



AGREEMENT ON OPENING OF DERIVATIVES TRADING ACCOUNTS

§1. Applicability

This Agreement shall apply to the trading of derivatives (hereinafter referred to as “trading”) between a customer and CLSA Securities Korea Ltd. (hereinafter referred to as “the Company”) in the derivatives market (hereinafter referred to as “the Market”) established by the Korea Exchange (hereinafter referred to as “the KRX”).

§2. Duty of Explanation, etc.

(1) The Company shall, prior to complying with the customer’s request to open a derivatives trading account, deliver an explanation note on the trading of exchange-traded derivatives, and convey an in-depth explanation thereon. The customer shall carry out the trading at his/her own discretion.

(2) The Company shall notify the customer of the risks involved with day trading activities (referring to transactions conducted for the purpose of gaining profits by taking advantage of intra-day price fluctuations in a way that the same issues are purchased and then sold, or sold and then purchased on the same day).

(3) The Company shall not trade financial investment instruments by use of assets deposited by its customer unless otherwise ordered by the customer or his/her agent to place the order for such trading.

(4) A foreign financial investment company (referring to an entity that is legitimately engaged in overseas operations that can be categorized under investment trading, investment brokerage or collective investment businesses in accordance with foreign laws and regulations) may open a derivatives account through which multiple order placements and settlements for derivatives trading of other foreign investors can be processed at once (hereinafter referred to as the “omnibus account for foreigners”). In such a case, matters involving the opening and management of such account and orders and payments through the account shall be subject to the Derivatives Market Business Regulation of the Korea Exchange (hereinafter referred to as the “Regulation”) and the Enforcement Rules of the Derivatives Market Business Regulation (hereinafter referred to as the “Enforcement Rules”).

§3. Appointing a Designated Clearing Member

In the event that the Company is a non-clearing member of the KRX, another company which is a KRX-designated clearing member that has entered into a settlement-related agreement in advance may be designated as a company in charge



of settlements between the members.

§4. Methods of Placing Orders

(1) A customer shall place orders by methods falling under any of the following Items:

1. Writing;
2. Telephone, telegram, facsimile, or other methods similar thereto; or
3. Computer or other electronic communications methods similar thereto.

(2) A customer shall, in placing orders by the methods specified in Items 2 and 3 of Paragraph (1), do so by the method that satisfies the Company in confirming that such order has been placed by the customer himself/herself.

(3) The Company may use the method of written confirmation, voice-recording, etc. to confirm the placement of orders, and shall keep and maintain such materials in accordance with the provisions of relevant laws and regulations.

§5. Deposit of Margin

(1) The customer shall, when placing trading orders, deposit the margin specified in <Attachment 1>. In such a case, the margin other than the deposit required in cash (referring to margins that are required to be deposited in cash; hereinafter the same shall apply) specified in <Attachment 1> may be deposited in the form of foreign currency or substitute securities, instead of cash (referring to the securities prescribed by the KRX Regulations, which are payable instead of cash; hereinafter the same shall apply) or foreign currency instead of cash.

(2) Notwithstanding Paragraph (1), a person, among institutional investors who satisfy the requirements specified by the Enforcement Rules, that is recognized by the Company as having the capability to execute settlement, given the financial soundness, credit status, status of open interest thereof and market conditions, etc. (hereinafter referred to as “eligible institutional investor”), may deposit the margin (hereinafter referred to as “ex post facto margin”) of no less than the amount specified in the Enforcement Rules, until the deadline specified in <Attachment 1>. However, the ex post facto margin for arbitrage trading or hedge trading that the eligible institutional investor deposits to the Company shall not be less than the amount specified in the Enforcement Rules, but lower than the ex post facto margin for other trading.

(3) Derivatives account shall be classified into prior margin accounts (referring to derivatives accounts for the deposit of prior margin; hereinafter the same) and ex post facto margin accounts (referring to derivatives accounts for the deposit of *ex post facto* margin;



hereinafter the same).

(4) Ex post facto margin accounts shall be classified into the following derivatives accounts:

1. General ex post facto margin account (referring to a derivatives account for the deposit of ex post facto margins in accordance with Paragraph (2); hereinafter the same shall apply); and
2. Discount account for ex post facto margin (referring to the derivatives account for arbitrage trading or hedge trading that deposits the ex post facto margin at a lower level as stipulated in the conditional clause of Paragraph (2); hereinafter the same shall apply).

(5) A customer who intends to post ex post facto margin shall submit evidentiary documents confirming that he/she fulfills the requirements, and the Company shall not apply such post ex facto margin to a customer who has not submitted such confirmatory documents.

§6. Refusal of Receiving Orders

(1) The Company shall refuse to receive orders in cases falling under any of the following Items, when:

1. Receiving orders from a customer who has failed to deposit the basic deposit;
2. Receiving orders for new trades, or orders that result in increase of margin or deposit required in cash (i.e. referring to cases where margin increases when an order is executed), from a customer who failed to deposit additional margin, execute settlement or to deposit ex post facto margin until the deadline for the deposit of the ex post facto margin;
3. Receiving orders that raise the quantity of net open interest higher than the position limit notified to a customer by the Company in accordance with KRX's Derivatives Market Business Regulation (hereinafter referred to as "the Regulation") and the Enforcement Rules of Derivatives Market Business Regulation (hereinafter referred to as "the Enforcement Rules");
4. Receiving orders that violate the Regulation by going beyond the price limit specified therein, etc.;
5. Receiving orders that are not consistent with the classification of derivatives account as prescribed in [§5(3)] and [§5(4)];



6. Receiving orders from a customer who has failed to submit evidentiary documents on arbitrage trading (referring to transactions in compliance with regulations, where profits are sought using price differences between listed securities and exchange-traded derivatives or where listed securities and exchange-traded derivatives with the opposite profit-and-loss structure are traded simultaneously or almost simultaneously; hereinafter the same shall apply) or hedge trading (referring to transaction methods where exchange-traded derivatives are traded in compliance with regulations for the purpose of avoiding or mitigating the risks arising from fluctuations in the value of customers' assets; hereinafter the same shall apply), and failed to deposit the margin up to the amount that applies to a general ex post facto margin account pursuant to [§5(4)1] into the discount ex post facto margin account defined in [§5(4)2];
7. Receiving orders for Cross-Border trading from customers who have not previously signed an Agreement on the Entrustment of Cross-Border Transactions;
8. Receiving orders from customers who have exceeded the limit on the amount exposed to risk per ex post facto margin account (referring to the maximum amount exposed to risk that a customer may possess), which was notified in advance by the Company pursuant to [§8];
9. Receiving new transactions (referring to transactions that increase open buy or sell positions for all issues, except for futures spread trading; hereinafter the same shall apply) by a general individual investor (referring to individuals other than individuals treated as professional investors and non-resident foreigners; hereinafter the same shall apply), who has not yet completed an education course on derivatives products for 1 hour and a mock trading course on derivatives products for 3 hours pursuant to the Association's Regulations on the Business Conduct and Services of Financial Investment Companies and the Enforcement Rules thereof (hereinafter referred to as the "Association Regulations") and the KRX Regulations;
10. Receiving new transactions for V-KOSPI 200 Futures or options selling from a general individual investor [excluding a discretionary investment business entity and a person who concluded a discretionary investment agreement for exchange-traded derivatives (limited to the case where the Company receives new transactions via a derivatives account under such discretionary investment agreement)] who has not held open interests (excluding open interests in a derivatives account under a discretionary investment agreement) with any financial investment company for ten (10) business days or more from the day when a derivatives account was created (in the case where a discretionary investment agreement for the account is signed on the same day, the following day of the expiration of the discretionary investment agreement) until the day the Company receives the trading order. Provided, That



cases where the Company receives new transactions for option selling through a derivatives account that is solely used for hedging of deposited assets (hereinafter referred to as the “special account for hedging”) shall be excluded;

11. Receiving new transactions, via derivatives account under a discretionary investment agreement, from a person other than the concerned discretionary investment business entity;
12. Receiving derivatives transactions for the purpose of hedging the amount that exceeds the valuation amount of the assets deposited in the hedging-linked securities account for hedging in accordance with the Enforcement Rules from the person that has entrusted the Company with trading via the special account for hedging (referring to new transactions for futures selling, put option buying and call option selling with an aim to hedge the deposited assets within the valuation amount of the concerned assets in the case where the person from whom the company received the derivatives transaction deposited assets in the hedging-linked securities account at or above the minimum holding level (either number of securities or holding amount)); or
13. Other cases where the Company is allowed to refuse the receipt of orders in accordance with the Regulation or the Enforcement Rules.

(2) Notwithstanding Subparagraph 2 of Paragraph 1, the Company is not obligated to refuse the receipt of orders that fall under any of the following trades (excluding cross-border transactions among the trades in Subparagraphs 1 through 3). In such cases, the Company shall, when receiving orders falling under Subparagraphs 1 through 3, consider the possibility of trade execution, etc.:

1. Offsetting trades that result in increase of margin in cases where a number of orders received simultaneously or almost simultaneously in a row is executed;
2. Offsetting trades that do not result in increase of margin, but only in increase of the deposit required in cash within the amount of cash deposit in cases where only the total deposit amount (referring to the sum of deposited cash, substitute price of substitute securities and valuation price of foreign currency; hereinafter the same) is insufficient;
3. Offsetting trades that do not result in increase of the deposit required in cash, but only in increase of margin within the total deposit in cases where only the deposited cash is insufficient;
4. Cases of receiving an entrustment of orders from a customer that has deposited ex-post margin after the deadline for the deposit of ex-post margin;



5. Cases of receiving an entrustment of orders from an overseas qualified institutional investor who failed to deposit ex-post margin or fulfill the settlement obligation because an overseas foreign exchange bank was on a holiday; or
6. Cases of receiving an entrustment of orders from an overseas qualified institutional investor who has submitted a copy of the payment instruction sent to a domestic foreign exchange bank for the deposit or settlement of ex-post margin.

(3) In calculating the quantity of open interests or buy/sell orders as prescribed in Subparagraph 3 of Paragraph (1), in case the Company learns that the concerned customer also has open interests or requested orders with a derivatives account newly opened at a different company, the Company shall include that concerned quantity into the calculation.

(4) Notwithstanding Subparagraph 8 of Paragraph (1), the Company is not obligated to refuse the receipt of orders for opposite positions that reduce the amount exposed to risk from customers that have exceeded the limit on the amount exposed to risk.

(5) The Company shall not apply Subparagraph 9 of Paragraph (1) to a general individual investor who is acknowledged to have completed an education course and mock trading course on derivatives pursuant to the Association Regulations and the KRX Regulations.

(6) The Company may refuse the receipt of an order in cases where it is recognized to be necessary for the public interest, the protection of investors or the stability of trading order in the Market, or in cases where a cause occurs for the refusal of order receipt that has been notified to the customer in writing at the time of the conclusion of the agreement on the opening of an account in view of the customer's credit standing and financial conditions, etc.

(7) When the Company refuses to receive orders in accordance with Paragraphs (1), (2) and (6), it shall give the reasons therefor on an order slip, electronic order slip or other order-recording documents, and immediately notify the customer thereof.

§7. Depositing of Basic Deposits

(1) In the case a customer with no open interest intends to place orders, he/she shall deposit with the Company in advance the basic deposit for futures and options trading in cash, substitute securities, or foreign currency in an amount no less than the amount specified in <Attachment 1> in consideration of his/her financial soundness and credit status, etc.

(2) Notwithstanding Paragraph (1), the Company may decide not to receive basic deposits in cases where an order is received through a derivatives account that falls under any of the following Subparagraphs:



1. A Derivatives account where ex post facto margin is deposited;
2. Special account for hedging; or
3. A derivatives account opened by a professional investor as prescribed in the Financial Investment Services and Capital Markets Act (hereinafter referred to as the “Capital Markets Act”)

§8. Management of Risks, etc., of Eligible Institutional Investors

(1) The Company shall, in accordance with the Regulation and Enforcement Rules, appoint matters necessary for the management of risks of eligible institutional investors including the selection criteria for eligible institutional investors and the method for the determination of the limit on the amount exposed to risk per *ex post facto* margin account and whether to refuse orders in cases where such amount is exceeded (hereinafter referred to as “the guidelines for the management of risks of eligible institutional investors”) and shall notify customers, in advance, of matters that they shall observe in writing, etc.

(2) Customers shall not exceed the limit on the amount exposed to risk per *ex post facto* margin account that they have been notified in advance in accordance with Paragraph (1).

(3) The Company shall find out if the amount exposed to risk on customers' accounts is likely to exceed or has exceeded the limit line, and send written notice describing the situation to customers without delay.

(4) The Company shall, in cases where it intends to change the “guidelines for the management of risks of eligible institutional investors” deliver, in advance, an introduction or a notification of such fact to customers in ways, such as in writing, that were previously agreed with customers.

§9. Payment, etc., of Margin

In the event that the total deposit amount made by a customer exceeds the margin amount or the total amount of cash deposit exceeds the deposit required in cash, the Company may make payment to the customer up to the excess amount or use the excess amount as margin required from the customer.

§10. Daily Additional Deposit of Margin

(1) The customer (excluding ex post facto margin accounts) shall deposit additional margin when the total amount of his/her deposits or deposited cash at the closing hour of the market's regular session (hereinafter referred to as “market closing”) is less than the amount specified in <Attachment 1>.



(2) The Company shall, in the case that the customer is obliged to deposit additional margin in conformity with Paragraph (1), notify the customer of the fact through a predetermined method without delay.

(3) The additional deposit prescribed in Paragraphs (1) and (2) shall be made by 12:00 on the following business day (deferred, in the case of closing days including holidays) of the date when such deficiency has occurred. However, if the customer has exterminated the open interest by a sell or buy bid prior to 12:00, satisfying the required margin amount, he/she will be deemed as having made the additional margin deposit.

(4) Notwithstanding Paragraph (3), the customer shall deposit additional margin in cases when the following Subparagraphs occur.

1. When the KRX changes the deposit date or deposit deadline of the additional margin; or
2. In the case that a cause for advancing the deposit deadline occurs where the customer was notified by the Company in writing at the time the agreement on the opening of an account was concluded, and in consideration of the possibility of default based on the customer's investment purpose, investment experience, asset and income status, credit status, the status of open interest or market conditions, etc.

§10-2. Additional Deposit of Intra-day Margin

(1) In accordance with the Enforcement Decree of the Act, the company shall use the parameter provided by the Exchange to calculate intra-day margin as well as intra-day maintenance margin, in cases where the KOSPI 200 index fluctuates by a margin of more than 80/100 of the KOSPI Futures' maintenance margin rate, from the previous day's closing KOSPI 200 index, as of a predetermined time, within the regular trading hours, for calculating intra-day margin (hereinafter referred to as the "predetermined calculation time"). In such cases, the predetermined calculation time is selected among from 09:01, 10:00, 11:00, 12:00, 13:00, and 14:00, whichever first meets the requirements set forth in the preceding sentence of this Paragraph.

(2) Where the total deposited margin falls short of the intra-day maintenance margin described in Paragraph 1, the customer shall deposit additional margin.

(3) Where the customer shall deposit additional margin during the regular trading hours in accordance with Paragraph 2, the Company shall immediately notify such fact to the customer in manners as prescribed by the customer in advance.

(4) The customer shall deposit additional intra-day margin in accordance with Paragraph 2 and 3, by no later than the deadline as set forth in <Attachment 1>.



§10-3. Cancellation of Request for Additional Deposit of Intra-day Margin

(1) The Company may cancel a request for additional deposit, in cases falling under any of the following Subparagraphs, where additional deposit of intra-day margin is unnecessary.

1. Where the total deposited margin is equivalent to, or higher than the prior margin;
2. Where the total deposited margin is equivalent to, or higher than the intra-day maintenance margin;
3. Where the amount of intra-day margin less the margin to be deposited (hereinafter referred to as the "intra-day margin shortfall"), which is calculated based on the parameter from the market closing time of the previous day, has decreased by a margin of equivalent to, or more than the intra-day margin shortfall that was calculated at the predetermined calculation time, at which a request for additional intra-day margin was made in accordance with [§10-2(2) and (3)].

(2) After the market closing time, the Company may cancel its request for additional margin, in cases falling under any of the following Subparagraphs where it is unnecessary for additional intra-day margin to be deposited.

1. Where the total deposited margin is equivalent to, or higher than the prior margin (the Globex trading hours are excluded);
2. Where the customer subject to prior margin does not fall under Article [§10(1)], or deposits additional margin in accordance with [§10(1)];
3. Where the customer subject to ex post margin does not fall under [§5(2)], or deposits ex post margin in accordance with [§5(2)];
4. Where the customer covers the intra-day margin shortfall incurred immediately before the market closing, by depositing additional margin, executing a reverse trade, or selling the substitute securities. However, a reverse trade or the sale of substitute securities during the Globex trading hours shall be excluded.

§11. Administration in the Case of Failure to Post Additional Deposit of Margin, etc.

(1) The Company may, in the case that the customer fails to additionally deposit the margin or the *ex post facto* margin by the deposit deadline specified in Paragraphs (3) and (4) of [§10], [§10-2(4)], take any of the following measures as the duty of care of the manager:

1. Sell or purchase the open interest of such customer; or
2. Sell the substitute securities or foreign currency deposited as margin therefrom.

(2) The Company shall, in the case of trading pursuant to Paragraph (1), make quotations at the prices specified below; provided, however, that the listed bonds may be sold at the base yield that is separately released by the Company:



1. In the case of making a sale or purchase that exterminates open interest, designated quotations (referring to price quotations where issues, volume and prices are designated, with an intention to conduct transactions at the designated or at a more favorable price) or conditional designated quotations (referring to designated price quotations under the condition that the pricing method is changed to the market price quotation [referring to quotations where issues and volume are designated but prices are not designated; hereinafter the same shall apply] when the closing price is determined) specified in the following Items during trading hours. However, in the case of flexible exchange (hereinafter referred to as “FLEX”) transactions on dollar futures (referring to transactions where the price, volume, final transaction date and final settlement method are determined based on negotiations between the transaction parties), transactions shall take place by taking opposite positions through FLEX.
 - a. For the offer price, the best bid price (referring to quotations where an order is placed at the highest bid price at the time when the order is received) (in case there is no highest bid price, the lowest offer price shall apply) and the nine (9) prices by consecutively subtracting tick sizes therefrom; and
 - b. For the bid price, the best offer price (in case there is no lowest offer price, the highest bid price shall apply) and the nine (9) prices by consecutively adding tick sizes thereto.
2. In the case of the sale of stock certificates listed on the Stock Market or KOSDAQ of the KRX, market quotations.

(3) Notwithstanding Subparagraph 1 of Paragraph (2), for quotations to be used in an individual auction trading at a single price, or when there are no quotations during the time period of being connected to the system for trading, designated quotations or conditional designated quotations other than each Item in Subparagraph 1 of Paragraph (2) may be applied.

(4) Notwithstanding Subparagraph 1 and 3 of Paragraph (2), the Company may, by consent or request of the customer, execute a trade using market quotations.

(5) The customer shall, in the case that any unpaid balance remains even after the administration pursuant to Paragraph (1), pay such amount to the Company.

§12. Administration in the Case of Customer's Failure to Perform Settlement

(1) In the event that a customer fails to make cash payments required for the net balance of the contract (referring to the total amount to be paid by the customer, less the total amount to be received by the customer at the time of settlement) or deliver the underlying assets required for the net balance settlement of the contract (referring to the underlying



assets to be paid by the customer, less the underlying assets to be received by the customer on the basis of each underlying asset at the time of settlement), as the duty of care of the manager, the Company may take any of the measures prescribed in each Item of [§11(1)] in accordance with [§11(2)] and [§11(3)].

(2) The customer shall, in the case that any unpaid balance remains even after the administration pursuant to Paragraph (1), pay such amount to the Company.

(3) The Company may receive from the customer, who failed to fulfill the settlement obligation, any losses or expenses borne by the Company as a result of the settlement default unless there are other causes attributable to the Company.

§13. Penalty Charges on Unpaid Fees, etc.

(1) In the event that the Company makes payment on behalf of a customer who has failed to deposit the margin or make payments for the settlement within the time frame specified in <Attachment 1>, or in the case that the customer fails to pay the required commission to the Company, the Company may receive an arrearage from such customers in the amount at the rate specified in <Attachment 1>. In the case the Company intends to change said rate, it shall release or post the content of the change at its branch offices, or through its Internet website, the computer portal for online stock trading and other similar electronic communications media so that the customer may be informed prior to the expected date of the change.

(2) If the content of the change in the rate in Paragraph (1) is unfavorable for the customer, the Company shall notify the customer of such fact in ways, such as in writing, that were previously agreed with the customer. However, this provision shall not apply to cases where the rate prior to the change applies to the existing customer or the customer has explicitly expressed his/her intention that he/she will not receive such notices.

(3) With respect to receivables from customers, etc. prescribed in Paragraph (1), the Company shall subtract from the amount to be received disposal expenses, arrearages, and receivables, in that order.

§14. Fees Imposed for Accounts Submitting Excessive Quotations

(1) In cases where a customer submits excessive number of quotations during the regular trading hours that exceed the standards as provided in the Regulation and Enforcement Rules when engaging in KOSPI 200 futures trades (including futures spread trades), mini KOSPI 200 futures trades (including futures spread trades), KOSPI 200 options trades, or mini KOSPI 200 options trades, the customer must pay the fees on excessive quotations to the KRX. In such a case, the Company shall receive such fees from the customer and pay them to the KRX.



(2) The Company must inform and instruct the Customer on the issues relating to the Fees on Excessive Quotations via means agreed with the Customer, such as written notice, etc.

§15. Management of Substitute Securities

(1) The Company may delegate the management of substitute securities deposited by the customer to the Korea Securities Depository.

(2) Securities newly issued through capital increase with or without considerations, or equity dividends, etc. with respect to the substitute securities deposited by the customer shall be treated as substitute securities.

§16. Restrictions on the Use of Substitute Securities

In the event that the customer provides the Company, in advance, with documents mainly stating that “the customer agrees with the Company to deposit current or future substitute securities as trade margin to the KRX or as non-clearing member margin to the designated clearing member” the Company may use the deposited substitute securities as margins for trade or margins for non-clearing member. In the case where the Company uses substitute securities as trade margins, the Company shall abide by the KRX Regulations in relation to the deposit and withdrawal methods, processes, etc. of the concerned substitute securities.

§17. Establishment, etc., of the Right of Pledge on Substitute Securities

(1) The Company shall, when receiving substitute securities as margin pursuant to [§5], acquire such securities as a pledge (referring to the creditor’s right to hold the security until the debtor repays the debt and to take precedence in getting repaid using such security; hereinafter the same shall apply) by electronically registering (referring to the electronic registration pursuant to the Act on Electronic Registration of Stocks, Bonds, Etc. (hereinafter referred to as the "Electronic Securities Act")) the concerned substitute securities as pledged assets and the Company as the pledgee in the customer’s account book in accordance with the Electronic Securities Act.

(2) When any customer sells the designated substitute securities, takes them out of the Company, or releases them from designation, the pledge created by the Company shall be automatically terminated. However, in the case that the margin required is not sufficient as a result of such termination, the pledge shall not be terminated.

(3) Any matters attached to the pledged substitute securities, such as dividends, rights offerings, bonus issues, etc. shall belong to the cash account of the customer concerned.



§18. Mixed Custody of Substitute Securities and Administration of Settlement Amount in Selling Substitute Securities

- (1) The Company may keep in custody substitute securities by mixing them with those under the same issue.
- (2) The Company may, when returning deposited substitute securities to a customer, return securities that are the same issue as the deposited securities.
- (3) The Company shall, when selling substitute securities that are designated as margin by the customer, deposit in the derivatives trading account of the customer the balance of the settlement proceeds after subtracting all expenses such as commissions, etc.

§19. Exchange of Substitute Securities

- (1) The customer shall, in the case that he/she has deposited defective securities as substitute securities, promptly exchange them for non-defective ones.
- (2) In cases where an immediate sale of substitute securities is impossible or difficult for the Company due to lack of liquidity, etc. arising from a customer's failure to deposit the margin, etc., the Company may demand the customer exchange such securities with other securities, and the customer shall diligently comply with the request.

§20. Providing Deposited Assets as Collateral

- (1) The Company shall provide or deposit customers' deposited assets as collateral to the KRX, other companies or foreign exchange banks within the scope necessary for the trading.
- (2) In the case that the Company was unable to make additional deposit request for margins or the settlement amount before the specified date due to reasons attributable to the customer, the company may dispose of the collateral or deposited asset stipulated in Paragraph (1) at its own discretion to meet the margin or settlement amount.
- (3) In the event that the assets of the customer were disposed of at the Company's discretion pursuant to Paragraph (2), the Company shall immediately notify the fact and the content to the customer.
- (4) Assets deposited by the customer to the Company are not protected by the Depositor Protection Act.

§21. Payment for Use of Customer Deposits, etc.

- (1) The Company shall pay the customer compensation for the use of the amount of money



calculated by subtracting the deposit required in cash from customers' money deposited with the Company, by applying the rate specified in the payment standard notified to the customer.

(2) The customer may read and check the company's criteria to pay the fees for the use of customer deposits at the company's branches or its web page or via the computer screens for on-line transactions or other similar electronic communications means.

(3) The company shall compute the fees for the use of customer deposits reasonably by taking into account the company's returns on management, deposit insurance premium and supervision expense shares. In addition, the company shall regularly check and review the movements of factors influencing the computation of the fees for the use of investors' deposits to incorporate them into the fee computation.

(4) The customer may read and check any change in the criteria to pay the fees for the use of customer deposits under the preceding Paragraph (3) through the means defined in the preceding Paragraph (2); in the event that the customer intends to be informed of any change in the criteria to pay fees for the use of customer deposits that may have disadvantageous impacts against the customer before the enforcement of the planned change of the criteria via the such means the customer designated as e-mail or cell phone message (i.e., SMS or MMS), the company provides prior notice of such a change via the means identified by the customer.

(5) The company notifies the customer of the changes, if any, in the criteria to pay the fees for the use of customer deposits along with the notification of monthly trade details pursuant to §22 (3).

§22. Notification of Trading, etc.

(1) When a trade is executed at the order of a customer, the Company shall notify the customer of the trade details through the following procedure:

1. Upon the execution of the trading, the Company shall immediately notify the customer of the trade type, issue and item, quantity, price, all expenses including commission, and other trading content;
2. The notification shall take place through one of the following methods agreed in advance by and between the Company and customer (trading not managed or recorded through the deposit account, etc. shall be notified through the method indicated in Item a). However, when a customer does not wish to receive such notification, the notification may be replaced by keeping the trading details at the Company's branch offices so that the customer can check the details or making them available on its Internet website to enable access at any time.
 - a. By delivery of written documents;



- b. By Telephone, telegram, or facsimile;
- c. By e-mail or other electronic communications methods similar thereto;
- d. By delivery of trade confirmation through the electronic network of the Korea Securities Depository, in cases where the customer is an institutional settlement participant of the Korea Securities Depository; or
- e. By Internet or mobile system that enable access at any time
- f. By text message or similar method via a mobile system notified by an investment trader or investment broker

(2) The Company shall, before the customer initiates the trading, confirm with the customer his/her preferred method of notification for the content of the executed trading, and keep record of and maintain such information.

(3) For accounts with a record of trading or other transactions during the month, the Company shall notify its customers, through a method prescribed in Subparagraph 2 of Paragraph (1), of the monthly trading records and profit and loss details; the status of open interests in derivatives instruments, balance in deposited assets and required margin as of the month's end, etc. (hereinafter referred to as "the Monthly Trading Content, etc.") by the twentieth (20th) day of the following month. For accounts that have no record of trading or other transactions during a half-year period, the Company shall notify its customers of the half-year-end balance (both in value and volume) by the twentieth (20th) day after the end of such half-year period through a method prescribed in Subparagraph 2 of Paragraph (1). However, cases falling under any of the following Items shall be deemed as having notified the Monthly Trading Content, etc. or the half-year-end balance in value and volume.

1. In the event that the content was kept at the branch offices or other business offices for on-demand notification for accounts in which the notification covering the monthly trading records, etc. and half-year-end balances have been returned more than three (3) times;
2. In the event that the content of the half-year balance (both in value and volume) was kept at its branch offices for on-demand notification, for accounts that have no record of trading or other transactions during a half-year period and whose deposit asset value does not exceed an amount determined by the Governor of the Financial Supervisory Service as of the end of the half-year period; or
3. In the case of passbook-based trading, etc. that allows the customer to check the trading records whenever the customer wishes.

§23. Notification of Change in Described Content

The customer shall, when there is any change in the address, phone number, scope of proxy, or any content described in the application for the opening of a derivatives trading



account, immediately notify the Company of the changes thereof. In the case losses occur due to the negligence of the customer in reporting such changes, the Company shall not be liable unless there are other causes attributable to the Company.

§24. Relief of Investor's Massive Erroneous Trade

(1) The KRX may amend the executed price to the relief price when providing relief to an investor's massive erroneous trade in accordance with its Regulations and Enforcement Rules, and the customer and the Company shall comply therewith.

(2) If a customer causes a massive erroneous trade or becomes the counterparty to such a trade, the Company shall calculate the margin and the settlement amount by applying the relief price pursuant to Paragraph (1).

(3) Upon receiving notification from the Korea Exchange regarding the fact that an application for relief has been received with respect to the customer's trade, or whether relief will be provided for an investor's massive erroneous trade, etc., the Company shall, without delay, inform the customer of such details.

§25. Change, etc., in Settlement Terms

(1) The KRX may change settlement terms or methods regarding margin requirements, etc. in the event of a natural disaster, warfare or accident, sudden changes in the economic conditions or other unavoidable causes, or when there is a recognized need to make such changes to manage the market. In such cases, the customer and Company shall comply with such changes.

(2) When the trading records of the KRX derivatives system have been destroyed due to a natural disaster, war, accident, or other similar force majeure events, and if the KRX deems it difficult to restore such records, the KRX may cancel the trades, and the customers and Companies shall comply therewith.

§26. Reporting of Customer's Options Exercise

(1) In the case that the customer intends to exercise options, it must be reported to the Company within thirty (30) minutes after the market closing on the date of exercise, by the deadline specified in <Attachment 1>.

(2) Notwithstanding Paragraph (1), in the case of options trading where cash is paid and received, the report on options exercise regarding out-of-the-money option (referring to options where losses occur after excluding commission fees and other expenses from options exercise) issues shall not take place.

(3) In the case of in-the-money options (referring to options where profit is incurred after



offsetting the commission and other expenses related to the options exercise), even if the customer does not report by the deadline on the last trading day for options exercise, it shall be deemed that the report has been made. However, in the case of options trading receiving underlying assets, if the customer has reported that he/she would not exercise the options rights, then this shall not apply.

(4) In case there are any defects in the deliverables caused in the process of physical delivery, the receiver may file complaints to the Company within seven (7) business days from the final settlement date.

§27. Cash on Delivery

(1) The final settlement of interest rate futures trading, stock index futures trading, single stock futures trading and commodity futures trading (excluding gold futures trading) shall be accomplished by way of paying and receiving the final settlement difference (referring to the amount calculated based on the difference between the underlying asset's price on the final trading day and the final settlement price, multiplied by the final settlement quantity and contract multiplier; hereinafter the same shall apply) with respect to the final settlement quantity.

(2) The final settlement of stock index options trading, equity options trading and currency options trading shall be accomplished by way of paying and receiving the difference as a result of options exercise (referring to the amount calculated based on the difference between the striking price on the final trading day and the base settlement price at the time of options exercise, multiplied by the settlement quantity and contract multiplier) with respect to the settlement quantity at the time of options exercise.

(3) In the case of USD Flex futures trade, the customer and trade counterparty may agree to a final settlement by way of paying and receiving the final settlement difference with respect to the final settlement quantity.

§28. Delivery and Receipt of Currency Futures

(1) The Company shall notify its customers on the last trading day, within a time period between the market closing and the deadline specified in <Attachment 1>, of the final settlement quantity, currency receipt amount, final settlement amount (referring to the amount calculated based on the final settlement price, multiplied by the final settlement quantity and contract multiplier; hereinafter the same shall apply), and other delivery and receipt details of the currency futures traded.

(2) The Company and customer shall receive, by the delivery and receipt settlement deadline, the currency and final settlement amount resulting from the final settlement of the currency futures traded.



(3) The deadline for delivery and receipt settlement of the Company and the customer pursuant to Paragraph (2) shall be at the time specified in <Attachment 1> before 12:00 of the final settlement date.

(4) In case there are concerns over possible settlement failure of the customer due to the deterioration of the creditworthiness of the customer and that the causes notified by the company to the customer at execution of the contract occurs, the Company may request that the customer deposit the item subject to delivery and receipt before the final settlement date.

(5) In the case of USD Flex futures trade, the customer and trade counterparty may agree to a final settlement by way of paying and receiving the final settlement difference for the final settlement quantity. The method of paying and receiving the currency and final settlement amount shall be pursuant to the ways prescribed in Paragraph (1) to Paragraph (4).

§29. Accountability for Delivery of Underlying Assets

Pursuant to the Regulation, when a Company has received an amount equivalent to the value of delivered underlying asset from the KRX, the concerned amount may be provided to the customer instead of the delivery of the underlying assets.

§30. Amendment of Agreement, etc.

(1) If the company intends to revise this Agreement, the company shall display the intended revisions or changes at its branches or post the revisions or changes on the company's web page, computer screens used for on-line trading or other similar electronic communications means 20¹⁾ days before the enforcement date of the revised Agreement. Despite the foregoing, however, the company may post the intended revisions or changes in accordance with the method specified above before the enforcement date of the revised Agreement if: the intended revisions or changes to the Agreement are caused by the establishment/revision of relevant legislations including the Financial Investment Services and Capital Markets Act or the relevant business regulations of the Korea Exchange; and there are urgent or inevitable causes to follow the notification methods explained above.

(2) If the content of the amendment in Paragraph (1) is unfavorable for customers, the Company shall notify them of such fact 20 days before the effective date of the agreement subject to the amendment in ways, such as in writing, that were previously agreed with the customers. However, this provision shall not apply to cases where the content of the agreement prior to the amendment applies to existing customers or a customer has explicitly expressed his/her intention that he/she will not receive such notices.

1) Twenty (20) days or longer as determined by the financial investment company.



(3) The Company shall, in cases where it gives the notice in Paragraph (2), deliver the following message: “A customer may cancel the agreement in cases where he/she does not assent to the amendment of the agreement, and shall be deemed to have assented to the agreement in cases where he/she does not express his/her intention to cancel the agreement.”

(4) A customer shall be deemed to have assented to the amendment in cases where he/she does not express his/her intention to cancel the agreement from the date on which he/she received the notice in Paragraph (3) until the effective date of the agreement subject to the amendment.

(5) The Company shall keep or post the Agreement at its branch offices for customers’ access and deliver it upon customers’ request, and post it on its Internet website, on the computer portal for online stock trading, and on other electronic communications media similar thereto for check and download (including screen-printing) by customers.

§31. Effect of Notification, etc.

Notification to customers shall be effective from the time of delivery. However, when such delivery is, without any reasons that the Company is responsible for, delayed or fails due to a change in address or other causes falling under the responsibility of the customer itself, the point of time to be normally delivered shall be deemed the time of delivery.

§32. Brokerage Commission, etc.

The Company shall, when a trade is executed in accordance to an order by a customer, or when the final settlement of a futures trade or the settlement of the exercise of an option right is made, receive from such customer a brokerage commission specified in <Attachment 1>.

§33. Merging and Closing of Accounts

(1) The Company may segregate accounts that have no record of trading withdrawal or deposit for the last six (6) months, and whose aggregate depository assets including cash and financial investment products do not exceed one hundred thousand (100,000) Korean won, and separately manage such accounts by merging them together.

(2) The Company may, when six (6) months have passed from the date on which the balance of the account becomes “null,” or when the customer has requested closure of the account, close such account.

§34. Transfer and Creation of Pledge

With the company's consent, the customer may transfer or establish pledge (the



rights for the creditor to possess collaterals until the debtor completes the service of financial obligations and to secure repayment seniority over the collaterals if the debtor fails to make required repayments) over the deposited assets including cash and financial investment instruments.

§35. Limitation on Transactions

(1) In the event that an account is used as an account for fraud under the Special Act on Prevention of Damage and Refund of Losses Caused by Financial Fraud Using Telecommunications, the Company may limit financial transactions by the holder of such account, including on the opening of accounts, etc.

(2) In the event that financial transactions, including the opening of accounts, etc., are limited in accordance with Paragraph (1), the Company shall notify such fact to the relevant account holder.

§36. Release from Responsibility

The Company shall not be responsible for any loss incurred to the customers due to causes not attributable to the Company, which are falling under any of the following Items:

1. Postponement of or incompetence in the execution of a trade, the receipt and deposit of trading value, or the custody of securities as a result of a natural disaster, war or accident, or the case of *force majeure* corresponding thereto; or
2. Losses incurred due to a cause that the customer is not responsible for.

§37. Recalculation of Final Settlement Price, etc.

In the case that the KRX recalculates the settlement price, final settlement price, settlement price or base settlement price for rights exercise, etc. before the settlement deadline due to any mistake in such calculation, the Company and customer shall comply with such recalculation.

§38. Transfer of Open Interests

(1) The customer may transfer his/her open interests held by the Company to another Company.

(2) In the case that the company is a non-clearing member of the KRX, the Company may, pursuant to [§3], transfer to other designated clearing members the open interests held by a designated clearing member with whom it has entered into an agreement for settlement



entrustment.

(3) The transfer of open interests pursuant to Paragraphs (1) and (2) shall be accomplished by way of the transferor entering into, with a transferee, an agreement for trading the same quantity of open interests it intends to transfer.

§39. Compliance with Relevant Laws and Regulations, etc.

(1) The Company and the customer (in the case of omnibus account for foreigners, including the end investor) shall comply with the Capital Markets Act, the Enforcement Decree and the Enforcement Rule of the same Act, Regulations on Financial Investment Services and the Detailed Enforcement Regulations of the same Regulations, the Association's Regulations on Business Conduct and the KRX's Regulations on Business Conduct, etc., (hereinafter referred to as the "relevant laws and regulations, etc.")

(2) Pursuant to the relevant laws and regulations, etc., the Company may request for the nationality, name, address, trading details, etc. of the end investor to the foreign financial investment business entity that has opened an omnibus account for foreigners in a manner notified in advance, and the foreign financial investment business entity shall comply therewith unless there is an extraordinary reason otherwise.

§40. Dispute Mediation

The customer shall, should a dispute arise with the Company, request the settlement thereof with the Company's grievance body, or apply to the Financial Supervisory Service, Korea Financial Investment Association, KRX, etc. for mediation.

§41. Competent Court

In the event that there is a need for a suit between the Company and its customers with respect to a dispute arising from transactions conducted in accordance with this Agreement, the competent court shall comply with the matters prescribed by the Civil Procedure Act.

§42. Miscellaneous

(1) Matters not stipulated in this Agreement shall, unless otherwise agreed, comply with the provisions prescribed in the relevant statutes, etc.; in the case that there are no provisions therein, it shall comply with commercial practices.

(2) The Agreement on Using Electronic Financial Transactions and the Electronic Financial Transaction Act shall have priority over any electronic financial transactions that may fall under the purview of this Agreement.



<Attachment 1>

1. The margin “specified in <Attachment 1>” in [§5(1)] shall be as follows:

<p>[Margin Rate]</p> <p>Pursuant to the margin rate disclosed in KRX website.</p> <p>[Deposit Criteria of Customer Margin]</p> <ol style="list-style-type: none">1) Only KRW available for Cash Customer Margin2) Substitute Securities: Equity Stock listed in Securities market or Kosdaq market / Bond listed in Securities market3) Foreign Currency: USD, JPY, EUR, GBP, HKD,AUD, SGD, CHF, CAD <p>[Spread Trade Margin Rate]</p> <p>Pursuant to the Regulation and the Detailed Enforcement Rules [Appendix 19]</p>

2. The deposit required in cash “specified in <Attachment 1>” in [§5(1)] shall be as follows:

50% of the customer margin

3. The deadline “specified in <Attachment 1>” in [§5(2)] shall be as follows:

Until 10 o'clock on the next business day of shortage on post margin
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4. The amount “specified in <Attachment 1>” in [§7(1)] shall be as follows:

No	Standard Deposit Amount	Applicable to
1	KRW 10,000,000	Institutional Investors
2	KRW 20,000,000	Corporate Investors
3	KRW 30,000,000	General Individual Investors

* Not applicable for ex post facto margin



5. The amount “specified in <Attachment 1>” in [§10(1)] shall be as follows:

[Maintenance Margin Rate]

Pursuant to the margin rate disclosed in KRX website.

[Additional Martin Rate]

As of market closing time, client should deposit additional customer margin if the client total deposit is less than maintenance margin or if the cash deposit is less than maintenance cash customer margin

[Spread Trade Margin Rate]

Pursuant to the Regulation and the Detailed Enforcement Rules [Appendix 19]

6. The time frame “specified in <Attachment 1>” in [§10(2)-4] shall be as follows:

Time frame for additional intra-day customer margin: until 4:30pm on the trade date

7. The time frame “specified in <Attachment 1>” in [§13(1)] shall be as follows:

[Expected time frame for customer margin / settlement]

1) Post margin : until 10 o'clock in the next business day of delinquency

2) Additional margin: until 12 o'clock in the next business day of delinquency

8. The rate “specified in <Attachment 1>” in [§13(1)] shall be as follows:

Penalty Charge Rate: 5% / year

9. The deadline “specified in <Attachment 1>” in [§26(1)] shall be as follows:

In the case that the customer intends to exercise options, it must be reported to the company within thirty (30) minutes after the market closing on the date of exercise.



10. The deadline “specified in <Attachment 1>” in [§28(1)] shall be as follows:

N/A

11. The deadline “specified in <Attachment 1>” in [§28(3)] shall be as follows:

N/A

12. The brokerage commission “specified in <Attachment 1>” in [§32(1)] shall be as follows:

The Company shall collect from the customer brokerage commission as below when trade is executed in accordance to an order by a customer, or when the final settlement of a futures trade or the settlement of an exercise of an option right is made.

Price index of stock/individual stock futures transaction : 0.03%

Price index of stock/individual stock option transaction: 0.8%

13. Other special arrangements – None