negara Malaysia's Credit Bureau via Central Credit Reference Information System ("CCRIS"), CTOS Data Systems Sdn. Bhd. ("CTOS"), Financial Information Services Sdn. Bhd. ("FIS"), Credit Bureau Malaysia Sdn. Bhd. ("CBM") and/or all other credit agencies not mentioned herein which are registered under the Credit Reporting Agencies Act 2010 ("CRAA") in Malaysia (collectively, the "Agencies") to conduct credit reference / reporting checks on the Applicant from time to time in connection with the application, distribution, provision of facilities, products, services or transactions, regardless of whether the relationship between the Bank and the Applicant has been terminated and/or an event of default under the facility, product, service or transaction with the Bank has occurred.</p> <p>2.5 The Applicant agrees that the purpose indicated by the Bank of a legitimate interest to request for the Applicant's report and information shall be sufficient and adequate proof of a valid purpose within the meaning of the CRAA.</p> <p>2.6 The Applicant consents to the Agencies, to process, disclose and release the Applicant's credit report and information to the Bank and/or its legal representatives without any further reference to the Applicant, for the purposes of enabling the processing of a facility, product, service or transaction offered by the Bank to the Applicant to whom the Applicant has agreed to provide security and any related processes arising therefrom, including but not limited to:</p> <p>(a) credit evaluation, monitoring, credit review;</p> <p>(b) opening of account(s) with the Bank; and</p> <p>(c) debt recovery purposes and other legal proceedings.</p> <p>2.7 Where the Bank requires any such processing to be further processed by its Head Office, subsidiaries or any processing centre located outside Malaysia, the Applicant hereby gives his/her/its consent to the Agencies as mentioned under Clause 2.4 to make such disclosure of the Applicant's credit report to the said Head Office, subsidiaries or the processing centre located outside Malaysia.</p> <p>2.8 The Applicant agrees that this consent shall be:-</p>

- (a) on a continuing basis and shall be effective at any time and from time to time;
- (b) applicable whether or not such credit reference information is confidential information or in the public domain;
- (c) irrevocable and unconditional;
- (d) cover all financing / facilities already granted or to be granted by the Bank to the Applicant or any third party / parties in respect of which the Applicant is the security provider; and
- (e) cover all existing or future accounts of whatsoever nature and description at any business premises of the Bank, wherever located.

#### **Anti-Bribery, Anti-Corruption, Anti-Money Laundering and Counter-Terrorism Financing**

- 2.9 The Applicant irrevocably consents to and authorises the Bank to conduct anti-bribery, anti-corruption, anti-money laundering and/or counter-terrorism financing checks (including but not limited to screening against CTOS, sanction database lists) on the Applicant and the Applicant's individuals (including but not limited to its directors, shareholders, authorised signatories, guarantors where their consent has been obtained by the Applicant) (for corporate clients) from time to time when deemed necessary by the Bank and this consent shall cover all products and services granted or to be granted by the Bank to the Applicant.
- 2.10 The Applicant is not and shall not be in violation of the Malaysian Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and Malaysian Anti-Corruption Commission Act 2009 and such other laws, rules, regulations and policies pertaining to anti-money laundering / counter-terrorism financing and anti-corruption or anti bribery ("**AML and Anti-Corruption Laws**") as may be amended from time to time and the Applicant agrees to forthwith provide any information and documents pertaining to the Applicant to the Bank as may be required for compliance with AML and Anti-Corruption Laws.
- 2.11 The Applicant acknowledges that the Bank adopts a zero tolerance policy against all forms of bribery and corruption and agrees that the Applicant and none of the Applicant's related companies (as defined in the Malaysian Companies Act 2016), their respective directors, officers, employees, representatives, agents or other person associated with or controlled by or acting on behalf of any of them will or has, directly or indirectly, made, offered, agreed, promised, requested and/or authorised any form of improper payments, financial benefits, rewards or any valuable consideration ("Gratifications") to or from any of the Bank's directors, employees or their family members or any parties acting for or representing the Bank (collectively the "Bank's Agents") in exchange for, approving this application, business favours, information, favourable treatment, improper benefits or advantage or as inducement to do or not to do something and shall promptly notify the Bank of any attempt by any parties to solicit or to give any Gratifications or solicit or give any advantage (financial or otherwise) to or from the Bank's Agents.

#### **Consent to Bursa Depository**

- 2.12 The Applicant agrees and consents to the disclosure by Bursa Depository to the Bank, and to such agents, service providers and sub-contractors of the Bank as informed by the Bank to Bursa Depository, of information or documents relating to the Applicant's affairs and in particular relating to the Applicant's securities account(s). This consent shall be valid until revoked by the Applicant in writing and duly acknowledged by the Bank. The Applicant releases Bursa Depository and the Bank from any loss or liability arising from or in connection with this authorisation, except for loss or liability the Applicant may suffer as a result of any act, statement or omission that was not done in good faith by Bursa Depository and/or the Bank.

#### **Indemnity Arising from Acting In Accordance With the Authorisation**

- 2.13 The Applicant shall assume all responsibilities or liabilities whatsoever for any direct or consequential losses arising from or in connection with the Bank acting in accordance with the Applicant's authorisation. The Applicant further agrees to indemnify the Bank against all actions, claims, demands, damages, costs, charges and expenses which the Bank may sustain, incur and be liable for as a result of or in consequence of or in connection with the Bank acting in accordance with this authorisation.
- 2.14 Notwithstanding this authorisation, the Applicant hereby agrees that the Bank shall have the absolute right and discretion not to act on this authorisation without further reference to the Applicant whereupon the Applicant shall absolve the Bank of all liabilities and claims as a result of it exercising such right and discretion.

### **3. CONSENT AND AUTHORISATION PURSUANT TO DELIVERY OF CONTRACT NOTES AND OTHER DOCUMENTS THROUGH ELECTRONIC**

- 3.1 The Applicant hereby consents and authorises the Bank and its authorised officer to issue and deliver contract notes or statements, monthly statements and any documents and any other notices ("said documents") by way of electronic including posting the said documents at the Bank's website portal and sending the said documents to the Applicant through email ("eStatement").
- 3.2 The Applicant hereby confirms that this consent shall be valid for an indefinite period until revoked by the Applicant in writing or via electronic and duly acknowledged by the Bank. The Applicant acknowledges that the Bank may cancel the eStatement service without providing any reasons and/or prior notices to the Applicant.
- 3.3 The Applicant hereby acknowledges, accepts and assumes the risks associated with the transfer of the said documents by way of electronic and/or delivery, including but not limited to delays or failure in the transmission due to breakdown or failure of transmission or traffic congestion of communications or any other cause(s) beyond the Bank's control or anticipation and/ or inherent risks in transmitting the said documents by way of electronic. The Applicant shall not dispute or challenge the validity, enforceability or admissibility of any documents issued and delivered by way of electronic.
- 3.4 In the event of systems failure, the Applicant hereby consents to receive the said documents via post or fax or such other means as the Bank deems fit and appropriate.
- 3.5 The Applicant acknowledges that any said documents delivered by way of electronic shall be deemed to be duly served on the Applicant on the day such communication was made.
- 3.6 Notwithstanding the delivery of the said documents by way of electronic, the Applicant will continue to be bound by the same terms and conditions as if the said documents were delivered to the Applicant in physical form and assume any inherent risks in respect of the delivery of the said documents via electronic such as risks associated with unauthorised access to the Applicant's email

	<p>account, interrupted access to the Applicant's email account or the Bank's website portal, non-receipt of undelivered email notification by the Bank.</p> <p>3.7 The Applicant agrees to pay a statement fee (which is subjected to revision from time to time) to the Bank for any requests of hardcopy statements.</p>
<b>4.</b>	<b>AUTHORISATION PURSUANT TO SECTIONS 113 AND 118 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA")</b>
	<p>4.1 The Applicant agrees, consents, directs and authorises the Bank to withdraw the Applicant's assets (including monies) from the trust account or the client's segregated account and place and/or invest all or part of same in deposit accounts with institutions licensed under the Financial Services Act 2013, in short term placements, money markets and/or such other financial instruments deem fit and proper ("Permitted Investment") by the Bank.</p> <p>4.2 The Bank is further authorised by the Applicant to deal with the interest and/or profit derived from the Permitted Investment (if any). The Bank shall pay to the Applicant such interest and/or profit as it may determine in relation to such Applicant's assets after taking into account any withholding tax and charges &amp; expenses incurred by the Bank in maintaining the trust account or the client's segregated account PROVIDED FURTHER, that:</p> <p><i>Applicable for securities trading:</i></p> <p>(i) No interest and/or profit shall be paid to the Applicant where the monies in the Applicant's trust account are less than Ringgit Malaysia Five Thousand (RM5,000.00).</p> <p><i>Applicable for derivatives trading:</i></p> <p>(ii) No interest and/or profits shall be paid to the Applicant where the excess funds (i.e. equity less initial margin) in the Applicant's account are less than Ringgit Malaysia Thirty Thousand (RM30,000.00); or</p> <p>(iii) Where the Bank has accepted the use of collaterals to cover the Applicant's margins, no interest shall be paid for any excess funds in the Applicant's account.</p> <p>4.3 The Applicant agrees and acknowledges that any interest and/or profit paid by the Bank to the Applicant may be less than that received by the Bank. The interest and/or profit rate is published in the Bank's website at <a href="https://invest.affinhwang.com">https://invest.affinhwang.com</a> and shall be subjected to changes from time to time without prior notification to the Applicant.</p>
<b>5.</b>	<b>DECLARATION PURSUANT TO THE FOREIGN EXCHANGE ADMINISTRATION RULES ("FEA RULES") ISSUED BY BNM, FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA") AND COMMON REPORTING STANDARD ("CRS")</b>
	<p><b>FEA Rules</b></p> <p>5.1 The Applicant is aware that, for purposes of funding the Applicant's trading in non-ringgit securities and/or derivatives contracts, the Applicant shall at all times comply with the relevant notices on FEA Rules issued by BNM.</p> <p>5.2 Where applicable, the Applicant who is a non-resident acknowledges and shall at all times use the approved modes of payment to make payment to the Bank and shall comply with the relevant FEA Rules.</p> <p><b>FATCA and CRS</b></p> <p>(Where applicable) Authorisation and Undertakings:</p> <p>5.3 Under penalties of perjury, the Applicant declares that the Applicant has examined the information contained in the Agreement relating to FATCA and that the information provided is true, correct, reliable and complete.</p> <p>5.4 The Applicant hereby authorises the Bank to provide, directly or indirectly, to any relevant tax authorities or any party authorised to audit or conduct a similar control of the Bank for tax purposes, a copy of the Agreement or where applicable, the Form W-9 and to disclose to such tax authorities or such party any additional information that the Bank may have in its possession that is relevant to the Applicant's qualification for any benefits claimed on the basis of this declaration.</p> <p>5.5 The Applicant hereby acknowledges and agrees that information contained in the Agreement and information regarding income and/or monies paid or credited to or for the benefit of the Applicant's Account(s) may be reported to the tax authorities of the country in which such income and/or monies arise and that those tax authorities may provide the information to the country or countries in which the Applicant is a resident for tax purposes.</p> <p>5.6 The Applicant hereby authorises the Bank to provide, directly or indirectly, a copy of the Agreement and information regarding income and/or monies paid or credited to or for the benefit of the Applicant's Account(s) to:</p> <p>(i) any person that has control, receipt, or custody of income and/or monies to which the Agreement relates;</p> <p>(ii) any person that can disburse or make payments of income and/or monies to which the Agreement relates; or</p> <p>(iii) any party authorised to audit or conduct a similar control of aforementioned persons for tax purposes.</p> <p>5.7 The Applicant hereby certifies that the Applicant is the beneficial owner of all the income and/or monies to which the Agreement relates or the Applicant is using the Agreement to document itself as an individual or entity that is an owner of an account or accounts held at the Bank.</p> <p>5.8 The Applicant hereby undertakes to notify the Bank within thirty (30) days of any change in circumstances that affect the tax residency status of the Applicant or cause any declaration in the Agreement to become incorrect or incomplete (including any changes to the information given) and to provide the Bank an updated self-certification form and declaration (in the format prescribed by the Bank) within thirty (30) days of such change in circumstances.</p> <p>5.9 The Applicant hereby irrevocably and unconditionally undertakes to fully indemnify the Bank against all claims, proceedings, liabilities,</p>

	costs, charges and expenses which the Bank may incur at any time as a consequent of any information supplied and/or omitted to be supplied by the Applicant (including any update of, or supplement to, information already provided) being or being alleged to be misleading and/or deceptive in any respect.
<b>6.</b>	<b>DECLARATION PURSUANT TO THE PRIVACY NOTICE, PDPA &amp; CONSENT FOR DISCLOSURE OF APPLICANT'S INFORMATION</b>
	<p><b>Privacy Notice</b></p> <p>6.1 The Applicant hereby confirms that the Applicant has read, understood and agreed to be bound by the Bank's Privacy Notice which governs the processing of the Applicant's personal information. For the avoidance of doubt, the Applicant agrees that the said Privacy Notice shall be deemed to be incorporated and forms part of the Agreement and the Applicant shall be deemed to have given his/her/its consent for the disclosure of the Applicant's personal information and/or information related to the Applicant's Account to and/or by the Bank, regardless whether the Account has been terminated and/or an event of default under the Account has occurred and whether such disclosure is made to the relevant party in or outside of Malaysia.</p> <p>6.2 The Applicant understands that in the course of the Bank's business operations, the Bank may need to disclose the Applicant's information to third parties. The Applicant further understands that the Bank has in place measures to protect the Applicant's information in compliance with the PDPA and the manner of how the Bank uses, processes and discloses the Applicant's information is outlined in the Bank's Privacy Notice, a copy of which has been posted to the Applicant and/or is available at the Bank's website at <a href="http://www.affinhwang.com">www.affinhwang.com</a>.</p> <p>6.3 Whilst the Bank exercises care in disclosing the Applicant's information to third parties, the Bank will not be liable to the Applicant or any third party for wrongful handling or disclosure of the Applicant's information to any other persons.</p> <p>6.4 The Applicant hereby agrees to indemnify and holds harmless the Bank, its directors, agents, DR/FBR or any relevant person acting on the Bank's instructions in relation to any alleged or actual loss, claim, damages, and/or demands arising out of or in relation to the disclosure of Applicant's personal information pursuant to this Clause and/or the said Privacy Notice.</p> <p><b>PDPA Relating to Third Parties' Information</b></p> <p>6.5 In the event that the Applicant provides the Bank with the personal and financial information relating to any third parties, for the purposes of opening one or more accounts, obtaining facilities with the Bank and/or operating the said accounts/facilities, the Applicant hereby confirms and warrants that the Applicant has obtained the necessary consent from the said third parties and/or is otherwise entitled to provide this information to the Bank and for the Bank to use it in accordance with the Agreement, and the Applicant hereby undertakes to procure the necessary consent from the said third parties and to provide a copy of the Bank's Privacy Notice (which is available at <a href="http://www.affinhwang.com">www.affinhwang.com</a>) to the said third parties for the Bank to provide the said third parties with information on the Bank's products, services and/or offers which may be of interest and/or financial benefit to them. Where such information is provided to the Bank, the Applicant agrees to undertake the responsibility to update the Bank in writing should there be any change to the personal and financial information relating to the said third parties.</p> <p>6.6 The Applicant hereby agrees to notify such third parties in writing of the personal data notice available at Bursa Malaysia's website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>.</p> <p>6.7 Should the aforesaid consent be subsequently revoked by any of the said third parties, the Applicant agrees that the Bank shall have the discretion to terminate the Agreement in accordance with the terms of the Agreement without recourse by the Applicant against the Bank.</p>
<b>7.</b>	<b>DECLARATION PURSUANT TO THE ONLINE TRADING</b>
	<p>7.1 The Applicant accepts and agrees to be bound by the terms and conditions of the Bank's online trading system for securities and/or derivatives trading ("Online Trading") including the terms and conditions appearing on the Bank's website and such additions and amendments made from time to time by the Bank at its sole discretion without further reference to the Applicant.</p> <p>7.2 The Applicant agrees to pay such fees and charges on all outstanding sums, taxes and license fees (if any) which may be imposed by the Bank from time to time in respect of the Bank's Online Trading.</p> <p>7.3 The Applicant acknowledges that the provision to the Applicant of the access to Bank's Online Trading shall not be construed as an offer, invitation or solicitation by the Bank to purchase or sell securities and/or trading in derivatives contracts.</p> <p>7.4 The Applicant agrees to make the Applicant's own independent evaluation of the investment merits that is suitable for the Applicant and such information appearing on or provided through Bank's Online Trading not be deemed to be a solicitation of a transaction by the Bank. Any such information is not to be taken as substitution for the exercise of judgment and discretion by the Applicant or as substitution for professional advice.</p> <p>7.5 The Applicant agrees that neither the Bank nor any of its employees or agents guarantees the correctness, accuracy, completeness, timeliness or correct sequencing of any such data, information or messages disseminated, nor are they liable for any delays or errors in the transmission or delivery of data, information or message, or any part thereof.</p>
<b>8.</b>	<b>DECLARATION PURSUANT TO THE SHARE MARGIN FINANCING (applicable to Securities trading applicants)</b>
	<p>8.1 The Applicant requests the Bank to approve the application for the share margin financing/IPO/ESOS financing facility and, if approved, the Applicant authorises the Bank at its absolute discretion and at the Applicant's costs and expenses, to register and/or transfer securities to be deposited with the Bank's authorised nominee(s) ("the Nominee").</p>

	<p>8.2 The Applicant authorises the Bank to open a share margin financing/IPO/ESOS securities trading account in the name of the Nominee for the Applicant and in the event that the Applicant requests the Nominee to open a CDS Account with the Bank in the name of the Nominee for the Applicant, the Applicant shall be the ultimate and absolute beneficial owner of the said CDS Account.</p> <p>8.3 The Applicant agrees to abide by the rules and regulations of Bursa Securities, Bursa Depository and other relevant regulatory bodies and as maybe amended/revised from time to time governing the use of the CDS Account.</p>
<b>9.</b>	<b>DECLARATION PURSUANT TO THE CONTRA GUIDELINES (applicable to Securities trading applicants)</b>
	<p>9.1 The Applicant agrees to abide the contra guidelines issued by the Bank pursuant to Rules of Bursa Securities for settlement of purchase contracts by way of contra against a corresponding sales contract as set out below:</p> <p>9.1.1 Contra settlement of contract is only allowed for purchase and sale contracts of a similar security and for a similar quantity done.</p> <p>9.1.2 Contra is only allowed for contracts done on a ready basis.</p> <p>9.1.3 The Bank reserves the right not to accept settlement by way of contra without having to assign any reasons thereto.</p> <p>9.1.4 Settlement by contra may only be effected not later than contract due date after the contract date (or other settlement due date in line with the settlement cycle prescribed by Bursa Securities) except for subsequent sales to close off a purchase position or pursuant to a selling-out exercise.</p> <p>9.1.5 Under normal circumstances, the Bank will automatically contra all outstanding purchase positions against any subsequent sales of the same securities.</p> <p>9.1.6 A contra statement shall be issued to Applicants detailing the buy and sell contracts that have been contra-ed and the balance due, if any.</p> <p>9.1.7 The Bank shall settle any contra gains to the Applicant within three (3) market days from the date of contra. Applicants are required to settle contra losses due to the Bank within 3 market days following the date of such contra.</p> <p>9.1.8 Interest is charged on unpaid contra losses for each calendar day from the market day after contract due date of the date of contra. The interest rate will be determined by the Bank from time to time.</p> <p>9.1.9 For purchase contracts settled by contra, interest is charged daily on the contract value for the funding period. For example, for each calendar day from the market day after contract due date of the purchase contract to contract due date of the corresponding sales contract subject to any grace period as may be determined by the Bank from time to time. The number of calendar days can be changed in line with the settlement cycle prescribed by Bursa Securities.</p> <p>9.1.10 The Bank reserves the right to waive, vary or change the interest charge on contra transactions or the rate thereof.</p> <p>9.1.11 All contra losses shall be netted off against contra gains and other credit items due from the Bank.</p>
<b>10.</b>	<b>DECLARATION PURSUANT TO THE STRUCTURED WARRANTS RISK DISCLOSURE STATEMENT (applicable to Securities trading applicants)</b>
	<p>10.1 The Applicant has read and clearly understood the fundamental facts of the Structure Warrants Risk Disclosure Statement as set out below:</p> <p>As defined in the Bursa Securities' Directive On Minimum Standards And Conduct Of Participating Organisations For Trading In Structured Warrants, "Structured Warrants" means individually or collectively as the context may require, call warrants, put warrants, basket warrants, bull equity-linked structures or such other structures that may be specified by Bursa Securities from time to time.</p> <p>10.1.1 This statement is provided to the Applicant in accordance with the Directives of the Rules of Bursa Securities.</p> <p>10.1.2 The purpose of this statement is to inform the Applicant that the risk of loss in purchasing Structured Warrants can be substantial. The Applicant should therefore assess if the purchase of Structured Warrants is suitable for the Applicant in the light of the Applicant's financial circumstances. In deciding whether to purchase Structured Warrants, the Applicant should be aware of the following:</p> <ul style="list-style-type: none"> <li>(i) The purchase of a Structured Warrant is subject to risk of losing the full purchase price of the Structured Warrants and all transaction costs;</li> <li>(ii) In order to realise any value from a Structured Warrant, it is necessary to sell the Structured Warrants or exercise the Structured Warrants on or before their expiry dates;</li> <li>(iii) Under certain conditions, it may become difficult to sell the Structured Warrants;</li> <li>(iv) Upon exercise of the Structured Warrants, the issuer may settle its obligations via actual delivery of the underlying assets, in cash or a combination of both depending on the terms of the issue of the Structured Warrants;</li> <li>(v) Placing of contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit the Applicant's losses to the intended amount. Market conditions may not make it possible to execute such orders; and</li> <li>(vi) The high degree of leverage that is obtainable from Structured Warrants because of the small initial outlay can work against the Applicant as well as for the Applicant. The use of leverage can lead to large losses as well as gains.</li> </ul>



	<p>10.2 This brief statement cannot disclose all the risks and other aspects of purchasing Structured Warrants. The Applicant should therefore carefully study the terms and conditions of any Structured Warrants before the Applicant decides to purchase. If the Applicant is in doubt in relation to any aspect of this statement or the terms of a Structured Warrant, the Applicant should consult his/her/its DR or the Bank.</p>
11.	<p><b>DECLARATION PURSUANT TO THE INTRADAY SHORT SELLING (“IDSS”) RISK DISCLOSURE STATEMENT AND TERMS AND CONDITIONS OF SECURITIES BORROWING FOR IDSS (applicable to Securities trading applicants)</b></p>
	<p>The Applicant has read and clearly understood the fundamental facts of the IDSS Risk Disclosure Statement, read together with the terms and conditions of securities borrowing for IDSS, as set out below:</p> <p><b>11.1 IDSS Risk Disclosure Statement</b></p> <p>11.1.1 This statement is provided to the Applicant in accordance with the directives of the Rules of Bursa Securities.</p> <p>11.1.2 IDSS refers to the short selling of Approved Securities with a view to closing off the short position within the same day, if the same is carried out in accordance with Part D of Chapter 8 of the Rules of Bursa Securities.</p> <p>11.1.3 The Applicant should have full understanding of the requirements pertaining to IDSS before engaging in the same. The Applicant should evaluate his/her/its own financial position, risk tolerance and investment experiences while taking into account the following risk factors before engaging in IDSS.</p> <p>11.1.4 Types of Risk:</p> <p>(i) <b>Investment risk:</b> The Applicant should assess the investment risks arising from price fluctuation if the Applicant chooses to engage in IDSS. In the event the securities price increases instead of decreases, IDSS may lead to extraordinary losses, because the Applicant may have to purchase the securities at a very high price in order to cover a short position.</p> <p>(ii) <b>Trading costs:</b> The Applicant should understand the trading costs resulting from frequent trading activities.</p> <p>(iii) <b>Risks of failure to close off with a buy position on the same day as the short selling:</b></p> <p>(a) The Applicant should assess the securities the Applicant will need to purchase to close off the short position before the end of day, and may need to prepare sufficient funds for settlement in the event of failure of opposite offsetting. The funds include but not limited to the cost of borrowing and the cost to purchase securities above the market price in the event of buying-in for the settlement of an uncovered position.</p> <p>(b) It may become difficult for the Applicant to buy back the securities to close off a sell position at the end of a trading day. Failure to close off the sell position will be deemed as non-compliance with the Rules of Bursa Securities and appropriate enforcement action maybe be taken against you.</p> <p>11.1.5 This brief statement cannot disclose all the risks and other significant aspects of executing IDSS. The Applicant should carefully study the requirement pertaining to IDSS, gain an understanding of other possible affecting factors, and perform a well-thought financial planning and risk evaluation before engaging in this activity. If the Applicant is in doubt in relation to any aspect of this statement, the Applicant should consult the Applicant DR or the Bank.</p> <p><b>11.2 Terms and Conditions of Securities Borrowing for IDSS</b></p> <p>The following terms and conditions shall govern the securities borrowing transaction should the Applicant wish to borrow securities to cover any potential failed trade to deliver securities arising from a sale transaction:</p> <p><b>11.2.1 Loan of Securities</b></p> <p>(i) The Applicant (“the Borrower”) may, from time to time, orally or in writing authorise the DR to initiate a securities borrowing request to avoid potential failed trade and deliver the securities borrowed to Bursa Malaysia Securities Clearing Sdn Bhd to fulfill the delivery obligation of a sale trade (“Potential Failed Sale Trade”).</p> <p>(ii) The Borrower agrees that the quantity of the securities borrowed (“Loaned Securities”) shall not exceed the quantity of the securities where delivery to Bursa Securities for settlement will fail without the borrowing.</p> <p>(iii) The Borrower agrees the quantity of securities borrowing, the quantum and basis of the borrowing fees maybe different and/or amended from time to time.</p> <p>(iv) The loan of the securities borrowing (“Loan”) shall commence when the securities are transferred to the Borrower’s securities account.</p> <p>(v) The Borrower agrees that the borrowing request shall be subjected to the Bank’s discretion and approval.</p> <p><b>11.2.2 Collateral</b></p> <p>(i) The Borrower authorises the Bank to withhold the proceeds from the Potential Failed Sale Trade as collateral to the Loan.</p> <p>(ii) If the proceeds are not sufficient to cover the Loan Fees mentioned in the item 11.2.3 below or any costs or charges incurred by the Bank, the Bank has the right to demand for the outstanding Loan Fees, costs or</p>

	<p>charges due from the Borrower (including initiating legal action in court).</p> <p><b>11.2.3 Loan Fees</b></p> <p>(i) The Borrower agrees to pay the Bank the fees to the Loan ("Loan Fees") which shall include the following items:</p> <p>(a) <b>Borrowing Fee</b> The Borrowing Fee shall be calculated based on five (5) tick sizes as stipulated by Bursa Malaysia Participating Organisations' Trading Manual where buying-in prices shall be based on, and 0.5% of the value of the Potential Failed Sale Trade plus the five (5) tick sizes stated above or a minimum fee of RM150, whichever is higher. The Borrowing Fee shall accrue from and including the date on which the Loaned Securities are transferred to the Borrower, but excluding, the date on which such Loaned Securities are returned to the Bank (herein after referred to as "Loan Period");</p> <p>(b) <b>Bursa Intermediary Fee</b> payable to Bursa Securities through the Bank, which is 0.04% per annum of the Loan value for the Loan Period, calculated daily based on the closing price of the Loaned Securities or Ringgit Malaysia Two Hundred (RM200), whichever is higher;</p> <p>(c) <b>Borrowing Representative Fee</b> which is 0.04% per annum of the Loan value for the Loan Period, calculated daily based on the closing price of the Loaned Securities or Ringgit Malaysia Two Hundred (RM200), whichever is higher;</p> <p>(d) <b>Bursa Securities Transfer Fee</b> of Ringgit Malaysia Forty (RM40.00);</p> <p>(e) <b>Goods and Services Tax ("GST")</b> of all the fees where the rate may be changed by the Government of Malaysia from time to time. The rate of GST is currently zero (0%); and</p> <p>(f) Such other fees that may be payable by the Borrower from time to time.</p> <p>(ii) The Loan Fees payable hereunder shall be payable on the day the Loan Securities are returned. The Borrower authorises the Bank to deduct the Loan Fees from the Borrower's trust money maintained in the Retail Trust Account. Should the Borrower fail to pay the fee on the payable date, an interest of Eight Percent (8%) per annum shall be charged on the amount not paid.</p> <p><b>11.2.4 Termination of the Loan</b></p> <p>(i) The Loan is deemed terminated when the Borrower returns the Loan Securities by transferring the securities to the Bank designated securities account.</p> <p>(ii) The Borrower agrees to return the Loan Securities within six (6) market days from the date of the Potential Failed Sale Trade, failing which the Bank has the right, but not obligated, to purchase the Loan Securities from the market at prevailing market price without notification to the Borrower.</p> <p><b>11.2.5 Distributions and Corporate Actions</b></p> <p>(i) The Bank, as the Lender, shall be entitled to receive all distributions made on or in respect of the Loaned Securities which are not otherwise received by the Bank, to the full extent it would be so entitled if the Loaned Securities had not been lent to Borrower.</p> <p>(ii) Any cash distributions made on or in respect of the Loaned Securities, which the Bank as the Lender is entitled to receive shall be paid by the Borrower to the Bank on the date of termination of the Loan, in an amount equals to such cash distribution. Non-cash distributions which the Bank is entitled to receive shall be added to the Loaned Securities on the date of termination of the Loan and shall be considered such for all purpose, Borrower shall forthwith transfer the same to the Bank.</p>
<b>12</b>	<b>DECLARATION PURSUANT TO THE DISCRETIONARY FINANCING (applicable to Securities trading applicants)</b>
	<p>Discretionary Financing allows the Applicant to extend the settlement due date of eligible purchase contracts up to the seventh market day following the contract date ("T+7") ("DF").</p> <p>12.1 Applicant has read and clearly understood and undertook to abide by all rules, regulations, guidelines and directives issued by the relevant regulatory bodies or which may or are in force from time to time in respect of the DF. The Applicant further agrees to comply with the rules, directives, policies, procedures and conditions stipulated by the Bank (whether or not notified to the Applicant) in relation to the operation of the DF facility.</p> <p>12.2 <b>Eligible Contract</b></p> <p>12.2.1 Purchase contracts which are eligible for DF ("Eligible Contracts") must fulfill the following criteria:-</p> <p>(a) Securities listed on Bursa Securities;</p> <p>(b) Settlement currency is Ringgit Malaysia; and</p> <p>(c) ready basis contract</p> <p>The above criteria for Eligible Contracts may be revised from time to time at the discretion of the Bank without any prior notice given to the Applicant.</p> <p>12.2.2 The utilisation of DF on Eligible Contracts shall commence on a date where the application for DF has been received, approved and processed by the Bank ("DF Commencement Date") until such time as and when the DF is terminated by</p>



	<p>the Applicant or the Bank ("DF Termination Date").</p> <p>12.2.3 Upon the DF Commencement Date, the Applicant shall be deemed to have notified the Bank that on the contract date, DF is required for all the Eligible Contracts which have not been settled by the Applicant on or before the contract due date. Eligible Contract that is not rejected by the Bank shall be referred to as "DF Contract". For the avoidance of doubt, the Eligible Contracts on the DF Commencement Date refer to those unsettled contracts due on the DF Commencement Date, even though the contracts were executed prior to the DF Commencement Date. Contracts due on a date before the DF Commencement Date are not eligible.</p> <p>12.2.4 Notwithstanding Clause 12.2.3 above, the Applicant agrees that the Bank shall have the discretion and reserves the right to reject any Applicant's request for DF of an Eligible Contract and the Bank shall not be obliged to provide or assign any reasons whatsoever nor is required to give prior written notification to the Applicant on the same. However, should an Eligible Contract be rejected, the settlement due date shall remain as per the due date stated in the contract note.</p> <p><b>12.3 Fees and Charges</b></p> <p>12.3.1 Upon the Applicant's request and in consideration of the Bank allowing the DF to be extended to the Applicant, the Applicant hereby agrees and undertakes to pay such fees, disbursements and/or charges in relation to DF ("DF Fee") as may be determined by the Bank (including such fees or rates that may be varied from time to time, with or without prior notice to the Applicant).</p> <p>12.3.2 The DF Fee shall be calculated based on a rate determined by the Bank and may change from time to time, multiply by the net purchase value of the Eligible Contract. The net purchase value shall include the transactions charges that are associated with the purchase transaction (e.g. commission, clearing fee, stamp duty and service tax).</p> <p>12.3.3 The Applicant also acknowledges that interest will also be levied on any outstanding overdue contracts. Such interest shall be calculated based on the net value of the contract and the number of calendar day(s) from the contract due date to the settlement date (both days inclusive) at a rate determined by the Bank.</p> <p>12.3.4 DF can be suspended for a period of time as determined by the Bank or can be terminated by either party without assigning any reasons whatsoever. Notwithstanding the suspension or termination of the DF, the Applicant is and shall continue to be responsible for all DF and/or non-DF outstanding contracts including but not limited to DF Fee, interest, debts and liabilities due under the DF and/or due under the Applicant's Accounts and/or any other trading account for which the Applicant may be a principal or a guarantor until all such outstanding contracts and amount (together with its interests and fees) have been fully settled.</p> <p><b>12.4 Settlement of DF Contracts</b></p> <p>12.4.1 DF Contracts shall be settled latest by 12.30pm on T+7 either via payment in full or to contra such outstanding DF Contracts position, failing which, the Bank shall reserve its rights, but not obligated, to force sell the outstanding DF Contracts on the eighth market day following the contract date ("T+8" or "DF Force-Selling Day").</p> <p>12.4.2 Where there is a sale contract and a purchase contract of the same securities in a same trading account, both purchase and sale contracts will be settled on a 'contra' basis. If there are more than one purchase contract of the same securities, the selection of the purchase contract to 'contra' against the sale contract will be based on the sequence of contract date and time of the purchase contract, unless and until the Applicant or the Applicant's DR instructs the Bank to do otherwise before the cut-off time of the day where the sale trade is executed.</p> <p>12.4.3 The Applicant acknowledges and understands that the DF Force-Selling Day for DF Contracts will be on T+8, and not T+3 as practiced for non-DF purchase contract. The Applicant is deemed to be aware that the risk involved in the financial or contra loss for DF Contracts can be higher than those of non-DF purchase contracts, as securities prices can drop significantly during the extended settlement period.</p> <p><b>12.5 Rights to Discontinue DF</b></p> <p>12.5.1 The continuing operation of DF for the Applicant shall be entirely at the Bank's discretion.</p>
<b>13</b>	<b>DECLARATION PURSUANT TO THE RISK ASSOCIATED WITH TRADING IN FOREIGN SECURITIES (applicable to Securities trading applicants)</b>
	<p>13.1 In light of the risks of trading in foreign securities, the Applicant agrees to undertake such transactions only if the Applicant understands the nature of securities and the contracts (and contractual relationship) which the Applicant is entering into and the extent of the Applicant's exposure to risk. The Applicant agrees to carefully consider whether trading in securities is appropriate in the light of the Applicant's experience, objectives, financial resources and other relevant circumstances. If in any doubt, the Applicant agrees to seek professional advice. Different securities involve different levels of risk and in considering whether to trade in securities, the Applicant agrees to be aware of the following points:</p> <p><b>13.1.1 Price fluctuation</b> The price and value of any investment in securities and the income, if any, from them, can fluctuate and may fall against the Applicant's interest. An individual security may experience downward price movements and may under some circumstances even become valueless. An inherent risk of trading securities is that losses may be incurred, rather than profits made, as a result of buying and selling securities.</p> <p><b>13.1.2 Suspension or Restriction of Trading</b> Market conditions (illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any security because of price limits or trading halts) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.</p> <p><b>13.1.3 Warrants</b></p>

	<p>A warrant is a time-limited right to subscribe for securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying securities results in a disproportionately large movement, favourable or unfavourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for everyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the predetermined time-scale then the investment becomes worthless.</p> <p><b>13.1.4 Commission and Other Charges</b> The Applicant agrees to obtain a clear explanation of all commissions, fees, and any other charges and understand that these charges may affect the Applicant's net profit (if any) or increase the Applicant's loss. The Applicant agrees that the Applicant will be liable for these charges (as may be amended from time to time).</p> <p><b>13.1.5 Transactions in Other Jurisdictions</b> Transactions on markets in other jurisdictions may expose the Applicant to additional risks. Such markets may be subjected to rules that may offer different or diminished investor protection. Before entering into such trades, the Applicant agrees that the Applicant must be aware of the rules relevant to the particular transactions. The Bank's local regulatory authority may be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Applicant's transactions have been effected.</p> <p><b>13.1.6 Currency Risks</b> The potential for profit or loss from transactions on foreign markets or in foreign currency-denominated securities will be affected by fluctuations in foreign currency exchange rates.</p> <p><b>13.1.7 Trading Facilities and Electronic Trading</b> The Bank's 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 computer systems, the Applicant will be exposed to risks associated with the systems including the failure of hardware and software. The result of any system failure may be that the Applicant's order is either not executed according to instructions or is not executed at all. The Applicant is aware that the Internet is not a completely reliable transmission medium and there may be delays in service provisions.</p> <p><b>13.1.8 Restricted Trading Days</b> The Applicant's ability to trade in securities may be restricted to days when Bursa Securities is open for trading. The Bank may at its absolute discretion (but is not obliged to) increase the trading days from time to time. This means that the Applicant may be unable to trade in securities when Bursa Securities is closed for trading notwithstanding that the relevant exchange on which the Applicant wish to trade may be open for trading and that the Bank shall not be liable for any loss, claim, damage, cost or expense suffered or incurred by the Applicant, or profit or advantage of which the Applicant may be deprived, which arises hereunder. This would increase the risk of loss as the Applicant would not be able to effect transactions on days when Bursa Securities is not open for trading. The price of securities may experience substantial movements on such days when the Applicant is unable to trade in the securities.</p> <p>13.2 The risks disclosed above are not exhaustive and there may be other significant aspects of trading in non-ringgit securities that may not have been disclosed herein.</p>
<b>14</b>	<b>DECLARATION PURSUANT TO THE FUTURES AND OPTIONS CONTRACTS (applicable to Derivatives trading applicants)</b>
	<p>The Applicant has read and clearly understood the fundamental facts and nature of the Futures and Options Contracts and the Risk Disclosure Statement associated with the Futures and Options Contracts as set out below:</p> <p><b>14.1 The Nature of Futures and Options Contracts</b></p> <p>The Applicant is advised to read and understand the contents of below before entering into a contract. If in doubt, the Applicant should consult his/her/its broker or seek professional advice.</p> <p><b>14.1.1 Futures Contracts</b></p> <ul style="list-style-type: none"> <li>(i) A futures contract is a standardised agreement traded on a recognized exchange. The contract obligates the buyer to take delivery, and the seller to make delivery of a described commodity or financial instrument on a specified future date. The quantity and quality of the described commodity or financial instrument ("the underlying") are also specified in the contract.</li> <li>(ii) There are two types of futures contracts: - <ul style="list-style-type: none"> <li>(a) deliverable contracts, under which the seller agrees to make delivery and the buyer agrees to take delivery of the underlying on a given future date at a predetermined price set currently; and</li> <li>(b) cash settlement contracts, where no actual delivery of commodity or financial instrument takes place at contract expiration. On contract expiration date, the holder of the contract will receive or pay out in cash the difference in value since the contract was made.</li> </ul> </li> <li>(iii) The terms and conditions of a futures contract are set out in the rules and regulations of the Exchange on which the contract was made.</li> <li>(iv) The futures price is determined in the marketplace by means of an outcry system or an electronic system that represents market consensus of what the underlying price should be at a specified future time.</li> <li>(v) The Applicant may 'liquidate' or 'close out' his/her/its position prior to contract expiration date by making an opposite transaction. For instance, if the Applicant had bought (sold) a futures contract, he/she/it can sell (buy) a new futures contract in the same month to close out the initial contract.</li> </ul>

- (vi) Small initial capital outlays (initial margins) allow futures contracts to provide Applicants the leverage to have greater exposures in the market. This margin is a performance bond and is required to protect market users from counterparty default.
- (vii) The initial margin on futures contracts is governed by the minimum margins established by the clearing house. It varies from time to time depending on the volatility of the market and is being calculated to cover the maximum expected movement in the market from one day to the next.
- (viii) The Applicant's open positions are marked-to-market daily and margin call will be made in the event the available margin falls below the maintainable margin set by the trading member or clearing house. If the Applicant is unable to comply with the margin calls within a reasonable time, some or all of the Applicant's open positions may be closed out and the resulting losses are deducted from the margins before the balances are returned. If margin calls are met, or if profits are realized on a futures transaction, the margin may be returned to the Applicant on request when the contract is closed out.

#### 14.1.2 Options Contracts

- (i) An options contract gives the buyer the right, but not the obligation to purchase or sell a specified asset at a specified price, on or before a specified date, from the seller of the contract. If the buyer exercises his/her/its right, the seller of the options contract has the obligation to deliver or purchase the specified asset from the buyer.
- (ii) European style option allows the buyer to exercise his/her/its right only on expiration date while American style option allows the exercising of the buyer's right on or before the expiration date. The Applicant should be aware of the type of option the Applicant is trading as it may affect the duration of the Applicant's exercisable right or, obligation to take or make delivery of the specified asset.
- (iii) The buyer of an option has limited risk exposure where only his/her/its premium (option price) is at stake if the option is not exercised. However, the buyer's profit potential is virtually unlimited if the market moves in his/her/its favour where profits can be realized by selling the option contract at a higher premium or closing out the resulting contract by exercising the buyer's right.
- (iv) Profit potential of the option seller is essentially limited to the premium paid to him/her/it by the buyer of the option. However, the inherent risk borne by the seller is unlimited if the market moves unfavourably against him/her/it.

#### 14.2 The Nature of the Obligations Assumed by A Person Who Instructs A Futures Broker To Enter Into A Futures Or Options Contract

14.2.1 The Applicant having given instructions to the Bank to enter into futures or options contracts on his/her/its behalf, must be prepared to:

- (i) place a minimum deposit established by the Bank or the Clearing House on each futures contract upon execution of an order. The Bank reserves the right to call a higher deposit than the minimum set;
- (ii) pay on demand for any margin calls made by the Bank to maintain the futures position (i.e. contract or set of contracts) held by the Applicant;
- (iii) at the close of trading on the day of expiration, if the Applicant is the seller (buyer) of a futures contract that is still in force, the Applicant is obligated to make (take) delivery of the underlying instrument described in the deliverable contract. The buyer will have to pay the contract price in full;
- (iv) settle any losses which were incurred as a result of a mandatory cash adjustment made on a cash settlement contract held by the Applicant which is still in force at the expiration of the contract;
- (v) when the buyer of a call (put) options contract exercises his/her /its right and if the Applicant is the seller of the options contract, the Applicant is obligated to sell (purchase) the specified asset at the specified price to (from) the buyer; and
- (vi) The buyer of an option contract will pay the full premium to the seller, which in turn will pay a margin to the Clearing House to guarantee its fulfillment.

#### 14.3 Risk Disclosure Statement

14.3.1 The Applicant hereby acknowledges that: -

- (i) that dealing in Derivatives Contracts may create an obligation to give or take delivery or make cash settlement in accordance with the terms of trading of such Derivatives Contracts;
- (ii) the trading in Derivatives Contracts may be a speculative activity and in a fast moving market where prices are subject to sharp fluctuations may result in severe loss of capital; and
- (iii) on certain trading days if Derivatives Contracts are up or down their permissible Exchange limit, trading may cease to the Applicant's financial disadvantage.

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

### 14.3.3 RISKS ASSOCIATED WITH FUTURES CONTRACTS

(a) **Effect of “Leverage” or “Gearing”**

Transactions in futures contracts carry a high degree of risks. 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 proportionately larger impact on the funds the Applicant has deposited or will have to deposit - this may work against the Applicant as well as for him/her/it. The Applicant may sustain a total loss of initial margin funds and any additional funds deposited with the futures broker to maintain his/her/its position. If the market moves against the Applicant’s position or margin levels are increased the Applicant may be called upon to pay substantial additional funds on short notice to maintain his/her/its position. If the Applicant fails to comply with a request for additional funds within the time prescribed, the Applicant’s position may be liquidated at a loss as he/she/it will be liable for any resulting deficit.

(b) **Risk-reducing Orders or Strategies**

The placing of certain orders (e.g. “stop-loss orders, where permitted under the business rules of an exchange company) 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.

(c) **Terms and Conditions of Contracts**

The Applicant should ask his/her/its futures broker about the terms and conditions of the specific futures contracts which he/she/it is trading and associated obligations (e.g. the circumstances under which the Applicant may become obligated to make or take delivery of the underlying instrument of a futures contract and, in respect of futures contracts that are eligible exchange-traded options or futures options (“options”), expiration dates and restriction 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 instrument or state of affairs that is the subject of the futures contract.

(d) **Suspension or Restriction of Trading and Pricing Relationship**

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 of trading 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 Applicant has sold options, this may increase the risk of loss.

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

(e) **Deposited Cash and Securities**

The Applicant should familiarise himself/herself/itself with the protections accorded to money or other securities the Applicant deposits, particularly in the event of a futures broker’s insolvency or bankruptcy. The extent to which the Applicant may recover his/her/its money or securities may be governed by specific legislation.

(f) **Commission and Other Charges**

Before the Applicant begins to trade, the Applicant should obtain a clear explanation of all commission, fees and other charges for which he/she/it will be liable. These charges will affect the Applicant’s net profit (if any) or increases his/her/its loss.

(g) **Currency Risks**

The profit or loss in transactions in foreign currency-denominated contracts 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.

(h) **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 Applicant’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 futures brokers. Such limits may vary - the Applicant should ask his/her/its futures broker for details in this respect.

### 14.3.4 ADDITIONAL RISKS ASSOCIATED WITH OPTIONS

**Variable Degree of Risk**

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. The Applicant should calculate the extent to which the value of the options must increase for his/her/its 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 instrument. If the option is on a futures contract, the purchaser will acquire a long position or short position (as the case may be) in relation to the futures contract, with associated liabilities for margin. If the purchased options expire worthless, the Applicant will suffer a total loss of his/her/its investment (which is the option premium) in addition to incurring transaction costs. If the Applicant is contemplating purchasing deep-out-of-the-money options, the Applicant 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 a 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

	<p>underlying instrument. If the option is on a futures contract, the seller will acquire a position in the futures contract with associated liabilities for margin. If the option is "covered", for example by the seller assuming a corresponding long position in the underlying that is the subject of the option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.</p>
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