

CLIENT TRADING AGREEMENT

Futures / Options Trading Account

February 2019

Section I: General Terms and Conditions

This Section I is applicable to each and every Account of whatever nature now or subsequently opened with MFL.

1. Application and Definitions

1.1 In this Section I, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“**Access Code**” means together the Password, the PIN and the User ID with respect to the Customer’s use of Electronic Trading Service;

“**Account**” means one or more futures/options trading account(s) now or hereafter opened with MFL under this Agreement in the name of the Customer;

“**Agreement**” means this Client Trading Agreement comprising the Client Information Statement, the account opening form, these Terms and Conditions and any declaration and/or confirmation in respect of Professional Investor (if applicable), in each case as the same may be amended or supplemented from time to time;

“**Approved Debt Securities**” shall have the same meaning as that defined in the Rules of HKFE, as amended from time to time;

“**Approved Securities**” shall have the same meaning as that defined in the Rules of HKFE, as amended from time to time;

“**Associate**” means a company or body corporate which is a member of the same “group of companies” (as defined in Section 2 of the Companies Ordinance) as MFL;

“**Authorized Person**” means the person(s) authorized by the Customer under Clause 8 to give Instructions as notified to MFL from time to time in such manner as MFL requires;

“**Business**” means futures and options business conducted by MFL for the Customer pursuant to this Agreement;

“**Business day**” means any day on which the relevant Exchange is open for trading other than Saturdays, Sundays, public holidays and such other days which are declared by the relevant Exchange to be non-business days;

“**Clearing House**” means the body appointed by or established and operated by HKFE to provide clearing services to exchange participants of HKFE in respect of Exchange Contracts and in relation to any other Exchange any such clearing house providing similar services to such other Exchange;

“**Clearing House Margin**” means the amount of cash or non-cash collateral required by way of margin and/or variation adjustment (howsoever described) under the rules and regulations of the relevant Exchange and/or variation (howsoever described) for which MFL must account to the relevant Clearing House or executing agent;

“**Client Information Statement**” means the Client Information Statement to be completed and signed by the Customer for the purpose of opening of an Account;

“**Commodities**” or “**Commodity**” shall have the same meaning as that defined in the Rules of HKFE, as amended from time to time;

“**Companies Ordinance**” means the Companies Ordinance (Cap. 622 of the laws of Hong Kong) as the same may be amended or supplemented from time to time;

“**Compensation Fund**” means the Investor Compensation Fund established under Section 236 of the Ordinance;

“**Contract**” means a futures contract and/or options contract;

“**Customer**” means holder(s) of an Account, whose information are set out in the Client Information Statement;

“**Electronic Trading Service**” means the electronic trading services provided by MFL in the form of trading through any electronic means under this Agreement including but not limited to Mason Futures Mail, any information contained in MFL’s website and the software

comprised in them;

“**Exchange**” means HKFE and/or, as the case may be, any other relevant exchange, market or association of dealers in any part of the world on which or between whose members futures contracts or options contracts are bought and sold;

“**Exchange Contracts**” means a futures contract and/or options contract approved by the SFC and HKFE for trading on a market pursuant to Rule 201 of the Rules of HKFE;

“**FATCA**” means sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended, any current or future regulations or official interpretations thereof, any agreement entered into thereunder, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation thereof;

“**Financial Product**” means any securities or futures contracts as defined under the Securities and Futures Ordinance;

“**F.O. Business**” means the business of dealing in futures contracts and/or options contracts;

“**futures contract**” means a contract:-

- (a) Where one party agrees to deliver to the other party at an agreed future time an agreed Commodity or quantity of a Commodity at an agreed price; or
- (b) Where the parties will make an adjustment between them at an agreed future time according to whether the agreed Commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the contract;

“**HKFE**” means Hong Kong Futures Exchange Limited;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Instruction**” means any instruction, direction, notice or other communication for or related to the dealing in Contracts given by the Customer or its Authorized Person in accordance with this Agreement;

“**Margin**” means the amount of cash or where so permitted non-cash collateral as may from time to time be demanded by MFL from the Customer for protection against any loss or risk of loss on present, future or contemplated Contracts transacted by MFL on the instructions of the Customer and not being less than the relevant Clearing House Margin;

“**MFL**” means Mason Futures Limited, a futures trading broker licensed by the SFC to conduct Type 2 (Dealing in futures contracts) and Type 5 (Advising on Futures Contracts) regulated activity and designated with CE No. AAG007 and certificate number CDC203. MFL is an exchange participant of the HKFE under the category of Futures Commission Merchant with certificate number EP0032. MFL is also a HKCC participant of HKFE Clearing Corporation Limited under the category of Clearing Participant with certificate number CP0031;

“**MSL**” means Mason Securities Limited, a securities broker licensed by the SFC to conduct Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset Management) regulated activities and designated with CE No. AAC086;

“**Mason Futures Mail**” means the secure messaging facility operated by MFL for the delivery and receipt of confirmations, statements and other notices;

“**Omnibus Account**” shall have the same meaning as that defined in the Rules of HKFE;

“**Options contract**” means a contract which:

- (a) gives one party to the contract the right to buy an agreed Commodity, or quantity of an Commodity, from the other party at an agreed price on or before an agreed future date or on an agreed future date as the case may be; and when the first party exercises his right to buy, the other party is obliged to deliver the Commodity at the agreed price, or the first party receives a payment referable to the amount (if any) by which the Commodity is worth more than the agreed price; or
- (b) gives one party to the contract the right to sell an agreed Commodity, or quantity of an Commodity, to the other party at an agreed price on or before an agreed future date or on an agreed future date as the case may be; and when the first party exercise his right to sell, the other party is obliged to take delivery of the Commodity at the agreed price, or the first party receives a payment referable to the amount (if any) by which the agreed price is worth more than the Commodity;

“**Ordinance**” means the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong) and any subsidiary legislation made thereunder as the same may be amended or supplemented from time to time;

“**Password**” means the Customer’s personal password(s) used in conjunction with the User ID to gain access to the Electronic Trading Service, Mason Futures Mail and/or other services provided by MFL;

“**PIN**” means the Customer’s personal identification number used when instructing MFL;

“**Professional Investor**” shall have the same meaning as that defined in Schedule 1 to the Ordinance, as amended from time to time;

“**Rules of HKFE**” means such rule, regulations and procedures of the HKFE, as may be amended or revised from time to time;

“**Segregated Bank Account**” means a current or deposit account with an authorized financial institution or with an organization approved by the SFC pursuant to the Securities and Futures (Client Money) Rules made under Section 149 of the Ordinance, in the name of MFL and in the title of which the word “trust”, “client” or such other similar word or phrase appears;

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

“**SFC Code of Conduct**” means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission issued by the SFC, as may be amended from time to time;

“**Terms and Conditions**” means the terms and conditions set out in Sections I to V, as may be amended or supplemented from time to time;

“**Transaction**” means entering into of a Contract in connection with this Agreement, closing out or effecting delivery and/or settlement of a Contract in connection with this Agreement; and

“**User ID**” means the Customer’s personal identification used in conjunction with the Password to gain access to the Electronic Trading Service, Mason Futures Mail and/or other services provided by MFL.

1.2 For the purpose of interpretation of the provisions of these Terms and Conditions:

- (a) Words importing the singular shall include the plural and vice versa and words importing a gender shall include every other gender.
- (b) Where any provision contains the expression “and/or” then this shall mean the relevant provision may apply to either or both of the parties or matters that such expression shall connect.
- (c) The headings in these Terms and Conditions are inserted for ease of reference only, save where referred to otherwise, and shall not form the terms of these Terms and Conditions.
- (d) References to Clauses and Sections are to clauses and sections of these Terms and Conditions, unless otherwise specified.
- (e) References to “writing” includes letter, facsimile, e-mail and other electronic transmission.
- (f) The sub-headings in these Terms and Conditions are inserted for convenience only and shall be ignored in construing these Terms and Conditions.

2. Client Identification

2.1 Due to money laundering, counter terrorist financing or other requirements operating within the relevant jurisdiction, MFL or its agent is required to ascertain and record client identity details before MFL provides or continues to provide any services to the Customer. The Customer undertakes to provide MFL promptly with information or documentation relating to client identity as so requested.

2.2 MFL reserves the right (at its discretion) to request additional information or documentation relating to client identity in accordance with the applicable laws, rules and regulations including but not limited to the SFC Code of Conduct.

2.3 MFL is required, upon the request of HKFE or other Exchange, the SFC or other legal or regulatory or governmental authority (whether in Hong Kong or elsewhere), to disclose the name, beneficial identity and such other information concerning the Customer as the relevant authority may require, and the Customer agrees to provide such information as MFL may require in order for MFL to comply with such

requirements. In particular, in the event MFL fails to comply with the disclosure requirement under Rule 606(a) or 613(a) of the HKFE, the Chief Executive of the HKFE may require the closing out of the position on behalf of the Customer or the imposition of margin surcharge on the positions of the Customer.

- 2.4 The Customer hereby acknowledges the existence of the Hong Kong Client Identity Rule Policy which is enforced by the HKFE and the SFC (“**Regulators**”). The Customer agrees to be bound by the terms and conditions and continuations set out in the Client Identity Rule Policy (see Section IV of these Terms and Conditions). The Customer acknowledges that if relevant information is not provided to the relevant Regulators within two business days, MFL must refuse the Customer’s application or refuse to provide any services to the Customer.
- 2.5 In consideration of MFL providing services to the Customer, the Customer warrants that in relation to any Transaction (whether for own account or as agent for and on behalf of another) involving futures contracts that are listed or traded on HKFE or derivatives, including over the counter derivatives, written over such futures contracts, regardless of where such trades are effected:
- (a) where the information is available to MFL, MFL is expressly authorized to release to a Regulator upon request client identity information such as the identity, address and contact details of the ultimate client of, or the person responsible for originating the Instruction for, such Transaction and/or the person that stands to gain the commercial or economic risks for, or bear the commercial or economic risks of, the Transaction (“**Information**”) without the Customer’s further consent;
 - (b) the Customer will supply immediately to MFL (or to the Regulator directly) the Information as requested by a Regulator;
 - (c) where the Customer is acting as agent for and on behalf of another, the Customer has in place arrangements which will ensure that the Customer’s client will provide the Information to MFL (or to the Regulator directly) upon request;
 - (d) the Customer will continue to provide, or ensure that the Customer’s client provides, the Information as requested by a Regulator to MFL (or to the Regulator directly) notwithstanding termination of MFL’s services to the Customer, in relation to any Transaction undertaken by the Customer prior to such termination; and
 - (e) any right to confidentiality or any benefit of secrecy with respect to such Information under any applicable secrecy laws of the ultimate client of, or the person responsible for originating the Instruction for, such Transaction and/or the person that stands to gain the commercial or economic benefit for, or bear the commercial or economic risks of, the Transaction has been validly and irrevocably waived by them.

3. Professional Investors

- 3.1 A Customer may be classified and treated as a Professional Investor under the Ordinance, for all of the services that MFL provides to the Customer.
- 3.2 Where the Customer is classified and treated as a Professional Investor (as defined under paragraph (j) of the definition of “professional investor” in Part 1 of Schedule 1 to the Ordinance), MFL shall carry out an annual confirmation exercise in respect of this classification and the Customer agrees to deliver, immediately upon request, a form of confirmation to MFL to assist with this exercise.
- 3.3 A request may be made by the Customer to withdraw at any time from being treated as a Professional Investor whether in respect of all products or markets or any part thereof.
- 3.4 The Customer acknowledges that certain provisions are waived for persons classified as Professional Investors as set out in further detail in the SFC Code of Conduct.

4. Suitability of Financial Products

If MFL solicits the sale of or recommends any Financial Product to the Customer, the Financial Product must be reasonably suitable for the Customer having regard to the Customer’s financial situation, investment experience and investment objectives. No other provision of these Agreement or any other document MFL may ask the Customer to sign and no statement MFL may ask the Customer to make derogates from this clause.

5. Acknowledgement, Representations, Warranties and Undertakings

- 5.1 The Customer acknowledges, represents, warrants and undertakes that:

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傳真 Fax : +852 2218 2992 網址 Website : www.masonhk.com

- (a) the information set out in the Client Information Statement is complete, true and correct and MFL is entitled to fully rely on such information and representation for all purposes. The Customer undertakes to inform MFL in writing of any changes thereto immediately after the relevant change(s) has/have occurred;
 - (b) all necessary consents or authorizations which may be required for this Agreement have been obtained and are in full force and effect;
 - (c) the Customer has the authority and legal capacity to enter into and perform the obligations under this Agreement and this Agreement constitutes the valid and legally binding obligations of the Customer;
 - (d) all monies, Approved Debt Securities or other properties provided to MFL hereunder whether as Margin or otherwise are and will at all times be free of any charge, pledge, encumbrance or lien; save as provided herein or as expressly consented to in writing by MFL and the Customer will not sell, grant an option over or otherwise deal in any way with or purport to sell, grant an option over or deal with any such securities or cash forming part of the Account;
 - (e) save where the Customer holds an Omnibus Account in accordance with the terms of Clause 25, no Account is an Omnibus Account and that the Customer is trading on its own account and does not do so as nominee or trustee for any other person and there exists no arrangement where any person or entity have any benefit interests in this Agreement or any Contracts transacted by MFL on the Instructions of the Customers or any Authorized Person; and
 - (f) MFL may require a personal guarantee from any shareholder or director of corporate customers.
- 5.2 MFL is hereby authorized at any time to conduct credit enquiries on the Customer and to contact anyone, including the Customer's bankers, brokers or any credit agency to verify the information provided.
- 5.3 The Customer represents and warrants to MFL that the Customer's use of the Account will comply with all applicable laws, rules and regulations, with all applicable policies and practices of the SEHK and other stock exchanges and associations, and regulatory or self-regulatory organizations and the policies and procedures (whether stated orally or in writing) applicable to the Account and this Agreement and any other agreement between MFL and the Customer, as may be amended from time to time.
- 5.4 The Customer acknowledges that neither the relationship between the Customer and MFL; the services to be provided under this Agreement; nor any other matter would give rise to any fiduciary or equitable duties on MFL's part in favour of the Customer even where MFL has better knowledge of the market generally or of any particular transaction. In particular, there are no duties that would oblige MFL to accept responsibilities more extensive than those set out in this Agreement or which would prevent or hinder MFL in carrying out any of the activities contemplated by this Agreement.

6. Applicable Rules and Regulations

- 6.1 All Transactions shall be subject to the constitution, rules, regulations, custom, usages, rulings and interpretations as amended from time to time or in force of the HKFE or other Exchanges or other markets and of their respective Clearing House. All Transactions under this Agreement shall also be subject to any law, rule, or regulations then applicable, including but not limited to the Ordinance and all relevant commodities exchange laws, rules and regulations of the applicable jurisdiction and as amended from time to time.
- 6.2 The Customer agrees to be bound by all rules and regulations of the relevant markets and Exchanges applicable from time to time concerning futures or options trading, including but not limited to those relating to the Rules of HKFE.
- 6.3 If any provision hereof is inconsistent with any present or future law, rule, or regulation of the Exchange, the Clearing House or any authority having jurisdiction over the subject matter of this Agreement, such provision 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 until termination in accordance with these Terms and Conditions. In addition, MFL may take or omit to take any action which it considers fit in order to ensure compliance with the same including, without limitation, disregarding any unexecuted order or rescinding any executed Transaction.
- 6.4 In respect of all Transactions entered into between MFL and the Customer relating to any money, foreign currency, currency option or foreign exchange contract, the Customer agrees that such Transactions are governed by and subject to all the by-laws, rules and regulations of the Exchange on which the Transaction is done and the laws of the country in which the Exchange concerned is located and that in all these Transactions referred to in this paragraph MFL may contract as a principal.

6.5 In respect of all Transactions executed in markets other than those operated by the HKFE, such Transactions will be subject to the rules and regulations of those markets and not those of the HKFE, with the result that the Customer may have a markedly different level and type of protection to those Transactions as compared to the level and type of protection afforded by the Rules of the HKFE.

7. Electronic Trading Services

7.1 The Customer may access the Account through the Electronic Trading Service. Should the Customer experience any problems in reaching MFL through the Electronic Trading Service, the Customer may attempt to communicate with MFL by telephone and inform MFL of the difficulty the Customer is experiencing.

7.2 The Customer agrees to abide by the provisions of this Agreement whenever the Customer uses the Electronic Trading Service. Any additional services offered through the Electronic Trading Service in the future will only be used by the Customer in accordance with the provisions of this Agreement and any additional provisions applicable thereto.

7.3 The Customer understands that the Electronic Trading Service is a semi-automated facility, which enables the Customer to send electronic Instructions to buy, sell and otherwise deal with Contracts and receive information services.

7.4 The Customer acknowledges that the Electronic Trading Service and the software comprised in it are proprietary to MFL and/or third party provider(s). The Customer agrees and undertakes that the Customer shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Trading Service and the software comprised in it. The Customer agrees that MFL may, at MFL's absolute discretion, suspend or terminate the Customer's Access Code and/or close the Account immediately without notice to the Customer, and take action against the Customer if the Customer at any time breaches this Agreement or any other agreement or undertaking, rules, regulations, orders and laws of Hong Kong or of the country concerned or if MFL at any time reasonably suspects that the Customer has breached the same. The Customer undertakes to notify MFL immediately if the Customer becomes aware that any other person is doing any of the above.

7.5 The Customer shall be the only user of the Electronic Trading Service under the Account. The Customer shall be responsible for the confidentiality and use of the Access Code and undertakes:

- (a) not to disclose any Access Code to any third party;
- (b) not to write down or record any Access Code in a way that could facilitate misuse or fraud; and
- (c) to immediately report any loss, unauthorized disclosure or misuse of the Customer's Access Code to MFL.

The Customer acknowledges and agrees that the Customer shall be solely responsible for all Instructions entered through the Electronic Trading Service using its Access Code.

7.6 The Customer further acknowledges and agrees that, as a condition of using the Electronic Trading Service to give Instructions, the Customer shall immediately notify MFL if:

- (a) immediately after an Instruction in respect of the Account has been placed through the Electronic Trading Service, the Customer has not received:
 - (i) an order reference number; and
 - (ii) an accurate acknowledgement of the Instruction or of its execution (whether by hard copy, electronic or verbal means);
- (b) the Customer has received acknowledgement (whether by hard copy, electronic or verbal means) of a Transaction which the Customer did not instruct or if any similar conflict arises; or
- (c) the Customer becomes aware of any unauthorized use of the User ID, Password or PIN.

7.7 The Customer agrees that if the Customer fails to notify MFL forthwith when any of the situations described in Clause 7.6 occurs, neither MFL nor any of MFL's directors, employees, agent or representatives shall have any liability to the Customer, or to any other person for any obligations, claims or other liabilities with respect to the handling, mishandling or loss of any Instruction unless such loss results from the fraud, gross negligence or wilful default on the part of MFL.

7.8 MFL has no responsibility to inform the Customer of any difficulties MFL or other third parties experience concerning use of the

Electronic Trading Service or to take any action in connection with these difficulties. MFL also will have no duty or obligation to verify, correct, complete or update any information displayed in the Electronic Trading Service. The Customer will make its own independent decision to access or use the Electronic Trading Service or to execute any Transaction and the Customer acknowledges and agrees that the Electronic Trading Service does not and will not serve as the primary basis for any of the Customer's investment decisions concerning its Accounts.

7.9 The Customer understands, acknowledges and agrees that:

- (a) the real-time quote service and other market information available at MFL's website is provided by a third party service provider appointed by MFL from time to time;
- (b) neither MFL nor any of MFL's directors, employees, agents, representatives or third party service provider shall be responsible to the Customer for any losses, costs, expenses, damages or claims which the Customer may suffer as a result of or in connection with any respect of the real-time quote service including the Customer's reliance on such service;
- (c) the market data and information available through the Electronic Trading Service is provided to MFL by each participating exchange(s) or association(s) or agent(s) (which disseminate such data and information) with assertion of a proprietary interest in such data and information;
- (d) MFL will not be liable for any loss of profits or anticipated savings (in either case, whether direct or indirect) or any special, indirect, incidental or consequential damages which the Customer may incur or experience because the Customer entered into this Agreement or relied on the Electronic Trading Service, even if MFL knows of the possibility of those losses or damages;
- (e) MFL (and any of MFL's affiliate) are not and will not be, by virtue of providing the Electronic Trading Service, an advisor or fiduciary for the Customer; and
- (f) no party guarantees the timeliness, sequence, accuracy or completeness of market data or any other market information and neither MFL, MFL's directors, employees, agents or representatives nor any disseminating party shall be liable in any way for any loss or damage arising from or caused by any inaccuracy, error or delay in or omission from any such data, information or message, or the transmission or delivery of the same, non-performance or interruption of any such data, message or information whether or not due to any negligent act of MFL or any disseminating party, or shall be liable in any way for the correctness, quality, accuracy, security, completeness, reliability, performance, timeliness, pricing or continued availability of the Electronic Trading Service or for delays or omissions of the Electronic Trading Service, or for the failure of any connection or communication service to provide or maintain the Customer's access to the Electronic Trading Service, or for any interruption or disruption of the Customer's access or any erroneous communications between the Customer and MFL, or to any force majeure event as described under Clause 41 of this Section I, or any other cause beyond MFL's control or the reasonable control of any disseminating party.

The Customer shall use all such data, information and real-time quotes for the Customer's personal use and reference only, and these must not to be reproduced, duplicated, sub-listed or transmitted or used for commercial purposes, and the Customer shall not furnish such data to any other person or entity for any reason.

7.10 By applying for and using the Electronic Trading Service, the Customer acknowledges, represents and warrants that:

- (a) the Customer is legally entitled to open and use the Electronic Trading Service;
- (b) no breach of any law, regulation or governmental or other requirement whether of the Customer's jurisdiction of residence or domicile, or any other relevant jurisdiction will arise as a result of any use by the Customer of the Electronic Trading Service; and
- (c) due to the public nature of the internet and other reasons, the Internet is inherently not always a reliable medium of communication and that such lack of reliability is beyond MFL's control and therefore MFL shall have no liability whatsoever, including but not limited to liability due to: unpredictable traffic congestion, delays in transmission, interruption, transmission blackout, incorrect data transmission, misrepresentation, virus infection, system or platform being attacked by hacker, malfunction of the system or platform, other factors causing the incompleteness of the Customer's Instruction or interference by unauthorized persons. By using the Electronic Trading Services the Customer accepts all of the abovementioned and other risks including without limitation to the possible failure or delay in the transmission and receipt of Instructions and other information that may result in failure or delay in the execution of Instructions and /or any loss arising from prices different from those prevailing at the time the Instructions were given.

7.11 The Customer agrees to indemnify MFL on demand from all liabilities, losses, claims, damages, judgments, suits, actions, proceedings, costs (including legal fees) and expenses (collectively referred to as "Losses") MFL may suffer or incur as a result of the Customer's use of the Electronic Trading Service, including any breach of this Clause 7 or breaches of security of the Electronic Trading Service (including any access or entry into any of MFL's other systems not covered by this Agreement), except to the extent such Losses are due to MFL's

gross negligence or wilful misconduct.

8. Authorized Person(s)

8.1 From time to time, the Customer may appoint one or more Authorized Person(s) to give instructions to MFL in relation to any matter regarding MFL's services and MFL's operations and to execute on the Customer's behalf in his/her name(s) any and all such acts, deeds and documents whatsoever.

8.2 All appointments and revocations of appointment of Authorized Person(s) shall be delivered to MFL in writing and in such manner acceptable to MFL at its absolute discretion. Such appointment, revocation or amendment shall only be effective upon expiry of three Business Days upon receipt and/or sufficient time has elapsed to allow MFL to record the appointment, revocation or amendment on its operating system.

8.3 For the purpose of the above, but without prejudice to the generality of the foregoing, the Authorized Person(s) shall be authorized to do the following acts, deeds and things:

- (a) to deposit into or to withdraw money from the Customer's Account;
- (b) to ask for and receive from MFL any and all information whatsoever relating to the Account, including but not limited to statements and all other notices and documents;
- (c) to give MFL any and all Instructions whatsoever in relation to the services provided by MFL;
- (d) to notify MFL (which notification shall be deemed conclusive of the Customer's Instruction) of any change in particulars including but not limited to changes in addresses for communication; and
- (e) to amend and/or update his/her/their specimen signature(s) and/or personal details(s) from time to time, and MFL is entitled to and hereby authorized to rely on the aforesaid amendments and/or updates made by the Authorized Person(s) without further notice to the Customer.

8.4 The Customer shall ratify all acts and matters within the scope of the discretion, rights and powers of the Authorized Person(s).

8.5 MFL shall be under no liability whatsoever in respect of any loss or damage which the Customer may suffer or incur as a result of the acts or omissions of the Authorized Person(s). The Customer shall be fully responsible for such acts or omissions of the Authorized Person(s) and agrees to keep MFL fully indemnified against all losses, costs, claims damages or expenses which MFL may suffer or incur in connection with such acts or omissions of the Authorized Person(s) and in accepting this authority from the Customer.

8.6 Nothing in this authority shall prejudice MFL's rights, powers and remedies and the Customer's obligations and liabilities under this Agreement; and the Customer shall be and continue to be fully bound by all terms and conditions contained in this Agreement.

8.7 In the event of the Customer's death, the acts of the Authorized Person(s) shall be binding upon the Customer's executor or administrator as the case may be and all other persons claiming from or under him/her until notice in writing of such death shall have been given to MFL.

9. Acting as the Customer's Agent

9.1 MFL will act as the Customer's agent to effect Transactions on the Customer's behalf unless MFL indicates (in the statement of account for the relevant Transaction or otherwise) that MFL is acting as principal. Nothing herein contained shall constitute MFL a trustee of the Customer.

9.2 Whenever MFL provides services to the Customer under this Agreement, it will always be on the basis that only the Customer is MFL's Customer and so, if the Customer acts on behalf of another person, whether or not that other person is identified to MFL, such person will not be MFL's Customer and MFL does not and will not have or accept in any circumstances whatsoever any responsibility towards any person on whose behalf the Customer may act and the Customer hereby acknowledges and agrees that the Customer shall be solely responsible for settling all liabilities resulting from Transactions affected pursuant to and in accordance with this Agreement in connection with or on behalf of any such person.

9.3 The Customer agrees at MFL's request to take such actions as are necessary or in MFL's opinion desirable to ratify or confirm anything

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網址 Website : www.masonhk.com

done by MFL (or on MFL's behalf) as the Customer's agent or on the Customer's behalf in the proper exercise or purported exercise of MFL's discretion, rights and powers in relation to the Account.

- 9.4 Without prejudice to the above, where the Customer warrants that the Customer is acting as agent for and on behalf of another:
- (a) in doing so the Customer is expressly authorized by the Customer's principal to instruct MFL in relation to the services to be provided in accordance with this Agreement;
 - (b) the Customer's principal will be jointly and severally liable with the Customer to MFL in respect of all obligations to be performed by the Customer pursuant to and in respect of such services; and
 - (c) notwithstanding (b) above, the Customer will nevertheless be jointly and severally liable to MFL with the Customer's principal as if the Customer were a principal in respect of all such obligations and liabilities

10. Instructions

- 10.1 MFL shall be entitled to enter into Contracts for the Account and any other account(s) opened by the Customer with MFL upon receipt of Instructions given or that purported to be given by the Customer or its Authorized Person but MFL may, at its discretion, refuse to give effect to any Instructions and need not give reasons for such refusal.
- 10.2 MFL shall be entitled to accept and rely on any Instructions or communications, whether or not in writing, given or purported to be given by any Authorized Person whether given by telephone, through the internet or in writing or are given in accordance with the Access Code arrangements for access to and use of the Electronic Trading Service or which MFL believes to be genuine. The Customer shall be responsible for and bound by all such Instructions or communications and MFL shall not be responsible for any loss, cost, claim, damage or expense incurred in respect of such Instructions or communications. Without prejudice to the foregoing, the Customer undertakes to confirm all oral Instructions in writing.
- 10.3 MFL may record all telephone conversations with the Customer or any Authorized Person in order to verify the Instructions of the Customer or any Authorized Person. The Customer agrees to accept the contents of any such recording as final and conclusive evidence of the Instruction of the Customer or the Authorized Person in case of dispute.
- 10.4 MFL may at MFL's discretion aggregate the Customer's orders on the Customer's behalf with similar orders for MFL's other clients or with MFL's own orders. However, priority will be given to satisfying Customer's orders in any subsequent allocation, if all orders cannot be filled.
- 10.5 Once given, an Instruction may not be amended, cancelled or withdrawn, unless, at MFL's discretion, MFL agrees and confirms (by electronic means or in writing) that any specific Instruction be amended, cancelled or withdrawn. All Instructions (as understood and acted on by MFL in good faith) shall be irrevocable and binding on the Customer whether given by the Customer or by any other person. MFL shall have no obligations or duty to verify authenticity of any Instruction or the identity or authority of any person giving any Instruction, other than to verify the Access Code used to gain access to the Electronic Trading Service in the case of Instructions given through the Electronic Trading Service.
- 10.6 The Customer agrees that MFL may (but shall not be obliged to) monitor electronically or record all or any Instructions. Any relevant electronic record or recording (or a transcript thereof) shall be conclusive evidence as between MFL and the Customer of the contents and nature of such Instructions.
- 10.7 MFL shall not be responsible for delays in the transmission, receipt or execution of Instructions due to either a breakdown or failure of transmission of communication facilities or unreliable medium of communication or due to any other cause or causes beyond MFL's reasonable control.

11. Documentation

- 11.1 In respect of each Transaction entered into by MFL on the Customer's behalf, MFL will send the Customer by mail or by other electronic communication statement of account specifying all relevant information required under Section 5 of the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules under the Ordinance.
- 11.2 Every Transaction indicated or referred to in any notice, statement, confirmation or other electronic communication and every

statement of account shall be deemed and treated as authorized and correct and as ratified and confirmed by the Customer unless MFL shall receive from the Customer written notice to the contrary within three Business days after the date of such notice, statement, confirmation or other communication is deemed to have been received by the Customer. The Customer agrees to settle the Account with MFL on the terms set out in the statement of account from time to time. The Customer further acknowledges not to treat MFL's confirmation telephone call as final notification or confirmation.

11.3 Where the Customer is a Professional Investor, it agrees that MFL shall not be required to provide contract notes, statements of account and receipts to the Customer pursuant to the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Cap. 571Q) and such agreement shall be valid from the date the Account is opened, but not if the Customer specifically withdraws its agreement which it may do by giving written notice to MFL.

12. Dealing Practice

12.1 The Customer acknowledges and agrees that once an order is placed to MFL and executed, the Customer is required to take or make delivery of the Commodities or to settle the Contract by cash unless the Customer's initial position is liquidated, provided always that MFL may at its absolute discretion request for cash settlement of the Contract instead of physical settlement.

12.2 It is expressly understood that unless otherwise disclosed herein or to the Customer in writing in the usual manner of MFL, MFL is acting solely as the Customer's agent as to any Transaction made with MFL by the Customer. MFL shall have no obligation to but shall have the right at the discretion of MFL to close any position in any account MFL may carry on behalf of the Customer. Save as aforesaid MFL shall have the right (in the absolute discretion of MFL and without assigning any reason therefore) to refuse to act for the Customer in any particular Transaction.

12.3 MFL may whenever MFL considers it necessary sell any Commodities or other properties belonging to the Customer or in which the Customer has an interest or cancel any open orders for the purchase and sale of any commodities with or without notice to the Customer and MFL may borrow or buy any Commodities required to make delivery against any sale including a short sale effected for the Customer. Such sale or purchase may be public and may be made without advertising or notice to the Customer and in such manner as MFL may purchase the Commodities or properties free of any right or redemption and the Customer agrees that in respect of any such sale, MFL shall have no liability for any loss thereby incurred and without prejudice to the generality of the foregoing, the Customer will not make any claim against MFL concerning the manner of sale or time thereof. The proceeds of such Transaction are to be applied to reduce the indebtedness of the Customer to MFL if any.

12.4 Because of physical restraints on any Exchange and because of the very rapid changes in the prices of Contracts that frequently take place, there may, on occasions, be a delay in making prices or in dealing. MFL or its agent may not always be able to trade at the price or rates quoted at any specific time or "at best" or "at market". MFL and its agents shall not be liable for any loss howsoever arising by reason of its/their failing, or being unable to comply with the terms of any limit or order undertaken on behalf of the Customer unless such loss results from the gross negligence, fraud or willful default of any of MFL's directors, employees or agents. Where MFL and/or its agents is/are for any reason whatsoever unable to perform the Customer's order in full, it may in its/their discretion effect partial performance only. The Customer shall in any event accept and be bound by the outcome when any request to execute orders is made.

12.5 Unless the Customer gives specific Instructions to MFL to the contrary, the Customer acknowledges that all Instructions are good for the day only and that they will lapse at the end of the official trading day of the Exchange in respect of which they are given.

12.6 MFL and any of its Associates, directors, officers, employees or agents may trade on its/their own account(s) from time to time on any Exchange or in any markets.

12.7 MFL shall exercise reasonable care in selecting but shall otherwise be entitled to use any broker or agent including any broker or agent which is related to or an Associate of MFL to execute any Instructions without any responsibility for any non-performance of such broker's or agent's failure to perform its duties and obligations or negligence, fraud, default or misconduct or act or omission.

12.8 **MFL may subject to the provisions of the Ordinance and any applicable law, take the opposite position to the Customer's order in relation to any exchange traded futures and options contracts, whether on MFL's own account or for the account of its Associates or other clients of MFL, provided that such trade is executed competitively on or through the facilities of HKFE in accordance with its rules or the facilities of any other commodity, futures or options Exchange in accordance with the rules and regulations of such other Exchange.**

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

12.10 The Customer acknowledges that MFL is bound by the Rules of HKFE which permit HKFE to take steps to limit the positions or require the closing out of contracts on behalf of such Customers who in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular market or markets, or which are or may be capable of adversely affecting the fair and orderly operation of any market or markets as the case may be.

13. Delivery and Settlement

13.1 Liquidating Instructions on open futures positions maturing in a current month must be given to MFL at least five (5) Business days prior to the first notice day or such time limit as may be specified by MFL in the case of long positions and, in the case of short positions, at least seven (7) Business days prior to the last trading day or such time limit as may be specified by MFL. Alternatively, sufficient good funds to settle/take delivery or the necessary cash/documents must be delivered to MFL within the same period described above.

13.2 If neither Instructions, nor good funds, nor documents are received by MFL within the period mentioned above, MFL may, without notice, either liquidate the Customer's position, or pay or receive moneys or funds on behalf of the Customer upon such terms and by such methods as MFL shall in its absolute discretion determine, or make or receive delivery on behalf of the Customer or take other actions including replacing, borrowing, lending, acquiring or disposing of any Commodities in connection with a Contract upon such terms and by such methods which MFL shall see fit and deem to be feasible. If the Customer fails to provide MFL with such Instruction and such failure renders or makes MFL becoming obliged to take or make delivery of the Commodity under the relevant Contract, MFL may make all necessary arrangements and actions to terminate, cancel, discharge, release such obligation of MFL to the effect that no taking or making of delivery of the Commodity will be made or required at the risks, costs, and expenses of the Customer.

13.3 The Customer agrees that the Customer shall be liable for all losses whether or not the Account is liquidated and for any debts and deficiencies in the Account including all debts and deficiencies resulting from a liquidation of the Account.

13.4 The Customer shall indemnify MFL and keep MFL fully indemnified in accordance with Clause 32 in respect of any action taken by MFL under Clause 13.2 and in respect of any costs, losses and damages (including consequential costs, losses, penalties, fines and damages) which MFL may sustain as a result of any action taken under Clause 13.2.

14. Exercise of options

14.1 The Customer acknowledges that: (i) Exchanges have established exercise cut-off times (each an **Exchange Cut-Off Time**) for the submission of exercise instructions in relation to options; and (ii) MFL may set its own exercise cut-off times (each a **Mason Futures Cut-Off Time**) which may be earlier than the Exchange Cut-Off Time.

14.2 The Customer agrees that, in respect of any option which remains open and is in-the-money at the relevant Exchange Cut-Off Time, MFL will, at such time, automatically exercise such option for the account of the Customer unless it has received from the Customer, by the Mason Futures Cut-Off Time, Instructions to refrain from exercising the option (and, for the purposes of this paragraph, where in respect of such option, MFL has not set its own exercise cut-off time, the Mason Futures Cut-Off Time shall be deemed to be the relevant Exchange Cut-Off Time).

14.3 The Customer agrees that, in respect of any option which remains open and is at-the-money or out-of-the-money at the relevant Exchange Cut-Off Time, MFL will not exercise such option unless it has received from the Customer, by the Mason Futures Cut-Off Time, Instructions to exercise the option (and, for the purposes of this paragraph, where in respect of such option, MFL has not set its own exercise cut-off time, the Mason Futures Cut-Off Time shall be deemed to be the relevant Exchange Cut-Off Time).

14.4 The Customer acknowledges and agrees that it is the Customer's responsibility to make itself aware of any exercise cut-off time set by MFL or an Exchange in respect of an option and that the Customer shall not have any claim against MFL arising from the exercise or non-exercise of an option, save in circumstances where MFL has failed to act in accordance with the Customer's Instructions to exercise or, as the case may be, refrain from exercising an option where such Instructions have been duly given in accordance with the time limits specified in Clause 14.2 or, as the case may be, Clause 14.3 above.

14.5 The Customer must deposit sufficient funds and/or the necessary documents for exercise of an option by any time specified by MFL, and if none, prior to the close of the relevant market on the day of exercise.

15. Margin

15.1 The Customer shall at all times maintain with MFL, in such amount and such form as MFL may from time to time require, collaterals and/or Margin in excess of the Customer's indebtedness or obligations to MFL whether by way of trading or otherwise howsoever and the amount of which may be greater than any relevant Margin prescribed by the relevant Exchange and /or the Clearing House Margin. Except as permitted by the relevant Exchange or for the purpose of closing out the Customer's open positions or as the relevant Exchange may from time to time prescribe, MFL will not, in general, transact for the Customer until and unless MFL has received from the Customer collateral adequate to cover the Customer's expected trading liabilities and/or Margins. All Margin requirements and amount due in the Customer's Account must be settled in cash immediately on demand except as otherwise agreed by MFL. The value of non-cash collateral shall be determined by MFL from time to time in MFL's sole discretion.

15.2 The amount of the initial and maintenance Margin, as determined by MFL in its sole discretion, shall be maintained in the Customer's Account. If additional Margin is required, the Customer agrees to deposit with MFL such additional Margin immediately upon demand. MFL may change Margin requirements and procedures at any time at its sole discretion. These changes may apply to existing position as well as to the new position for the Contracts affected.

15.3 All amounts (including Margin and variation adjustments) payable by the Customer in connection with this Agreement shall be due on demand and in the currency of MFL's choice subject only to any restrictions which may be imposed by the appropriate Exchange and/or relevant Clearing House, if any, upon which the Transaction concerned was executed on the Customer's behalf. Margin calls and demands for variation adjustments must be met within twenty-four (24) hours or such shorter period as MFL may in its absolute discretion determine to be necessary and specify to the Customer. Failure to meet any Margin calls and demands for variation adjustments will result in MFL being obliged under the rules of the relevant Exchange and/or the relevant Clearing House to close out all open positions in respect of which any Margin calls and demands for variation adjustments have not been met. MFL is obliged to report to HKFE and the SFC particulars of all open positions in respect of which two successive Margin calls and demands for variation adjustments are not met within the time period specified by MFL. Other reporting requirements may apply in respect of other Exchanges. MFL may require more Margin or variation adjustments than that specified by the relevant Exchange and/or the relevant Clearing House and may close out open positions in respect of which any Margin calls and demands for variation adjustments are not met within the period specified by MFL or at the time of making such call(s) or demand(s).

16. Customer's Money, Approved Debt Securities and Approved Securities of Customer

16.1 MFL is authorized by the Customer to deposit any cash balances in the Account with any financial institutions as MFL shall think fit (including any Associate of MFL from time to time) and the Customer hereby agrees that MFL (and any such Associate of MFL) shall be entitled to retain any interest amount on such deposit for its own benefit.

16.2 All monies, securities or other properties received by MFL from the Customer or from any other (including the Clearing House) for the Account shall be held by MFL as trustee, segregated from MFL's own assets. These assets so held by MFL shall not form part of the assets of MFL for insolvency or winding up purposes but shall be returned to the Customer promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of MFL's businesses or assets.

16.3 All monies, Approved Debt Securities or Approved Securities received by MFL from the Customer or from any other person (including the Clearing House) are held in the manner specified under paragraphs 7 to 12 of Schedule 4 to the SFC Code of Conduct. The Customer authorizes MFL to apply any such monies, Approved Debt Securities or Approved Securities in the manner specified under paragraphs 14 to 15 of Schedule 4 to the SFC Code of Conduct. In particular, MFL may apply such monies, Approved Debt Securities or Approved Securities in or towards meeting MFL's obligation to any party insofar as such obligation arises in connection with or incidental to F.O. Business transacted on the Customer's behalf.

16.4 The Customer acknowledges that in respect of any account of MFL maintained with the Clearing House, whether or not such account is maintained wholly or partly in respect of F.O. Business transacted on behalf of the Customer and whether or not monies, Approved Debt Securities or Approved Securities paid or deposited by the Customer has been paid to or deposited with the Clearing House, as between MFL and the Clearing House, MFL deals as principal and accordingly no such account is impressed with any trust or other

equitable interest in favour of the Customer and monies, Approved Debt Securities or Approved Securities paid to or deposited with the Clearing House are thereby freed from the trust referred to in Clause 16.2.

16.5 The Customer authorizes MFL to withdraw from any Segregated Bank Account and to apply any monies paid by the Customer to MFL for the following purposes:-

- (a) properly required to meet obligations of MFL to the Clearing House or an executing agent arising in connection with Contracts transacted by MFL on the instructions of the Customer or any Authorized Person, provided that no withdrawal may be made which would have the effect that Clearing House Margin requirements or trading liabilities in respect of Contracts conducted on behalf of the Customer are thereby financed by other clients' money;
- (b) properly required to meet commission, brokerage, levies and other proper charges directly relating to Contracts transacted by MFL on the Instructions of the Customer or any Authorized Person (whether or not payable by MFL);
- (c) to transfer money to another Segregated Bank Account; and
- (d) to pay to or in accordance with the directions of the Customer but in such a case notwithstanding the Customer's directions, no money may be paid into another account of MFL unless it is a Segregated Bank Account.

16.6 All payments by the Customer for settlement of Transactions or otherwise in connection with this Agreement shall be made in cleared funds in the currency and at the place specified by MFL:

- (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.

16.7 The Customer acknowledges and understands it is the Customer's primary responsibility to ensure that MFL has been notified of the payment made and that payment must be received (for value) by MFL by such date as MFL is notified of the payment through either the receipt of deposit slip, fund transfer remittance receipt etc.

16.8 MFL is under no duty to pay interest on money held by MFL to the Customer's credit. Should MFL agree to pay interest on the credit balance of the Account, the interest will be at such rate as MFL may notify the Customer from time to time. The Customer agrees that MFL shall be entitled to retain for MFL's account any difference between the interest earned by MFL in respect of such money and the interest paid by MFL to the Customer at the interest rate determined by MFL.

16.9 Notwithstanding anything to the contrary herein contained:

- (a) Any payment made by, or on behalf of MFL (the "Payor") to, or for the benefit of, the Customer (the "Payee") shall be made subject to any withholding or deduction imposed on such payment pursuant to or on account of FATCA or any other arrangements with foreign governments or regulators and no additional payment shall be required, nor any payment increased, on account of any such withholding or deduction. The Payor shall not be required to indemnify the Payee on account of any loss, liability or cost imposed as a result of, or otherwise arising from, such withholding or deduction;
- (b) If the Payor is required to make any deduction or withholding pursuant to or on account of FATCA or any other arrangements with foreign governments or regulators in respect of any payment, and the Payor does not so deduct or withhold and a liability resulting from such failure to withhold or deduct is assessed directly against the Payor, then the Payee hereby agrees to indemnify the Payor therefor (notwithstanding any limitation on indemnification otherwise included in this Agreement) and to promptly pay to the Payor the amount of such liability. The Payee's indemnification obligation hereunder shall include any related liability for interest and, if the Payee has failed to provide the Payor, in a timely fashion, with sufficient information necessary for the Payor to determine whether and/or to what extent it is required to make any deduction or withholding pursuant to or on account of FATCA or any other arrangements with foreign governments or regulators, shall include any related liability for penalties; and
- (c) The Payee hereby consents to the disclosure of information on the Payee by the Payor to local and foreign regulatory and/or tax authorities including those in the United States.

17. Commission, Charges and Interest

17.1 In respect of all Contracts executed on the HKFE, every such Contract shall be subject to the charge of a levy imposed under the Compensation Fund and a levy pursuant to the Ordinance, the cost of both of which shall be borne by the Customer. The Customer shall also bear any other levy or charge which a relevant Exchange, government or authority having the appropriate jurisdiction may impose

from time to time

- 17.2 The Customer agrees to pay to MFL brokerage commission and such other charges and fees at such rate or rates as MFL may from time to time notify the Customer, orally or in writing, as being the rate or rates applicable to the Account, as well as applicable levies imposed by the Exchange, Clearing House or the SFC and all applicable stamp duties, charges, transfer fees, interest and other expenses in respect of the Account. The current schedule of rates is available at MFL's office and its website www.masonsec.com. The Customer acknowledges that it has been supplied with a copy of the current schedule of rates.
- 17.3 MFL may debit such commission, charges and fees from time to time from the Account, and the Customer will reimburse MFL on demand in respect of any deficiency arising therefrom, all commissions, levies, duties and all other charges and all fees and expenses of any brokers, agents and nominees engaged by MFL in connection with any Transactions conducted on behalf of and services rendered to the Customer.
- 17.4 The Customer agrees to pay interest on all overdue balances owing by the Customer to MFL, after as well as before any judgment, at such rates and on such basis as MFL may from time to time notify the Customer or failing such notification at a rate not exceeding five per cent above the prevailing best lending rate of the Hongkong and Shanghai Banking Corporation Limited or other bank as determined by MFL from time to time. Such interest shall accrue on a daily basis and be payable on the last day of each calendar month or upon demand by MFL. The overdue interest shall be compounded monthly.
- 17.5 The Customer hereby expressly agrees that MFL, any of MFL's nominees, any of MFL's agents and/or any third party may receive and retain for MFL's benefit, their own benefit and/or any person's benefit and/or pay out to any party all or part of the commission, rebate or other fees arising out of MFL or them acting for the Customer in effecting any Transaction pursuant to this Agreement.

18. Default

18.1 Each of the following shall constitute an event of default (an "Event of Default")

- (a) if in respect of any Contract transacted by MFL or its agents on the Instructions of the Customer, the Customer has failed to
 - (i) meet any Margin requirements pursuant to Clause 15 of this Agreement; or
 - (ii) settle the Contract by cash or make or take delivery of any Commodities as may be required by MFL in its absolute discretion; or
 - (iii) pay any purchase price or Margin due and payable by the Customer;
- (b) there has been a material adverse change in the circumstances relating to the Customer, including its business or financial condition, legal status or capacity;
- (c) the Customer has not, on demand, of MFL's requesting the same, liquidated any debit balance on the Customer's Accounts with MFL;
- (d) the Customer defaults in the due performance or observance of any of the terms and conditions of this Agreement or any other agreement with MFL or its Associates;
- (e) any representation undertaking or warranty made in respect of this Agreement including any certificate, statement or other document delivered to MFL being or becoming incorrect in any respect;
- (f) any consents, authorizations, approvals, licenses or board resolutions required by the Customer either to enter into and operate under this Agreement or to enter into any Contracts to be transacted by MFL being wholly or partly amended, modified, revoked, withdrawn, suspended, terminated or otherwise failing to remain in full force and effect;
- (g) the Customer being in breach of any of the conditions contained herein or any of the rules and regulations of any Exchanges or Clearing House;
- (h) the filing of a petition in bankruptcy or appointment of a receiver or liquidator by or for the Customer;
- (i) any expropriation, attachment, sequestration, or a distress, execution or other process is levied or enforced against, all or part of the Customer's undertaking, property or assets;
- (j) the death, winding up or judicial declaration of incompetence of the Customer; and
- (k) the occurrence of any event, which, in the sole opinion of MFL, might jeopardize any of its rights under this Agreement.

18.2 The Customer shall immediately notify MFL as soon as it becomes aware of the occurrence of any of the Event of Defaults referred to in

Clause 18.1.

18.3 Without prejudice to any other right or remedy which MFL may have if any Event of Default shall occur, at any time following the occurrence of an Event of Default, MFL shall be authorized in its sole and absolute discretion to take one or more of the following actions but shall not be bound to take any such actions:

- (a) satisfy any liability the Customer may have to MFL either alone or jointly with other (either directly or by way of guaranty or suretyship) out of sale of any properties belonging to the Customer in the custody or control of MFL;
- (b) sell any or all of the Commodities which may be long in the Account;
- (c) buy any or all of the Commodities which may be short in the Account;
- (d) cancel any outstanding orders, Contracts or other commitment made on behalf of the Customer in order to close all or any of the Account;
- (e) close-out any of the Customer's position without the Customer's consent;
- (f) call upon any security which may have been issued to or in favour of MFL as security for the Account;
- (g) combine or consolidate all or any of the accounts with MFL and its Associates;
- (h) borrow or buy in any Commodities or monies whatsoever found necessary by MFL in its sole absolute discretion or required to make delivery against or settle any sale (including a short sale) effected for the Customer;
- (i) exercise any right granted by Clause 31 hereof; and
- (j) terminate this Agreement forthwith,

provided that MFL shall not be required to make any demand for Margins or additional Margin to the Customer or the Customer's directors, officers, representative, heirs, executors, administrators, legatees, personal representatives or assignees of sale or purchase or deliver any other notice or advertisement and whether or not the ownership interest shall be solely the Customer's or jointly with others.

18.4 After deducting all costs and expenses incurred in connection with taking any actions referred to in Clause 18.3 above, MFL may apply any remaining proceeds to the payment of any liabilities the Customer may have to MFL; and in the event such proceeds are insufficient for the payment of liabilities, the Customer shall promptly upon demand and, notwithstanding that the time originally stipulated for settlement may not then have arrived, pay to MFL and indemnify and hold MFL harmless against any differences or deficiencies arising therefrom or in any Account or Contracts in connection with this Agreement, together with interest thereon and all professional costs (including legal fees should MFL in its absolute discretion refer the matter to legal advisers) and/or expenses incurred by MFL in connection with the enforcement of Contracts which shall be for the Account and properly deductible by MFL from any funds of the Customer in its possession.

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19. Contract specifications, margin procedures and closing out of positions

MFL shall provide to the Customer upon request Contract specifications or other product specifications, any prospectus or other offering document covering such products, and shall provide to the Customer a full explanation of margin procedures and the circumstances in which a Customer's position may be closed out without the Customer's consent.

20. Telephone Recording

MFL may record communications with the Customer or any Authorized Person(s) and any such telephone recording will be property of MFL and constitute conclusive evidence of such communications.

21. Market misconduct

The Customer undertakes to MFL that neither the Customer (nor any of his/her Authorized Persons) will engage in, and that the Customer has proper safeguards in place to prevent the Customer's Authorized Person(s) from engaging in any activity which may constitute market misconduct under the Ordinance, and the Customer further agrees to inform MFL immediately if the Customer becomes aware of any activity by any person (including the Customer's authorized signatories) that may result in the Customer being involved in market misconduct.

22. Joint Accounts

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傳真 Fax : +852 2218 2992 網址 Website : www.masonhk.com

22.1 If the Account is opened in two or more names or a partnership, the Customer or each of the partners (as the case may be) represents, acknowledges and warrants that:

- (a) the Customers' liabilities hereunder shall be joint and several and each of the Customers shall have authority to exercise all the Customers' rights, powers and discretion hereunder and generally to deal with MFL as if each of the Customers alone were the sole Account holder, without notice to the other;
- (b) MFL may follow the Instructions of either/any of the Customers concerning the Account and make deliveries of Commodities or payments of monies hereunder in accordance with the directions of either/any of the Customers. MFL shall be under no obligation to inquire into or to see to the application or disposition of such Commodities or monies;
- (c) the Customers enter into this Agreement as joint tenants with right of survivorship and not as tenants-in-common. Upon the death of either/any of the Customers, the Customers' entire interest in the Account shall be vested in the survivor (who shall have full authority to give Instructions) but without releasing any liabilities of the deceased, which shall be enforceable against the Customer's estate;
- (d) upon the death of either/any of the Customers, the estate of the deceased and any survivor shall be liable, jointly and severally, to MFL for any debt or loss in the Account arising from completion of Transactions related to instruction given, whether prior to or after MFL's receipt of a written notice of such death; and
- (e) in the case there is a dispute or legal proceedings involving the assets of an Account, or when MFL is in the opinion that there are contradictions, conflicts or ambiguities between any unexecuted Instruction or Instruction given by any survivor or alleged beneficiary of the estate of the deceased Account holder and any court order (including without limitation to letter of administration or other probate related order issued by the courts), MFL shall have the power to withhold the assets of the subject Account pending the final resolution or settlement of such dispute, legal proceedings, contradictions or conflicts or clarification of such ambiguities. For the avoidance of doubt this sub-clause shall also be applicable to Accounts that is not opened as joint accounts.

23. Corporate Accounts

23.1 If the Account is opened by a body corporate, the Customer certifies, represents and warrants that:

- (a) it is duly incorporated and validly existing under the laws of its place of incorporation and has full power to execute and perform its obligations under this Agreement and to incur any indebtedness hereunder; and
- (b) the certified copy resolutions approving the opening of the Account(s) were duly passed at a meeting of its directors duly convened and held in accordance with its constitutional documents and were entered in its minute book and are in full force and effect.

24. Individual Account

If the account is opened by an individual, the Customer represents and warrants that the Customer is legally capable of validly entering into and performing this Agreement and that the Customer has attained the age of 18 years and is of sound mind and legal competence and is not a bankrupt.

25. Omnibus account

25.1 Where the Customer holds an Omnibus Account, the Customer agrees that, the following provisions as stipulated in the SFC Code of Conduct and the Rules of HKFE on Omnibus Account shall apply:-

- (a) In the case where the Customer is not an exchange participant of HKFE:-
 - (i) the Customer shall in the Customer's dealings with the person(s) from whom it receives instructions with respect to the Omnibus Account, comply with and enforce the margin and variation adjustment requirements and procedures as stipulated in the Rules of HKFE as though the Customer were an exchange participant of HKFE and as though the person(s) for whose account or benefit such instructions are given were Customers;
 - (ii) the Customer shall cause Exchange Contracts to be entered into in fulfillment of such instructions, so that there shall in no

circumstances be any dealing with the instructions in a manner which constitutes unlawful dealing in differences in market quotations of Commodities under the laws of Hong Kong of any other applicable jurisdiction or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items in contravention of Hong Kong laws or any other applicable laws;

(iii) the Customer shall impose the requirements of paragraph (i) and (ii) of this Clause and ensure that the persons from whom the Customer receives instructions comply with the margin and variation adjustment requirements as stipulated in the Rules of HKFE, with the result that as between HKFE and MFL, MFL shall be responsible for ensuring that such requirements are complied with by all persons through whom instructions pass with respect to the Omnibus Account as if each in turn was the Customer for whom such Omnibus Account was operated.

(b) The Customer shall disclose to MFL prior to conducting a Transaction involving an Exchange Contract on its behalf the names and details of those persons who are ultimately beneficially interested in the Omnibus Account and those persons or entities who are ultimately responsible for originating the Instruction in relation to the Transaction or such other information as HKFE and the SFC may require from time to time. The Customer acknowledges that if the Customer fails to comply with the disclosure requirement, HKFE may require MFL to close out any or all of the open contracts held by MFL on behalf of the Customer or request the Clearing House to effect such closing out on behalf of MFL, or HKFE may impose such margin surcharge on any or all of the positions held by MFL on behalf of the Customer as HKFE thinks fit.

(c) The Customer shall maintain separate margin requirements for each of its customer and in no circumstance may it offset or net off any of its customer's positions against those of another customer for margin purposes.

(d) The Customer agrees to submit to the supervision of MFL to the same degree of supervision as if MFL were the HKFE and the Customer were an exchange participant and to supply all information and do all acts to enable and facilitate MFL to comply with all the requirements of the relevant Exchanges and Clearing Houses for the operation of the Omnibus Account by MFL.

(e) The Customer agrees to notify immediately MFL in writing when the Account ceases to be an Omnibus Account; such cessation shall not affect any liability whatsoever of the Customer to MFL under this Agreement prior to the receipt by MFL of the written notice of such cessation.

26. Standing Authority (Client Money)

26.1 The Customer authorizes MFL for the period from the date of this Agreement to the first 31st day of March following the date hereof (both days inclusive) to transfer funds from any Account(s) and pay to any account(s) opened in the name of the Customer with MSL or vice versa for trading and/or settlement purposes and/or for the satisfaction of any of the Customer's obligations or liabilities under this Agreement, without notice to the Customer.

26.2 The fund transfer amount shall cover the margin shortfall amount or of a higher amount to establish or replenish any buffer. The Customer agrees to bear the market risks involved in holding open positions as a result of such fund transfer and any additional charges that may arise as a result.

26.3 In consideration of MFL agreeing to act in accordance with this Clause 26, the Customer undertakes to keep MFL indemnified at all times against and to hold MFL harmless from all actions, proceedings, claims, damages, costs and expenses which may be brought against MFL or suffered or incurred by MFL and which shall have arisen either directly or indirectly from MFL so acting.

26.4 The standing authority given by the Customer under this Clause 26 is revocable by five (5) Business Days prior written notice duly signed by the Customer and served by the Customer on MFL, provided that such revocation will not release the Customer from any liability under this Agreement in respect of any act performed by MFL pursuant to the standing authority before the expiry of such time.

26.5 The Customer further agrees that the standing authority given by the Customer under this Clause 26 shall be automatically renewed for a further 12-month period if a written notice has been given to the Customer by MFL at least fourteen (14) days prior to its expiry and the Customer does not object to the renewal before its expiry. Such automatic renewal shall be confirmed in writing by MFL to the Customer within one (1) week from the date of expiry of the standing authority. In respect of Professional Investors, the standing authority may be renewed for any duration.

27. Standing Authority (Client Securities)

27.1 The Customer authorizes MFL for the period from the date of this Agreement to the first 31st day of March following the date hereof (both days inclusive), in relation to all securities collateral held for or on the Customer's behalf, to: -

- (a) deposit such securities collateral with an authorized financial institution as defined in the Ordinance as collateral for loans or advances made to MFL by such authorized financial institution; and/or
- (b) deposit such securities collateral with a recognized Clearing House or another intermediary licensed or registered for dealing in securities as defined in the Ordinance as collateral for the discharge and satisfaction of MFL's settlement obligations and liabilities; and/or
- (c) apply such securities collateral pursuant to a securities borrowing and lending agreement as defined in the Ordinance,

without notice to the Customer, pursuant to Section 7 of the Securities and Futures (Client Securities) Rules under the Ordinance.

27.2 The Customer acknowledges that any consideration payable by or to the Customer for the borrowing, lending or deposit of such securities collateral under this standing authority is to be set by separate treaty.

27.3 In consideration of MFL agreeing to act in accordance with this Clause 27, the Customer undertakes to keep MFL indemnified at all times against and to hold MFL harmless from all actions, proceedings, claims, damages, costs and expenses which may be brought against MFL or suffered or incurred by MFL and which shall have arisen either directly or indirectly from MFL so acting.

27.4 The standing authority given by the Customer under this Clause 27 is revocable by one (1) month's prior notice in writing served to MFL by registered mail AND upon full settlement of the Customer's indebtedness to MFL.

27.5 Until proper revocation of the standing authority under this Clause 27, MFL shall remain responsible to the Customer for such securities collateral borrowed, loaned or deposited under this standing authority.

27.6 The Customer further agrees that the standing authority given by the Customer under this Clause 27 shall be automatically renewed for a further 12-month period if a written notice has been given to the Customer by MFL at least fourteen (14) days prior to its expiry and the Customer does not object to the renewal before its expiry. Such automatic renewal shall be confirmed in writing by MFL to the Customer within one (1) week from the date of expiry of the standing authority. In respect of Professional Investors, the standing authority may be renewed for any duration.

27.7 The Customer understands that such securities collateral may be subject to liens of third parties and return of such securities collateral to the Customer may be subject to satisfaction of such liens.

28. Currency Exposure

For dealing in Contracts in currencies other than the Customer's base currency, the Customer acknowledges there may be profits or losses arising as a result of a fluctuation in exchange rates, which shall be entirely for the Customer's account and risk.

29. Disclosure

29.1 MFL will keep information relating to the Customer's Account confidential, but may disclose any of such information to the extent required by any applicable legal or regulatory requirement or if requested by any Exchange, the SFC or other regulatory or governmental authority (whether in Hong Kong or elsewhere), and may provide to such persons as are entitled, details of the Account and dealings in relation to the Account and the identity of any other person(s) beneficially interested therein including the name of the ultimate beneficiary/beneficiaries of the Account. The Customer confirms that MFL will not be liable in any way to the Customer (whether or not MFL is legally obliged to respond to such a request) for providing such information.

29.2 Nothing herein shall require MFL to disclose to the Customer any fact or matter which comes to MFL's notice in the course of acting in any capacity for any other person.

29.3 The Customer understands that MFL is subject to the Personal Data (Privacy) Ordinance of Hong Kong, which regulates the use of

personal data concerning individuals. Further information on MFL's policies and practices relating to personal data is set out in MFL's Policy on Personal Data in force from time to time, which is set out in Section III of these Terms and Conditions and which the Customer agrees will apply to himself.

30. Termination

30.1 MFL reserves the right to terminate this Agreement or to suspend or terminate all or any of the services rendered by MFL to the Customer at any time without giving notice and reason.

30.2 The Customer may end this Agreement by giving MFL written notice at any time. This Agreement will end upon the expiry of the seven business day after MFL's receipt of the Customer's notice (or on a later date specified by the Customer in the Customer's notice). Such notice shall not affect any Transaction entered into by MFL prior to MFL's receipt of such notice.

30.3 Upon termination of this Agreement howsoever arising, all amounts due or owing by the Customer to MFL hereunder shall become immediately due and payable.

30.4 When this Agreement ends MFL may charge the Customer for:

- (a) periodic charges which have accrued and are due;
- (b) any additional expenses MFL or its agents necessarily incur on termination of this Agreement; and/or
- (c) any losses necessarily realised by MFL in settling or concluding outstanding obligations.

30.5 Termination of this Agreement is without prejudice to the accrued rights and liabilities of the parties.

31. Lien Set-off and Consolidation

31.1 Without prejudice and in addition to any general lien, right of set-off or similar right to which MFL may be entitled by law, all of the Customer's interest in any monies, funds, assets, Commodities or other properties held by MFL or its Associates, for any purpose in any account with MFL or its Associates, including any account in which the Customer may have an interest either individually or jointly with others, or property which may be in the possession of MFL or its Associate, whether for safe-keeping or otherwise, shall be subject to a general lien in favour of MFL for the discharge of all the indebtedness and other obligations of the Customer to MFL.

31.2 MFL may, subject to applicable rules and regulations, apply such monies, funds, or sell such assets, Commodities or properties, take all necessary actions in connection with such sale and utilize the proceeds, to set-off and discharge all obligations of the Customer to MFL regardless of whether any other person is interested therein or MFL has made advances in connection with such monies, funds, assets or properties.

31.3 MFL may, subject to applicable rules and regulations, at any time and without notice to the Customer, notwithstanding any settlement of the Account or other matter whatsoever, combine or consolidate all or any accounts of the Customer with MFL or its Associates and set-off or transfer any sum standing to the credit of any one or more of such accounts in or towards satisfaction of any of the Customer's indebtedness, obligations or liabilities to MFL or its Associates on any other 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.

31.4 Without limiting or modifying the general provisions of this Agreement, MFL is hereby specifically authorized to transfer any sum or sums among the different accounts that the Customer has with MFL and its Associates.

31.5 Notwithstanding anything else in this Agreement, MFL shall be entitled to set off against any amount payable to the Customer by MFL pursuant to this Agreement or on any other account whatsoever, any amounts owing by the Customer to MFL or its Associates ("Debts") whether pursuant to this Agreement or on any other account whatsoever (whether or not such amounts are due and payable and irrespective of the currency in which such amounts are denominated) and shall also be entitled to use any monies held in the Account in the discharge of such Debts.

32. Liability and Indemnity

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傳真 Fax : +852 2218 2992

網址 Website : www.masonhk.com

Neither MFL's nor any of MFL's officers, employees or agents shall be liable to the Customer for any loss suffered by the Customer arising out of or in connection with any act or omission in relation to the Account unless such loss results from the fraud, gross negligence or wilful default of MFL or any of MFL's officers, employees or agents. The Customer agrees to indemnify and pay on demand MFL and MFL's officers, employees, directors, affiliates, associated entities and agents against all Losses arising out of or in connection with the lawful performance or purported performance of MFL's or their duties or discretion in relation to the Account or arising out of or in connection with any such act or omission, except to the extent such Losses are due to MFL's gross negligence or willful misconduct. For the avoidance of doubt, the Customer agrees to indemnify MFL, MFL's officers, employees, directors, affiliates, associated entities and agents against all Losses arising out of MFL's compliance or purported compliance with the Customer's Instructions whether verbal or written.

33. Investor Compensation Fund

33.1 If the Customer suffers pecuniary loss by reason of MFL's default, the Customer shall have a right to claim under the Compensation Fund established under the Ordinance, subject to the terms of the Compensation Fund from time to time.

33.2 The liability of the Compensation Fund as mentioned in Clause 33.1 will be restricted to valid claims as provided for in the Ordinance and the relevant subsidiary legislation, being qualifying clients (as defined in the Securities and Futures (Investor Compensation-Claims) Rules (Cap.571T) and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation - Compensation Limits) Rules (Cap. 571AC) and accordingly there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Compensation Fund in full, in part or at all.

34. Complaints

If the Customer has a complaint in respect of MFL's services, the Customer should in the first instance write to the Complaint Officer at MFL's office address. This is without prejudice to the Customer's right to complain to any relevant regulatory authority or other relevant body. If the Customer wants to exercise this right please let MFL know and MFL will send the relevant details to the Customer.

35. Amendment

To the extent permitted by the law, MFL may from time to time amend any of the terms and conditions of this Agreement by notifying the Customer in accordance with Clause 36. The Customer acknowledges and agrees that if the Customer does not accept any amendments as notified by MFL from time to time, the Customer shall have the right to terminate this Agreement in accordance with Clause 30 by notifying MFL in writing within four (4) Business days from the date of the Customer's deemed receipt of the notice in accordance with Clause 36.

36. Notices, communications and documents

36.1 The Customer agrees that all notices and other communications and documents required or permitted to be given in relation to the Account may be sent by personal delivery, by post, facsimile, e-mail or other electronic communications (including posting on MFL's website), or by prepaid post to the address, and marked for the attention of the person and otherwise in accordance with the details indicated in the Client Information Statement. All communications and documents so sent shall be deemed to have been received by the Customer within one (1) Business day in the case of posting, upon delivery if personally delivered and upon a successful transmission message being obtained, if sent by facsimile, e-mail or other electronic transmission.

36.2 Where any written Instruction or any other written communication from the Customer is given by e-mail or facsimile, the Customer hereby irrevocably authorizes MFL to accept such e-mail or facsimile message from the Customer as the original Instruction or communication from the Customer and the Customer shall fully indemnify MFL on demand against all losses, damages, interest, costs, expenses, actions, demands, claims, proceedings whatsoever which MFL may incur, suffer or sustain as a result of or arising from MFL's acceptance, reliance on or acting upon those Instructions or communication.

37. Survivorship

The terms and conditions herein shall survive any changes or succession in the Customer's/ MFL's business, including the Customer's/ MFL's bankruptcy or death and shall be binding on the Customer's/ MFL's successor(s), heirs, executors, administrators and personal

representative(s).

38. No Waiver

MFL's failure to insist at any time upon strict compliance with any provision in this Agreement or any continued course of conduct on the Customer's part shall not constitute or be considered a waiver generally or specifically of any of MFL's rights or privileges, unless such waiver is granted by MFL in writing.

39. Severability

If any provision of this Agreement shall be held to be invalid or unenforceable by any court or legal or regulatory body, such invalidity or unenforceability shall attach only to such provision. The validity of the remaining provisions shall not be affected and this Agreement shall take effect and be construed as if such invalid or unenforceable provisions were not contained herein.

40. Assignment

This Agreement shall not be assigned by the Customer. MFL may, without the Customer's consent, assign or transfer any or all of its rights, title or interest under this Agreement and in the Account to any person, firm or corporation which may carry on business in succession to MFL or to any of MFL's Associates.

41. Force Majeure

The Customer agrees that MFL and MFL's directors, officers, employees and agents shall not be liable for any delay or failure to perform any of MFL's obligations hereunder or for any losses caused directly or indirectly by any condition or circumstances over which MFL, MFL's directors, officers, employees or agents do not have control, including but not limited to government restriction, exchange or market rulings, suspension of trading, failure of electronic or mechanical equipment or communication lines, telephone or other connection problems, unauthorized access, theft, war (whether declared or not), severe weather, earthquakes and strikes.

42. Own Judgment

The Customer agrees that the Customer, independently and without reliance on MFL or any statements made by MFL or on MFL's behalf, make the Customer's judgments and decisions with respect to each Transaction. MFL shall be under no liability whatsoever in respect of any views, opinions, information or suggestions given by any of MFL's directors, officers, employees or agents irrespective of whether or not such views, opinions, information or suggestions were given at the Customer's request.

43. Material Changes

The Customer will notify MFL of material changes in respect of the Customer's information provided or personal circumstances or business, which may affect the services MFL provides to the Customer, in accordance with Clause 36 of this Section I. MFL will notify the Customer in respect of material changes of MFL's information such as the full name, address, licensing status and the CE number with the SFC, nature of services to be provided or available to the Customer, MFL's business which may affect the services MFL provides to the Customer and significant revision of fees and charges.

44. Governing Law and Jurisdiction

44.1 This Agreement and all Instructions given shall be deemed to have been made in Hong Kong and shall be governed by and shall be enforced in accordance with the laws of the Hong Kong.

44.2 The parties irrevocably agree that the courts of Hong Kong are to have exclusive jurisdiction, and that no other court is to have jurisdiction to:

- (a) determine any claim, dispute or difference arising out of or in connection with this Agreement ("Proceedings"); and
- (b) grant interim remedies, or other provisional or protective relief.

The parties irrevocably submit to the exclusive jurisdiction of such courts and waive any objection on the ground of venue or that the proceedings have been brought in an inconvenient forum. Accordingly, any Proceedings may be brought against a party or its assets in such courts.

45. Service of Process

If the Customer is, or after the Account has been opened becomes, resident overseas and/or has no address for service in Hong Kong, unless otherwise agreed by MFL, the Customer must nominate a person as agent for service ("**Process Agent**") to accept on his behalf service all legal process arising out of or in connection with in any suit or proceedings before the Hong Kong courts arising in connection with any services provided under this Agreement. In the event of a Customer becoming resident overseas or no longer having an address for service in Hong Kong, the Customer agrees to nominate a Process Agent in the form set out in Section V of these Terms and Conditions prior to ceasing to be a resident or having an address for service in Hong Kong. Service of any such process by way of personal service on the Process Agent, by registered mail to such Process Agent, or in any other manner prescribed under Hong Kong law on the Process Agent shall be full, complete and effective service on the Customer and any failure by the Process Agent to notify the Customer of the process will not invalidate the proceedings concerned.

46. Time is of the essence

Time shall be of essence of the performance of the Customer's obligations under this Agreement.

47. Language

In the event that there is inconsistency or conflict between the English version and the Chinese version of this Agreement, the English version shall prevail.

48. Contracts (Rights of Third Parties) Ordinance

The parties to this Agreement do not intend any of the terms of this Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Ordinance by any person or entity who is not a party to this Agreement.

Section II: Risk Disclosure Statements

Unless otherwise defined, terms and references defined or construed in Section I of these Terms and Conditions shall have the same meaning and construction when used in this Section II.

The Customer understands, acknowledges and accepts that:-

1. Risk of Trading Futures and Options

The risk of loss in trading futures contracts or options is substantial. In some circumstances, the Customer sustains losses in excess of his 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 Customer may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the Customer’s position may be liquidated. The Customer will remain liable for any resulting deficit in his account. The Customer should therefore study and understand futures contracts and options before he trades and carefully consider whether such trading is suitable in the light of his own financial position and investment objectives. If the Customer trades options he should inform himself of exercise and expiration procedures and his rights and obligations upon exercise or expiry.

2. Futures

(a) 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 relative small market movement will have a proportionately larger impact on the funds the Customer have deposited or will have to deposit; this may work against the Customer as well as for the Customer. The Customer may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain the Customer’s position. If the market moves against the Customer’s position or margin levels are increased, the Customer may be called upon to pay substantial additional funds on short notice to maintain the Customer’s position. If the Customer fails to comply with a request for additional funds within the time prescribed, the Customer’s position may be liquidated at a loss and the Customer will be liable for any resulting deficit.

(b) 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.

3. Options

Variable degree of risk

Transactions in options carry a high degree of risk. Purchases 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 Customer should calculate the extent to which the value of the options must increase for the Customer’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 futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the paragraph on Futures above). If the purchased options expire worthless, the Customer will suffer a total loss of the Customer’s investment which will consist of the option premium plus transaction costs. If the Customer is not contemplating purchasing deep-out-of-the money options, the Customer should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium

received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the paragraph on Futures above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchange 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.

4. Additional Risk Common to Futures and Options

(a) Terms and conditions of contracts

The Customer should ask the firm with which the Customer deals about the terms and conditions of the specific futures or options which the Customer is trading and associated obligations (e.g. the Circumstances under which the Customer may become obligated 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.

(b) Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If the Customer 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”.

(c) Deposited cash and property

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

(d) Commission and other charges

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

(e) Transactions in other jurisdictions

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

(f) Currency risks

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

(g) Trading facilities

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

(h) Electronic trading

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

(i) Trading and transmission of data through electronic means

All electronic channels and the internet are due to unpredictable traffic congestion and other factors, making them an inherently unreliable medium of communication and such unreliability is beyond MFL's control. The Customer acknowledges that, as a result of such unreliability, there are security risks and risks of failure or delay in the transmission and receipt of instructions and other information and that may result in an influence on integrity and privacy of data, failure or delay in the execution of instructions and/or the execution of instructions at prices different from those prevailing at the time the instructions were given.

The Customer further acknowledges and agrees that there are risks of interception of instructions as well as of misunderstanding or errors in any communications and such risks shall be absolutely borne by the Customer.

The Customer acknowledges and agrees that it is not usually possible to cancel an Instruction after it has been given.

The Customer understands and agrees to bear all risks involved in trade and transaction entered through electronic means.

(j) Off-exchange transaction

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which the Customer deal may be acting as the Customer'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 Customer undertakes such transactions, the Customer should familiarize himself with applicable rules and attendant risks.

(k) Risk of providing an authority to hold mail or to direct mail to third parties

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

(l) Risks of client assets received or held outside Hong Kong

Client assets received or held by MFL outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Ordinance 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.

5. Risk of Receiving Statement of Accounts through Electronic Channel (“eStatement”)

MFL provides an eStatement services to the Customers whereby their statements can be accessed through MFL’s website, www.masonsec.com (the “Access Service”). Risks regarding receipt of the Access Service include:

- (a) appropriate computer equipment and software, internet access and a specific email address provided and designated by the Customer are required for using the Access Service.
- (b) internet and email services may be subject to certain information technology risks and disruption.
- (c) the Customer may incur additional costs for using the Access Service.
- (d) email will be the Customer’s only notice that eStatement has been posted on MFL’s website, and the Customer should check his designated email address regularly for such notice.
- (e) revocation of consent to the provision of eStatement by access through MFL’s website will be subject to the giving of such advance notice by the Customer as MFL may reasonably require.
- (f) the Customer may be required to pay a reasonable charge for obtaining a hard copy of statement of account that is no longer available for access and downloading through MFL’s website.
- (g) the Customer is advised to:
 - (i) inform MFL as soon as practicable upon a change in the designated email address;
 - (ii) promptly review the eStatement posted on the website upon receiving the email alert from MFL to ensure that any errors are detected and reported to MFL as soon as practicable; and
 - (iii) save an electronic copy in the Customer’s own computer storage or print a hard copy of the eStatements for future reference.

Section III: MFL's Policy on Personal Data

1. Hong Kong legislation controls the collection, use and storage of personal information ("data"). This policy is being provided to individuals dealing with MFL in Hong Kong ("Relevant Persons") from whom data have been and/or may in the future be collected.
2. From time to time, it is necessary for Relevant Persons to supply MFL with data in connection with the opening or continuation of accounts and the provision of futures and commodities trading / financial services or establishment or continuation of credit facilities.
3. Failure to supply such data may result in MFL being unable to open or continue accounts or establish or provide futures and commodities trading / financial services or continue credit facilities.
4. It is also the case that data are collected from Relevant Persons in the ordinary course of carrying out MFL's business with the Relevant Persons.
5. The purposes for which data relating to a Relevant Person may be used are as follows: -
 - (a) the daily operation of the futures and commodities / financial services and credit facilities provided to Relevant Persons;
 - (b) conducting credit checks at the time of application for credit and at the time of regular or special reviews which normally will take place one or more times each year and carrying out matching procedures;
 - (c) creating and maintaining MFL's credit scoring models;
 - (d) assisting other financial institutions to conduct credit checks and collect debts;
 - (e) ensuring ongoing credit worthiness of Relevant Persons;
 - (f) researching, designing, launching banking, financial, insurance services or related products for Relevant Persons' use and monitoring the provision, operation and use of such services or products;
 - (g) marketing services, products and other subjects (please see further details in paragraph (7) below);
 - (h) determining amounts owed to or by Relevant Persons;
 - (i) the enforcement of Relevant Persons' obligations, including without limitation collection of amounts outstanding from Relevant Persons and those providing security or guarantee for Relevant Persons' obligations;
 - (j) complying with the obligations, requirements or arrangements for disclosing and using data that apply to MFL or any of its branches or that it is expected to comply according to:
 - (i) any law binding or applying to it within or outside Hong Kong existing currently and in the future;
 - (ii) any guidelines or guidance given or issued by any legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers within or outside Hong Kong existing currently and in the future;
 - (iii) any present or future contractual or other commitment with local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers that is assumed by or imposed on MFL or any of its branches by reason of its financial, commercial, business or other interests or activities in or related to the jurisdiction of the relevant local or foreign legal, regulatory, governmental, tax, law enforcement or other authority, or self-regulatory or industry bodies or associations;
 - (k) complying with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within members or subsidiaries of Mason Group Holdings Limited (collectively "Mason Group") and/or any other use of data and information in accordance with any members of Mason Group -wide programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities;
 - (l) enabling an actual or proposed assignee of MFL, or participant or sub-participant of MFL's rights in respect of the Relevant Person to evaluate the transaction intended to be the subject of the assignment, participation or sub-participation;
 - (m) provision of reference (status enquiries); and
 - (n) purposes relating thereto.
6. Data held by MFL relating to a Relevant Person will be kept confidential but MFL may provide such information to the following parties for the purposes set out in paragraph (5) above: -
 - (a) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment or

- securities clearing or other services to MFL in connection with the operation of its business;
- (b) any other person under a duty of confidentiality to MFL including a member of the Mason Group which has undertaken to keep such information confidential;
 - (c) credit reference agencies, and, in the event of default, to debt collection agencies;
 - (d) any person to whom MFL or any of its branches is under an obligation or otherwise required to make disclosure under the requirements of any law binding on or applying to MFL or any of its branches, or any disclosure under and for the purposes of any guidelines or guidance given or issued by any legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers with which MFL or any of its branches are expected to comply, or any disclosure pursuant to any contractual or other commitment of MFL or any of its branches with local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers, all of which may be within or outside Hong Kong and may be existing currently and in the future;
 - (e) any actual or proposed assignee of MFL or participant or sub-participant or transferee of MFL's rights in respect of the Relevant Person; and
 - (f)
 - (i) any member of the Mason Group;
 - (ii) third party financial institutions, insurers, credit card companies, securities and investment services providers;
 - (iii) external service providers (including but not limited to mailing houses, telecommunication companies, telemarketing and direct sales agents, call centres, data processing companies and information technology companies) that MFL engages for the purposes set out in paragraph (5) above; and
 - (iv) any nominee, trustee, co-trustee, centralized securities depository or registrar, custodian, estate agent, solicitor or other person who is involved with the provision of services or products by a member of the Mason Group to that Relevant Person.

Such information may be transferred to a place outside Hong Kong.

7. NOTICE OF COLLECTION AND USE OF PERSONAL DATA FOR DIRECT MARKETING

MFL intends to use a Relevant Person's data in direct marketing and MFL requires the Relevant Person's express consent for that purpose. If the Relevant Person consents to the use of personal data for direct marketing purpose (as declared in the account opening form), please note that:

- (a) the name, contact details, products and services portfolio information, transaction pattern and behaviour, financial background and demographic data of a Relevant Person held by MFL from time to time may be used by MFL in direct marketing;
- (b) the following classes of services, products and subjects may be marketed: financial, insurance, banking and related services and products;
- (c) the above services, products and subjects may be provided by MFL and/or any member of the Mason Group.

If a Relevant Person has given consent at account opening but later does not wish MFL to use his data in direct marketing as described above, the Relevant Person may exercise his opt-out right by notifying MFL.

8. Under and in accordance with the terms of the Personal Data (Privacy) Ordinance (the "Ordinance") and the Code of Practice on Consumer Credit Data, any Relevant Person has the right: -
- (a) to check whether MFL holds data about him and of access to such data;
 - (b) to require MFL to correct any data relating to him which is inaccurate;
 - (c) to ascertain MFL's policies and practices in relation to data and to be informed of the kind of personal data held by MFL;
 - (d) to be informed on request which items of data are routinely disclosed to credit reference agencies or debt collection agencies, and be provided with further information to enable the making of an access and correction request to the relevant credit reference agency or debt collection agency; and
 - (e) in relation to any account data (including, for the avoidance of doubt, any account repayment data) which has been provided by MFL to a credit reference agency, to instruct MFL, upon termination of the account by full repayment, to make a request to the credit reference agency to delete such account data from its database, as long as the instruction is given within five years of termination and at no time was there any default of payment in relation to the account, lasting in excess of 60 days within five years immediately before account termination. Account repayment data include amount last due, amount of payment made during the last reporting period (being a period not exceeding 31 days immediately preceding the last contribution of account data by MFL to a credit reference agency), remaining available credit or outstanding balance and default data (being amount past due and number of days

past due, date of settlement of amount past due, and date of final settlement of amount in default lasting in excess of 60 days (if any)).

9. In the event of any default of payment relating to an account, unless the amount in default is fully repaid or written off (other than due to a bankruptcy order) before the expiry of 60 days from the date such default occurred, the account repayment data (as defined in paragraph (8)(e) above) may be retained by the credit reference agency until the expiry of five years from the date of final settlement of the amount in default.
10. In the event any amount in an account is written-off due to a bankruptcy order being made against a Relevant Person, the account repayment data (as defined in paragraph (8)(e) above) may be retained by the credit reference agency, regardless of whether the account repayment data reveal any default of payment lasting in excess of 60 days, until the expiry of five years from the date of final settlement of the amount in default or the expiry of five years from the date of discharge from a bankruptcy as notified by the Relevant Person with evidence to the credit reference agency, whichever is earlier.
11. In accordance with the terms of the Ordinance, MFL has the right to charge a reasonable fee for the processing of any data access request.
12. The person to whom requests for access to data or correction of data or for information regarding policies and practices and kinds of data held are to be addressed is as follows: -

The Data Protection Officer
Mason Futures Limited
Portion 1, 12/F, The Center, 99 Queen's Road Central, Hong Kong
13. MFL may have obtained a credit report on the Relevant Person from a credit reference agency in considering any application for credit. In the event the Relevant Person wishes to access the credit report, MFL will advise the contact details of the relevant credit reference agency.
14. Nothing in this policy shall limit the rights of Relevant Persons under the Ordinance.
15. To help us to provide a better service to you, please ensure that your contact details including your home and office addresses, your telephone numbers (including your mobile telephone number), e-mail address and other details registered with us are up to date.
16. The provisions of this policy may form part of the account terms and conditions and/or the agreement or arrangements that you have or may enter into with MFL. If any inconsistency is found, the provision of this policy shall prevail.
17. This policy is subject to change from time to time and any changes will be posted on MFL's website at www.masonsec.com.
18. In this policy, "subsidiary" shall bear the same meaning given to it under the Companies Ordinance of Hong Kong.
19. In case of discrepancies between the English and Chinese versions, the English version shall prevail.

Feb 2019

Section IV: Hong Kong Client Identity Rule

The client identity rule (“Rule”) introduced by the Securities and Futures Commission (“SFC”) applies to (amongst others) all licensed corporations (such as Mason Futures Limited) who deal in futures contracts that are listed or traded on The Hong Kong Futures Exchange Limited (“HKFE”) or derivatives, including over the counter derivatives, written over such futures contracts (as principal or agent), regardless of where such trades are effected (“Transaction”).

Essentially, the SFC and/or the HKFE (“Regulators”) can request that Mason Futures Limited provide to them within two business days (or a shorter period in exceptional market conditions) client identity information such as the identity, address, occupation and contact details of the ultimate beneficiary of, and the person originating the instruction for, a Transaction.

If you, as the immediate client placing the order with Mason Futures Limited, are yourself an intermediary then you must provide information relating to the ultimate beneficiary of the Transaction and details of the person originating the instruction for that Transaction to Mason Futures Limited (or directly to the Regulator) immediately at the Regulator’s request. This obligation continues notwithstanding the termination of Mason Futures Limited’s services to you.

If due to confidentiality reasons or applicable secrecy laws, you cannot disclose the identity of your principal at the time of the trade, then you must ensure that your principal agrees, before the trade is placed with Mason Futures Limited, that he will authorize you to provide information about his identity (or the ultimate beneficiary’s identity, if he is also acting as an intermediary) to Mason Futures Limited immediately on a Regulator’s request and that he agrees to waive his right to confidentiality or secrecy to that extent.

In the case of collective investment schemes, discretionary accounts or discretionary trusts, normally only the name of the scheme, account or trust in question and the person who ultimately originates the instruction for the Transaction (i.e. usually the individual investment manager responsible for the investment decision) is required.

If, in respect of a particular Transaction the discretion of the investment manager is overridden by one or more of the beneficiaries of a scheme, account or trust (or someone else), Mason Futures Limited would require information about the beneficiary or beneficiaries (or others) who has or have given the instructions in relation to the Transaction.

For detail of the Rule, please visit the SFC’s web-site at www.sfc.hk.

Section V: Nomination of Process Agent

Date:
To: Mason Futures Limited
From:
Subject: Nomination of Process Agent for service of process

I/We refer to the Client Trading Agreement for Futures/Options Trading Account entered into between myself/ourselves and Mason Futures Limited dated [*] (the “**Agreement**”).

I/we shall become resident overseas and/or has/have no address for service in Hong Kong with effect from [dd/mm/yyyy], and hereby nominate the following as agent for service (“**Process Agent**”):

[Insert full name of the Process Agent]
[Insert full address in Hong Kong]

to accept on my behalf service all legal process arising out of or in connection with in any suit or proceedings before the Hong Kong courts arising in connection with any services provided under this Agreement.

I/we acknowledge that any service of any process by way of personal service on the Process Agent, by registered mail to such Process Agent, or in any other manner prescribed under Hong Kong law on the Process Agent shall be full, complete and effective service on me and any failure by the Process Agent to notify me/us of the process will not invalidate the proceedings concerned.

Yours faithfully

[Company]

[Printed name]

[Title]

[Date]