

Derivatives Trading Terms and Conditions

1. GENERAL

- 1.1 The Client shall be deemed to have agreed to the terms set out in this Agreement and the terms shall be applicable and effective as soon as the Client utilises any of the facilities and/or services provided by Yutaka Shoji Malaysia Sdn Bhd (hereinafter referred to as "YSM")
- 1.2 This Agreement supersedes any other agreement, letters, correspondence (verbal or written or expressed or implied) entered into prior to this Agreement in respect of the matters dealt with in this Agreement.

2. DEFINITIONS

- 2.1 In this Agreement, each of the following expressions have, except where the context otherwise requires, the meaning respectively assigned to them:

"Access Codes"	means the Client's Account(s) number(s) and all passwords, identification, digital signature and other codes issued to the Client by YSM for the purpose of enabling the Client to access the Electronic Trading and the Client's Account(s)
"Agreement"	means this terms and conditions and the terms set out in YSM Website or such other internet address as may be designated by YSM from time to time regardless of whether the Client executed this Agreement and any other requisite document as YSM may require from time to time. In respect of any other facilities provided by YSM, its respective terms and conditions shall apply accordingly together with terms and condition of this Agreement
"AMLA"	means the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001
"Application Form"	means the forms and documents required by YSM to be executed, accepted and agreed to by the Client for the opening or maintaining the Client's Account(s) and/or the utilisation of any facilities or services by the Client
"Assets"	means any monies, funds or securities or collateral
"Authorities"	means wherein applicable, Bursa Derivatives, the Clearing House, the Securities Commission and/or any other relevant regulators, within and/or outside of Malaysia
"Authorised Third Parties"	means any other derivatives brokers, agents or other persons appointed by YSM within and/or outside of Malaysia
"BNM"	means Bank Negara Malaysia
"Bursa Companies"	means Bursa Derivatives, the Clearing House
"Bursa Derivatives"	means Bursa Malaysia Derivatives Berhad (Company No. 261937-H)
"Charged Assets"	means Assets charged and/or pledged and/or deposited with YSM as a continuing security.
"Clearing House"	means Bursa Malaysia Derivatives Clearing Berhad (Company No.358677-D) and/or any other company or entity providing clearing services approved under CMSA to any Derivatives Market as may be appointed by Bursa Derivatives (as the case may be)
"Clearing Participant"	means a Trading Participant who is a participant of the Clearing House for the clearing, settlement and exercise of Derivatives
"Clearing Services"	means the provision of clearing and settlement services in respect of any Derivatives
"Client's Account(s)"	means the account(s) of the Client opened and maintained and/or to be opened or maintained with YSM, which includes client's accounts that trades in Derivatives in respect of Clearing Services and the utilisation of any facility and/or services provided by YSM
"Client's Authorised Persons"	means any person authorised in writing by the Client or in the event the Client is a corporation, persons specified in writing in a resolution of the board of directors as being authorised by the Client to instruct YSM on the Client's behalf. Instructions of such persons shall bind the Client (and the Client shall be so bound).

“Client’s Declaration”	means the Client’s statutory declaration under any law and/or regulations and/or the Client’s declaration in the Application Form or any other relevant documents of YSM including the declarations set out in section 42 of this Agreement
“Client’s Monies”	means all Assets (whether or not in the Client’s Account(s)), property, monies and/or collateral held by YSM
“CMSA”	means the Capital Market and Services Act 2007
“Communications”	means any form of communication, whether between persons and persons, things and things, or persons and things, in the form of sound, data, text, visual images, signals or any other form or any combination of those forms.
“Companies Act”	means the Companies Act, 1965
“Derivatives Market”	means a market or other place at which, or a facility by means of which Derivatives are regularly traded
“Derivatives” or “Foreign Derivatives”	means futures and options contract (as defined in CMSA) and/or any contract, either for the purposes of creating an obligation or a right or any combination of both, of which its market value, delivery or payment obligations are derived from, referenced to or based on, but not limited to, underlying securities or commodities, assets, rates, indices or any of its combination, whether or not a standardised derivative or an over-the counter derivative traded on Bursa Derivatives and/or Specified Exchange (as the case may be), but does not include; securities; any derivative to which the Government of Malaysia is a party; any over the counter derivatives whose market price, value, delivery or payment obligations are solely derived from, referenced to or based on, exchange rates; or any agreement, when entered into, is in a class of agreements prescribed not to be derivatives.
“DMA”	means direct market access, the process by which orders to buy or sell Derivatives, or modifications or cancellations of the orders, are submitted for execution in the automatic trading system (ATS) by a Client without any intervention or keying-in by a DR
“DR”	means a Capital Markets Services Representatives License Holder of YSM
“Electronic Trading”	means engaging in any Trading Activities using any form of Communication or any combination of those forms (including without limitation using YSM’s computer or telephonic services or systems, internet, private network, personal computers, mobile telephones and hand-held terminals) and includes service or information accessible through the proprietary software and/or any other form of Communications, trading through a DMA infrastructure or trading by any other electronic means whatsoever permitted by YSM from time to time
“Exchange’s Rules”	means the rules of Bursa Derivatives
“FEA”	means the notices on Foreign Exchange Administration Rules administered by BNM.
“Foreign Account(s)”	means a foreign trading account opened by YSM on behalf of the Client for trading and/or such other accounts to facilitate trading in and safekeeping of securities in Foreign Exchanges
“Foreign Exchanges”	means the Specified Exchange
“Indebtedness”	means any losses, charges, penalties, fees, commissions, brokerage charges, margin call amount, trading losses, fines, debts, interests (at such rate as may be determined by YSM from time to time before and after judgment), damages, expenses and costs (including solicitors’ fees on a full indemnity basis) of whatever nature (whether actual or contingent) which YSM may at any time or from time to time sustain, incur or suffer by reason of or as a consequence of or arising in any way out of or in connection with or incidental to: the opening and operation of all or any of the Client’s Account(s); the provision of any services and/or facilities hereunder; and/or any default by the Client in the due and punctual payment of any sum of any kind or nature whatsoever owing or payable pursuant to any of the account(s) and/or any matters whatsoever arising from this Agreement
“Information”	means all information available to the Client through the use of Electronic Trading
“Margin Call”	means the calls (orally or in writing) made by YSM to the Client for payment of cash or any form of Assets acceptable by YSM to fulfill the Client’s obligation under this Agreement as YSM in their absolute discretion considers necessary

“Margin”	means the aggregate amount/value of cash and collateral as may from time to time be required by YSM from the Client to meet the Client’s obligation pursuant to or arising from trading in Derivatives and/or pursuant to or arising from the Clearing Services and which in any event shall not be less than the margin stipulated by the Clearing House
“Market Day”	means any day on which the Derivatives Market are open for trading
“Rules of Bursa Derivatives Clearing”	means the rules of the Clearing House
“Securities Commission”	means the statutory body established under the Securities Commission Act 1993
“Software”	means any software (including but not limited to YSM proprietary software
“Specified Exchange”	has the meaning assigned to it in Section 2 of CMSA
“Specified Exchanges’ Rules”	means the rules of Specified Exchange(s).
“The Rules”	has the meaning assigned to it in Section 2 of the CMSA and without limitation the Exchange’s Rules, the rules of Bursa Derivatives Clearing, directives, policies, regulations issued by the Securities Commission, or any regulatory bodies and authorities and includes any additions, amendments or revisions that may from time to time be introduced and enforced. Any reference to any of The Rules which expression shall refer to one or more of the set of rules where the context so permits and requires
“Trading Activities”	means trading in Derivatives (either in Bursa Companies or in Foreign Exchanges) including the utilisation of the services and/or facilities of YSM in respect of the same
“Trading Participant”	has the same meaning given to it in the rules of Bursa Derivatives (as applicable)
“Website Terms”	means any terms or conditions relating to any matters addressed herein posted at YSM’s Website
“YSM’s Website”	means YSM’s website or such other internet address as may be designated by YSM from time to time

- 2.2 words denoting one gender include all other genders and words denoting the singular include the plural and vice versa;
- 2.3 words denoting persons include corporations, and vice versa;
- 2.4 words and phrases, definitions of which are given in the Companies Act and the CMSA, shall be construed as having the meaning thereby attributed to them;
- 2.5 where a word or phrase is given a defined meaning in this Agreement any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning;
- 2.6 where a word or phrase indicates an exception to any of the provisions of this Agreement and a wider construction is possible, such word or phrase is not to be construed as of the same kind with any foregoing words or phrases and where a word or phrase serves only to illustrate or emphasize any of the provisions of this Agreement such word or phrase is not to be construed, or to take effect, as limiting the generality of such provision;
- 2.7 any reference to a recital, sub-paragraph, paragraph, sub-clause, clause or party is to the relevant recital, sub-paragraph, paragraph, sub-clause, clause or party of, or to, this Agreement and any reference to this Agreement or any of the provisions hereof includes all variations, amendments, modifications, supplements, substitution and replacement made to this Agreement from time to time in force;
- 2.8 any reference to a statutory provision includes any modification, consolidation or reenactment thereof for the time being in force, and all statutory instruments or orders made pursuant thereto;
- 2.9 any reference to “pay”, or cognate expressions, includes payments made in cash or by way of bank drafts or electronic transfer or effected through inter-bank transfers to the account of the payee, giving the payee access to immediately available, freely transferable, cleared funds whether or not in Ringgit Malaysia and the expression “Ringgit Malaysia” and the abbreviation “RM” mean the lawful currency of Malaysia;
- 2.10 any reference to a “day”, “week”, “month” or “year” is to that day, week, month or year in accordance with the Gregorian calendar;

- 2.11 if any period of time is specified from a given day, or the day of a given act or event, it is to be calculated exclusive of that day and if any period of time falls on a day, which is not a Market Day then that period is to be deemed to only expire on the next Market Day;
- 2.12 words denoting an obligation on a party to do any act, matter or thing includes an obligation to procure that it be done and words placing a party under a restriction include an obligation not to permit infringement of the restriction;
- 2.13 no rule of construction or interpretation shall apply as against the party preparing this Agreement; and
- 2.14 the headings are inserted for convenience only, have no legal effect and shall not affect the construction of this Agreement.

3. COMPLIANCE WITH LAWS AND GUIDELINES

- 3.1 The Client shall abide by The Rules, all laws, by-laws, regulations, rules, orders, directives, notices, requests prescribed by any regulators or any government agency (whether or not having the force of law) in any jurisdiction relating to:
- (a) the operation of the Client's Account(s) and to the client's Trading Activities;
 - (b) the provision of YSM's services and/or facilities; and
 - (c) to all matters related to the transactions contemplated herein.
- 3.2 The Client agrees to comply with all policies, procedures, guidelines, rules, directives and/or instructions of whatsoever nature presently and from time to time issued, given, made and/or established by YSM.

4. OPENING OF CLIENT'S ACCOUNT(S)

- 4.1 On the Client's request, YSM agrees:
- (a) to open Client's Account(s) for the purpose of obtaining services provided by YSM for Trading Activities; and
 - (b) to maintain a Client's Account in respect of the account(s) of the Client opened and maintained/to be opened or maintained with YSM for purpose of providing services in respect of Trading Activities and/or Clearing Services in accordance with the provisions of this Agreement.
- 4.2 YSM acknowledges that in reliance of the particulars, information and declaration in the Application Form and in consideration of agreeing to open any applicable account and/or continue to allow the Client to operate the accounts or in agreeing to the Client utilising any of the facilities and/or services provided YSM at the Client's costs and expenses, the Client hereby authorises YSM to carry out any and all necessary acts to accomplish the trade, purchase, sale, transfer, close-out, allocation and acceptance or make delivery of underlying instrument and/or any activities in relation to the Client's Account(s) subject to the terms and conditions herein.
- 4.3 All Assets deposited with YSM by the Client, or received by YSM for, or on behalf of, the Client, shall be segregated by YSM and paid into the Client's segregated account.

5. CONFIRMATION BY THE CLIENT

The Client agrees, acknowledges its awareness, states, undertakes, consents to and confirms that:

- (a) the Client has read and reviewed declarations attached hereto as in Section 4.2 and forming an integral part of this Agreement ("Declarations"). Where necessary, the Client has sought explanation, clarification and/or has sought other professional advice and the Client fully understands the nature and contents of the Declarations and agrees to be bound by the same;
- (b) the Client has considered his/her own objectives, financial situation, needs and the risks involved and has formed the opinion that Trading Activities are suitable for him/her and hereby acknowledges his/her awareness that Trading Activities involves/carries the risk of loss as well as the prospect of profit;
- (c) in respect of trading in Derivatives, the provision of Clearing Services may create an obligation to give or take delivery of an underlying instrument or make a cash adjustment/payment in accordance with the terms of the relevant derivatives;
- (d) any benefit or right accruing to YSM in relation to its dealings with Bursa Companies or in relation to any registration of a Derivatives with the Clearing House and/or the provision of the Clearing Services is personal YSM and need not be passed by YSM to the Client;
- (e) in relation to any trades on any Foreign Exchanges, or trade conducted on any Derivatives Market by YSM and all Derivatives registered by the Clearing House, and/or in relation to any transaction arising from the provision of the Clearing Services the Client has no rights whether by way of subrogation or otherwise against any person or company other than YSM; and

- (f) YSM, in trading in Derivatives as the Client's agent, shall be entitled to transmit funds and receive funds in respect of the Derivatives notwithstanding that YSM is not providing the Clearing Service.
- (g) YSM is authorized and permitted by the Client to invest part or all of Client's Monies in deposit(s) with a licensed bank in Malaysia or short term money market instruments of financial institution(s) or deposit as Margin with Bursa Companies and/or foreign jurisdiction (for Foreign Derivatives), and collectively to be known as "Permitted Investments"
- (h) YSM is authorised and permitted by the Client to deal with the interest income and/or profit derived from the Permitted Investments, if any, in any of the following manner(s) and which YSM will notify the Client via periodic statements/statements of accounts and/or YSM's official website : (i) to deduct therefrom the relevant fees and expenses incurred from such Permitted Investment, (ii) to deduct therefrom the administrative fee and/or other charges imposed by YSM, (iii) to retain and keep for YSM's benefit all or part of the said interest income and/or profit, and for this purpose, YSM shall be authorized to deduct such sum therefrom, and/or (iv) to return the balance of the said interest income and/or profit, if any, to the Client's Account.
- (i) Unless otherwise agreed between the Client and YSM, the prevailing interest/profit rates shall be applicable only if there is minimum available cash balance of RM50,000 in Client's Account at all times.
- (j) The interest/profit rate shall be prevailing rate quoted by Clearing House less administration fee of 1.00%, subject always to any taxes as may be applicable under the provisions of Malaysia Law.

6. INSTRUCTIONS

- 6.1 YSM:
- (a) reserves the absolute right to refuse to act on the instructions of the Client and/or on instructions on the Client's behalf where applicable, if in its absolute opinion, there are grounds for doing so and shall not be bound to furnish the Client with any reason thereto; and
 - (b) any refusal by YSM under the terms abovementioned shall be without prejudice to any other rights and powers of YSM under this Agreement or otherwise.
- 6.2 The Client's instructions to YSM in respect of any Trading Activities shall be valid only for the day on which the instructions are given unless otherwise agreed between the Client and YSM. The execution of the Client's order and/or instructions shall be executed upon the DR's receipt of the Client's order and/or instructions.
- 6.3 Whilst YSM will use its reasonable endeavours to execute or arrange the execution of the Client's instructions in relation to Trading Activities and/or the Clearing Services, YSM shall not be responsible howsoever for any delays in the transmission or execution of orders.
- 6.4 The Client hereby irrevocably and unconditionally authorises YSM to act on and/or accept all instructions, communications and/or orders given, made or issued by the Client's Authorised Person notwithstanding that such instructions, communications and/or orders may have been given without the Client's authority through any mode of communication whatsoever (including without limitation in person, telephone, facsimile, telex, cable, post, electronic mail through the use of Access Codes on the Electronic Trading) to a DR authorised by YSM, employee, officer, and/or agent of YSM. The Client agrees not to withdraw, cancel, vary or revoke any of such instructions or orders when such instruction or order has been acted upon or accepted by any DR, employee, officer, or agent of YSM
- 6.5 YSM shall be entitled, at its respective discretion but not obliged to, accept instructions believed by it to have emanated from the Client or the Client's Authorised Person(s) and, if YSM acts in good faith on such instructions, such instructions shall be binding on the Client. Further, YSM shall not be liable for doing so, whether or not the instructions were given by the Client or the Client's Authorised Person(s) and YSM shall not be under any duty to verify the identity of the person(s) giving those instructions or the accuracy or truth of such instructions.
- 6.6 The Client accepts and acknowledges that the Client's instructions or orders shall not be taken to have been received, executed, fulfilled or matched by YSM until confirmation has been given to the Client. In the event of dispute, the official records of YSM shall, in the absence of manifest error, be final, conclusive and binding on the parties hereto for all purposes, including legal proceedings. Confirmation by any DR (whether verbal or written) of YSM shall not be regarded as official confirmation by YSM.
- 6.7 The Client shall forthwith inform YSM in writing of any changes to the Client's Authorised Person(s) to transact, act, give any instructions or communications and/or orders on his behalf. Until and unless such change is notified and the notice of which has been duly received by YSM, YSM shall be entitled to accept instructions, communications and/or orders given, notwithstanding the fact that such Client's Authorised Person(s) may have been cancelled or revoked by the Client.

7. OPERATION OF CLIENT'S ACCOUNT(S)

7.1 The Client hereby irrevocably and unconditionally authorises YSM at its sole and absolute discretion, without notice or reference to the Client, to the extent permitted by law:

- (a) debit any of the Client's Account(s) in respect of any Indebtedness;
- (b) suspend or close any of the Client's Account(s) with or without giving any reasons whatsoever;
- (c) offset, assign, hypothecate, close-out or otherwise deal with any Derivatives, or any Client's Account(s) with a credit balance, including cash, foreign currencies or securities, held on margin accounts or such securities pledged/charged (whether legally or equitably) as collateral or such other form of collateral. The Client hereby further authorises, YSM to utilise part or all of any monies as may be held by YSM under any trust relating to Client's Monies (including monies paid into the trust account pursuant to Section 111 of the CMSA) to set-off the debit balance in any of the Client's Account(s);
- (d) set off or utilise part or all of any monies as may be held by YSM or any of the Clearing Participant or Authorised Third Party in the Client's Account(s) towards settlement of the Indebtedness or any part thereof;
- (e) withhold or reject the transfer of Derivatives for or under any of the relevant account(s) for which the Client have remitted payment until cleared funds have been received by YSM as the case may be;
- (f) suspend or freeze the account and/or any services granted to the Client if YSM believes that the Client and/or the Client's Account(s) are involved in suspicious activities and/or unlawful activities; and
- (g) place the Client's name on a defaulter's list with any of the Authorities pursuant to any of The Rules as applicable.

7.2 The Client agrees that all the Client's Account(s) and Derivatives therein or any part thereof will be subject to conditions imposed or to be imposed by YSM including without limitation, credit limits, position limits, price limits and/or order limits imposed on the Trading Activities of the Client and/or the limits imposed on the DR assigned to the Client and/or RM conversion limit for settlement or payment purposes.

In the event that the outstanding position or sums owed by the Client to YSM exceeds/breaches the conditions and/or exceeds the limits imposed, the Client will not dispute it and accepts the indulgence granted to the Client. In the event the limits imposed on the Client are breached at any time, the Client shall take all steps necessary to rectify the position and to ensure that it is within the allowed limits. In the event that the Client fails to do so, YSM shall, and is hereby authorised to take such steps as is necessary to ensure that the Client remains within the permitted limits, without liability to YSM in respect of any losses thereby sustained by the Client.

7.3 As trading in any Derivatives involves risk, the Client agrees that YSM shall have the right at any time to limit Trading Activities by the Client. The Client agrees that YSM shall not be liable for any loss (actual or contingent) arising from any limit on Trading Activities by the Client.

7.4 The Client authorises and empowers the DR assigned and/or appointed to handle any of the Client's Account(s) to carry out the following functions in the name of all transactions effected in the Client's Account(s) at the Client's sole risk. The Client acknowledges, accepts, consents to and hereby assumes all inherent risk relating to the Trading Activities and liabilities associated as necessary risks in trading in the relevant foreign jurisdiction. This includes the credit risk of any third party appointed by YSM for the provision of services contemplates herein for and on behalf of the Client to:

- (a) collect from YSM cheques, monies and/or any other form of payment in respect of monies payable by YSM to the Client;
- (b) to deliver to YSM receipt of payments for Derivatives transacted by the Client through YSM;
- (c) carry out all and any other matters (administrative or otherwise) relating to the Client's Account(s); and
- (d) to request for withdrawal of the Client's Monies on behalf of the Client and to enquire on and receive statement of the Client's Account(s) maintained with YSM.

7.5 In consideration of YSM acknowledging the authorisation given by the Client to the DR as set out in Clause 7.4, the Client agrees to the following:

- (a) the Client will not make any claims against YSM and YSM shall not be held liable or responsible for any loss/damage howsoever and whatsoever arising from all and any matters relating to the authorisation given therein; and
- (b) the Client declares that the authorisation therein being given for valuable consideration shall be valid until written revocation is given by the Client to YSM and such notice of revocation is duly acknowledged by any of YSM's authorised officer.

8. REPRESENTATIONS, WARRANTIES AND UNDERTAKING

The Client hereby warrants and undertakes to YSM that:

- (a) in the case of a Client who is an individual:
 - i) the Client is legally capable of validly entering into and performing this Agreement and that he is of sound mind and legal competence and is not a bankrupt; and
 - ii) the Client is trading in his/her own account and does not do so as nominee or trustee for any other person and there exists no arrangements whereby any other person has or will have any beneficial interest in this Agreement or any Derivatives made pursuant hereto.
- (b) in the case of a Client which is a corporation:
 - i) the Client is a company duly incorporated and is validly existing under the laws of the country of its incorporation and in every other country where it is carrying on business;
 - ii) this Agreement has been validly authorised by the appropriate corporate action of the Client and when executed and delivered will constitute legal, valid and binding obligations of the Client in accordance with the terms herein;
 - iii) the certified true copies of the Client's certificate of incorporation or registration, charter, statute or memorandum and articles or other instrument constituting or defining its constitutions and the board resolution of the Client delivered to YSM are true and accurate and still in full force; and
 - iv) no steps have been taken or are being taken to appoint a receiver and/or manager or liquidator over the assets of, or to wind up, the Client;
- (c) except as is otherwise provided in or required in this Agreement the Client is the sole beneficial owner of the Assets with full right and power to deal with the Assets free from encumbrances, lien, charge, security interest or other restrictions of any kind;
- (d) the Client shall promptly pay all fees and all other charges payable by the Client for and in relation to the services and/or facilities provided by YSM.
- (e) the Client shall ensure that all records and information furnished by the Client to YSM for the purposes of this Agreement are not false or misleading and that there are no material omissions from it; and
- (f) the Client shall promptly disclose to YSM from time to time all such information and circumstances relating to the Client which by reason of any dealings or transactions entered into or to be or which may be entered into by YSM in accordance to this Agreement will or is likely to give rise to any contravention by YSM or the Client of any law.

9. ELECTRONIC TRADING

- 9.1 The provisions set out in this Clause 9 relating to Trading Activities shall be applicable and are in addition to and without prejudice to the generality of the other terms and conditions herein contained, in the event the Client utilises the Electronic Trading.
- 9.2 YSM shall be entitled, at any time and from time to time without notice and without assigning any reason therefore and without in any way being liable for any loss or damage whatsoever to the Client to:
- (a) amend, modify, suspend or terminate the operation or the Client's access or use of the Electronic Trading;
 - (b) de-activate the Access Codes; or
 - (c) to reject or cancel any orders if in its absolute discretion there are grounds for doing so.
- 9.3 The Client hereby agrees, undertakes and warrants at all times:
- 9.3.1 to keep strictly confidential:
- i) the Access Codes; and
 - ii) all Information.
- 9.3.2 to destroy the notification or acknowledgement issued for the Access Codes immediately upon the Client's validation and completion of registration of the Client's access to the Electronic Trading and the Client's Account(s) with YSM;
- 9.3.3 to regularly change the password(s) and/or any other Access Codes that are permitted to be changed, and in any event not less than once every month or such other interval of period of time as may be notified by YSM as the case may be;

- 9.3.4 to immediately notify YSM if the Client suspects that the confidentiality of the Access Codes has been compromised or if any of the account(s) have been accessed or used without his authority;
- 9.3.5 to forthwith notify YSM of any inaccurate confirmation or of any failure to receive an appropriate response that an order initiated by the Client through the Electronic Trading has been received, executed, fulfilled and/or matched;
- 9.3.6 not at any time to copy, reproduce, disclose, distribute, re-transmit, disseminate, sell, publish, broadcast or exploit (whether for commercial benefit or otherwise) the Information, in whole or in part, in any manner whatsoever to any other person and not cause, suffer or permit to be done any of the foregoing;
- 9.3.7 at its/their own cost and expenses to acquire and maintain such hardware and other equipment as shall be necessary to enable the Client to access and use the Electronic Trading;
- 9.3.8 upon suspension or termination of any of the relevant account(s) to forthwith cease the use of and immediately return the Information to YSM and/or dispose in such manner as YSM may direct all Information in whatever form or media, including copies thereof or derivations therefrom howsoever constituted in the Client's possession, custody or control; and
- 9.3.9 the Client accepts and acknowledges that all intellectual property rights (whether by way of copyright or otherwise) in the Information and reports generated on the Electronic Trading vest solely in and shall remain the exclusive property of YSM and other third parties, as the case may be. The Client agrees and undertakes not to do anything that will violate or infringe intellectual property rights of YSM or other third parties and will take all necessary measures to preserve and protect these rights.
- 9.4 The Client hereby agrees and undertakes to use the Electronic Trading strictly in accordance with the terms and conditions set out in this Agreement and shall procure that no person shall:
- (a) gain unauthorised access to or make unauthorised use of the Electronic Trading;
 - (b) tamper with, make any additions, modifications, adjustments or alterations to, or corrupt, any of the Information or any services available on the Electronic Trading;
 - (c) use any Software, Access Codes and/or equipment in a manner inconsistent with the terms and conditions of this Agreement;
 - (d) permit any equipment or software to be linked to or communicate in any manner or be used in connection with any other database, time-sharing or other system, computer bureau, data or telecommunication service or any other service or word-processing system or information distribution network whereby the Information, material or data obtained from the Electronic Trading may be accessed, used, stored or re-distributed by or through such other equipment or software; and
 - (e) the Client shall upon the suspension or termination of the relevant account(s) and/or the Electronic Trading immediately return the Software to YSM and/or dispose of the same in such manner as YSM may direct.
- 9.5 The Client hereby irrevocably authorises and consents YSM to make enquiries and/or extract the Client's Account(s)' balances for the purpose of generating and displaying the Client's stock portfolio via Electronic Trading.
- 9.6 The Client acknowledges that electronic trading facilities and system shall be provided to the Client on "as is as available basis" by YSM.
- 9.7 The Client acknowledges that YSM, the Authorities and any other regulatory bodies shall have the right to audit and inspect the personal computer or terminal operated by the Client in relation to the Electronic Trading as and when they shall deem fit and for such purpose thereof, YSM, Authorities, such other regulatory bodies and their officers, servants and/or agents respectively shall have the right at all reasonable times to enter the Client's premises to carry out such audit and inspection.
- 9.8 The Client shall not treat any Information on the Electronic Trading as representing advice from YSM and YSM makes no warranty or representation, express or implied as to the Information on the Electronic Trading as to its accuracy, completeness or otherwise. The availability of any Information on the Electronic Trading shall not be taken as an inducement to the Client, or be relied upon by the Client, to undertake any transaction and the Client shall at all times rely on its own assessment of the Information and the merits of any proposed transaction.
- 9.9 Any information made available to the Client for the purpose of any transaction on the Electronic Trading shall not constitute an offer to engage in any Trading Activities nor shall such information form the basis of, or be relied on, in connection with any contract.
- 9.10 Any instructions or orders received by YSM, whether or not through YSM or through the use of the Access Codes on the Electronic Trading shall be deemed to have been given by the Client notwithstanding that it may have been given by a third party without the Client's authority.

- 9.11 Any acknowledgement of receipt of instructions or orders from the Client through the Electronic Trading shall be deemed conclusive as to the fact that such instructions or orders were received by YSM or Bursa Derivatives and/or the Foreign Exchanges (as the case may be), at the time when an acknowledgement is sent or on the date and at the time specified in such acknowledgement and that the contents of such instructions or orders were in the same form and substance as they were received and such instructions or orders may be relied and acted upon by YSM, Exchange Company and/or the Foreign Exchanges without further reference to or verification from the Client.
- 9.12 The Client shall be deemed to have received and shall be bound by any notification or acknowledgement given by YSM or by Bursa Derivatives and/or the Foreign Exchanges on the Electronic Trading concerning the carrying out or execution of the Client's instructions or orders notwithstanding that such notification or acknowledgement may not actually have been received by the Client.
- 9.13 The Client covenants to observe the trading conditions imposed or to be imposed by YSM on the Client from time to time, including without limitation credit limits, order limits, position limits or price limits imposed on the trading activities of the Client. In the event the trading limits imposed on the Client are breached at any time, the Client shall take all steps necessary to rectify the position and to ensure that it is within the allowed limits. In the event that the Client fails to do so, YSM shall, and is hereby authorised to take such steps as is necessary to ensure that the Client remains within the permitted trading limits, without liability to the Client in respect of any losses thereby sustained.
- 9.14 The Client agrees and acknowledges that it shall be solely responsible for ensuring the accuracy and completeness of the Client's instructions or orders. Any instructions or orders transmitted through the Electronic Trading shall be irrevocable.
- 9.15 The Client hereby agrees and undertakes to maintain a minimum credit balance in its Client's Account(s) as may be imposed by YSM from time to time for the use of the Electronic Trading.
- 9.16 The Client hereby warrants to YSM that the Client, and all persons authorised by the Client to use the Electronic Trading on its behalf have knowledge of:
- (a) the process for submission of orders using the Electronic Trading, including through the use of the DMA infrastructure; and
 - (b) the relevant laws and regulations and all other relevant rules, regulations, guidelines and requirements of The Rules and YSM's policy, procedures, guidelines, rules, directives and/or instructions of whatsoever nature presently and from time to time issued, given, made and/or established by YSM in relation to trading the Derivatives Market (collectively, the "Requirements"), the Client acknowledges that YSM has agreed to permit the use of the Electronic Trading by the Client on the basis of and in reliance upon these warranties.
- 9.17 The Client shall, when requested by YSM and/or the Authorities (as the case may be), furnish to YSM and/or the Authorities its written confirmation (the "said Confirmation") that it, and its authorised persons, has requisite knowledge of the Requirements, such said Confirmation to be in a format acceptable to YSM and/or the Authorities.
- 9.18 The Client undertakes to promptly notify YSM in the event that the warranties in this clause and the said Confirmation become untrue, and authorises YSM to inform the Authorities that the said Confirmation has become untrue. The Client is aware and agrees that in such circumstances, YSM may suspend and/or revoke the use of the Electronic Trading by the Client.
- 9.19 The Client will be responsible for obtaining and maintaining its own compatible computer system being all such equipment, software and communications lines including any public lines and/or all relevant licenses required by the Client to properly access the Electronic Trading ("the Client's Equipment"). YSM shall have no responsibility or liability with respect to the Client's Equipment and/or in the event that such installation of the Client's Equipment affects the performance of the Electronic Trading howsoever risen.
- 9.20 YSM shall not be responsible if changes in any of YSM's facilities, operations, procedures relating to the Electronic Trading:
- (a) renders obsolete the Client's Equipment or software;
 - (b) require modification or alteration to the Client's Equipment or software; or
 - (c) otherwise affect performance of the Client's Equipment or software.
- 9.21 YSM will use reasonable endeavours to maintain internet presence for the trades. YSM however cannot guarantee continuous, uninterrupted use during trading hours, especially where YSM must carry out routine maintenance, repairs, reconfigurations or upgrades and in circumstances beyond its control.
- 9.22 Further, the Client acknowledges that neither YSM nor any other party has any control over the internet, the Electronic Trading will not be error free, uninterrupted and will be variable and there cannot be any assurance that Communications will remain confidential and intact.
- 9.23 The Client acknowledges and agrees that:

- (a) the Communications may be accessible through software, platform, portal or infrastructure (including DMA infrastructure) proprietary or licensed to YSM and/or in the operation, possession, control or maintenance by YSM and/or independent third party vendors or independent third party service providers;
- (b) there are/will be pre-set mandatory risk filters imposed by Bursa Derivatives and/or YSM from time to time. YSM has the discretion to impose new risk pre-set mandatory risk filters from time to time (including but not limited to filters in respect of cash positions, order limits, positions limit, trading permissions, price limit and manipulation) for the validation of DMA orders ("Specified Parameters for DMA Orders"). Thus, the Specified Parameters for DMA Orders may be amended by YSM from time to time without prior notice. Should the Client's breach any of the terms of the said Specified Parameters for DMA Orders, YSM shall have the right to reject and/or cancel the relevant order;
- (c) YSM has the discretion and right to reject or cancel any DMA order if in its absolute discretion there are grounds for doing so and shall not be bound to furnish the Client with any reason thereto;
- (d) the Client is required to log off from the Electronic Trading when no longer in use, failing which YSM shall exercise its discretion to log off access automatically after a predetermined time as set by YSM without any prior warning or notice. YSM shall not be responsible for any loss, claims or damages incurred arising from such termination of access and logging off; and
- (e) the Authorities or any other regulatory bodies may from time to time impose guidelines, directives or other directions and limitations on the use of Electronic Trading and the Client undertake to comply with the terms of all such guidelines, directives or directions and limitations, insofar as the same may be applicable to the Client, to act in such a way so as not to cause YSM to be in breach or likely to be in breach or default of the said guidelines, directives or other directions and limitations. The Client agrees that YSM shall be entitled to impose the same or similar limitations or variations to the use by the Client of the Electronic Trading, as that imposed on YSM by the Authorities and any other regulatory bodies from time to time.

9.24 In the event Electronic Trading relates to any third party independent vendor or any corporation related to YSM ("Third Party"):

- (a) Communication relating to any access through software or infrastructure which are proprietary or in the possession or control of any Third Party, the Client consents to YSM's disclosure to the Third Party on a need to know and confidential basis of any information and/or documents pertaining to the securities or the conduct of the Client's Account(s);
- (b) where the provision of such Communication is subject to the Third Party's terms and conditions or restrictions, the Client is to at all times comply with such terms and conditions or restrictions as may be communicated to the Client from time to time; and
- (c) YSM makes no representation or warranty, express or implied or statutory of any kind or manner in respect of any of the Third Party's software or services, and shall not be liable for any claim or demand howsoever arising from or relating to thereto.

9.25 With regards to Electronic Trading for Foreign Derivatives, the Client irrevocably and unconditionally acknowledge, undertake and agree to abide by the following:

- (a) The Client shall be fully liable for the usage and operations of the electronic trading facilities and system granted to the Client, including all transactions done for the Client's Account(s). The Client undertakes to fully indemnify and hold harmless YSM in accordance with the terms of this Agreement; and
- (b) Disruptions in the electronic trading facilities and system or failure, interruption, or downtime of the computer hardware, communication lines and data network, power failures could disrupt trading which may result in the Client's inability to place buy or sell orders or orders not executed according to the Client's instructions or not executed at all.

10. FOREIGN DERIVATIVES TRADING ON FOREIGN EXCHANGES

10.1 Where YSM holds and administers Foreign Derivatives to facilitate the Client's trading in the Foreign Exchanges and/or open, maintain or administer any Client's Account(s) in relation thereto, the following additional terms and conditions shall apply without prejudice to the generality of the other terms and conditions.

10.2 The Client's order to trade in and/or Foreign Derivatives or Foreign Exchanges shall be given to his DR authorised by YSM.

10.3 The Client hereby acknowledges and agrees that where the Client's order to trade Foreign Derivatives on Foreign Exchanges is given to his/her DR authorized by YSM, YSM shall not be responsible for ensuring the best execution of transactions on the Client's behalf. The Client shall in any event accept and be bound by dealings transacted for and on behalf of the Client.

- 10.4 For any withdrawal of monies from foreign trust accounts maintained with YSM's Authorised Third Parties, YSM will in its best endeavour pay the monies into the Client's Account(s) within two (2) Market Days after the monies are received by YSM. The Client hereby acknowledges that its trust monies held in foreign jurisdictions are subject to applicable laws and regulation of the foreign jurisdiction and may expose the Client to additional risks. The Client shall ensure that the Client fully understands and accept the risks surrounding the treatment of trust monies held by YSM's Authorised Third Party in foreign currency.
- 10.5 Upon trading of the Foreign Derivatives, the required margins must be paid in full.
- 10.6 The provisions of Clauses 10.2, 10.3, and 10.4 shall apply, where applicable, to YSM and/or YSM's Authorised Third Party in respect of any securities held in any of the Client's Account(s) and/or Foreign Accounts opened and maintained for and on behalf of the Client.
- 10.7 Transactions on Foreign Exchanges in other jurisdictions may expose the Client to additional risks. Before entering into such transactions, the Client shall ensure that the Client understands the risks, laws, taxes and rules relevant to the particular transactions. The potential profit or loss from such transactions or in foreign currency denominated securities may also be affected by, among other factors, fluctuation in foreign exchange rates. YSM is not liable for any loss which the Client suffers as a result of:
- (a) conversion of an amount to or from Ringgit Malaysia; or
 - (b) the timing of the conversion.
- 10.8 YSM does not warrant to the Client that YSM will have access to all market information, rights and terms related to Foreign Derivatives. The Client further agrees that YSM is not liable for any losses incurred by the Client by reason of any act, omission, fraud or negligence of YSM's Authorised Third Party or in relation to the holding of or YSM dealing with Foreign Derivatives. In the unlikely event of insolvency of YSM's Authorised Third Party, YSM does not guarantee the recovery of the Foreign Derivatives, monies or funds representing the value of the Foreign Derivatives. The Client's Foreign Derivatives, monies or funds received or held in foreign jurisdictions are subject to the applicable laws and regulations (including tax laws) of the relevant foreign jurisdictions and the Client fully understands and accepts the risks surrounding the treatment of securities and monies in the relevant foreign jurisdictions prior to trading in Foreign Derivatives.
- 10.9 All Foreign Derivatives transactions for the Client's Account(s), including the electronic trading facilities and systems shall be made in accordance with this Agreement, all applicable foreign statutes, laws and regulations governing Foreign Derivatives transactions including without limitation the rules, regulations and directives of the foreign exchange regulators and/or authorities, Foreign Exchanges, foreign central depositories, foreign tax authorities and other foreign regulators and authorities, and the terms and conditions of any agreement executed and/or to be executed between YSM and YSM's Authorised Third Party and as amended and substituted from time to time.
- 10.10 The Client understands that YSM does not provide 24-hours dealing desk, or customer service helpdesk to the Client. Due to different time zones applicable to trading in Foreign Derivatives, there may be delays in relevant quotes and executions of orders through YSM's Authorised Third Party or the Client's instructions may not be received by YSM on time or executed in a timely manner. YSM is not liable to the Client for any loss incurred by the Client as a result thereof.
- 10.11 Where the Client instructs YSM to effect transactions related to Foreign Derivatives, the details required to the transaction (including information relating to those involved in the said transaction) may be sent or received from abroad, where it could be accessible (whether directly or indirectly) by YSM's Authorised Third Party locally or abroad, overseas regulators and/or enforcement authorities in connection with their legitimate duties (e.g. the prevention of crime). In instructing YSM and YSM's Authorised Third Party to enter into transactions related to Foreign Derivatives on the Client's behalf, the Client agrees to the above said disclosures on behalf of the Client and others involved in the transactions related to Foreign Derivatives.
- 10.12 YSM may vary the Client's trading limit to trade in Foreign Derivatives as determined by YSM, subject always to the investment limits by the FEA and rules and regulations issued by applicable foreign authorities for the Foreign Derivatives.

11. INVESTMENT DECISIONS

- 11.1 The Client agrees and understands that any investment advice, suggestions, or recommendations so given or made by DR, employees, officers or agents shall be deemed to have been made by the DR, employee, officer or agent concerned in his individual capacity. YSM shall have no liability or responsibility whatsoever in respect of any losses suffered or incurred by the Client as a result of or arising from such advice, suggestions, recommendations or information.
- 11.2 The Client further acknowledges and agrees, in relation to any information (including Information on the Electronic Trading), documents, recommendations or advice received by the Client either directly or indirectly from YSM and/or their respective DR, employee, officer and/or agent that:
- (a) no representation or warranty is made by YSM as to its accuracy, completeness or correctness;
 - (b) any opinion expressed therein are subject to change without notice;

- (c) any recommendation contained therein does not have regard to the specific investment objectives, financial situation or the particular needs of the Client or any other recipient of the recommendation;
 - (d) shall not constitute an offer to engage in any Trading Activities; and
 - (e) all such information, documents, recommendations and/or advice are for general information only and shall not be taken as an inducement or be relied upon by the Client to undertake any transaction.
- 11.3 YSM is not acting as an investment manager or investment advisor to the Client. The Client shall at all times rely on its own assessment of the Information and the merits of any proposed transaction.
- 11.4 The provision of the services by YSM does not constitute as trustee and there shall be no trust arising from the terms and conditions herein.

12. CURRENCY AND FOREIGN EXCHANGE RISKS

- 12.1 The Client agrees and understands generally all transactions and monetary obligations relating to any Client's Account(s) and/or relating to the provision of the securities herein and all accruals any of the account(s) shall be in RM unless otherwise agreed by YSM as the case may be.
- 12.2 Should YSM agree to the transactions in the Client's Account(s) and/or accruals in the Client's Account(s) to be received in a foreign currency, such transactions and/or accruals shall be converted to RM at such rate of exchange as may be decided by YSM.
- 12.3 For the purposes of transactions relating non-RM Derivatives and/or relating to foreign currency and/or should the Client be a non-resident, the Client declares that the Client shall comply with BNM, FEA and all relevant rules and regulations issued by BNM which are applicable to the Client.
- 12.4 The Client further agrees and acknowledges that the following terms and conditions shall apply in respect of transactions relating to non-RM Derivatives that are to be settled in RM:
- 12.4.1 that the statements and representation made in the Client's Declaration (included as in Section 42 of this Agreement) remains true and accurate at all material times. The Client shall notify YSM upon any changes of the statements as and when it occurs; and
- 12.4.2 that YSM shall be entitled:
- (a) at any time to withhold or suspend settlement or trading in RM should the Client exceed the applicable conversion limit imposed by the FEA;
 - (b) to request for further documents or declaration prior to the acceptance of the trade or withhold or suspend taking any actions in respect thereof until receipt of such documents and declaration to its satisfaction;
 - (c) to demand payment and settlement in the original currency of the non-RM Derivatives (instead of in RM despite the Client's request or instructions) should the Client be in excess of the applicable limit imposed by the FEA. Further should the Client fail, neglect and/or ignore such demand, YSM is hereby authorised to retain, apply or sell or otherwise dispose such non-RM-Derivatives and deal with the proceeds in such manner as it may deem fit; and/or
 - (d) to terminate the Agreement or any part thereof in the event of the Client's misrepresentation and/or breach of the terms and obligations set out in the Client's Declaration (included as in Section 42 of this Agreement) or if the Client breaches any terms or obligations imposed by the FEA.
- 12.5 YSM may be required to buy or sell foreign currency and the exchange rate which shall apply is the exchange rate applicable at the time the Client's money is exchanged by YSM, YSM's bankers and/or YSM's Authorised Third Party, or the Clearing House and at which the Client's money (or a sum which YSM determines represents the same) is actually exchanged, unless otherwise agreed in writing between the parties.
- 12.6 The Client acknowledges its awareness of and agrees as follows:
- 12.6.1 without derogation from any right of action, claim, demand, right, power or otherwise of YSM under this Agreement or otherwise, the Client agrees to compensate and fully and effectively indemnify YSM against any loss, damage, cost or expense arising, suffered or incurred in or as a consequence (whether direct, necessary or incidental) of entering into any such foreign exchange or other contract or effecting such currency conversion; and
- 12.6.2 for the purposes of transactions relating to Derivatives and/or accruals in the Client's Account(s) to be received in foreign currency, the Client hereby:
- (a) consents to such transactions and/or accruals be converted to RM at such rate of exchange and at such time as may be decided solely by YSM; and

(b) agrees, acknowledges and aware that the Client may be exposed to multiple foreign currency conversion or exchange risk at any time.

12.7 The provisions of Clause 12 herein are in addition to and without prejudice to the generality of the other terms and conditions contained in this Agreement.

13. APPOINTMENT OF YSM'S AUTHORISED THIRD PARTY

13.1 The Client consents and accepts risks in dealing with the Foreign Derivatives and liabilities associated as necessary risk in dealing in foreign jurisdiction. This includes the credit risk of any of YSM's Authorised Third Party for the provision of services contemplated herein for and on behalf of the Client or risk that where such Assets if are required to be returned, retransferred or redelivered to the Client, the Assets need not be the ones originally deposited transferred, delivered or charged.

13.2 Without limiting any of the provisions above, YSM shall have the right to appoint any other YSM's Authorised Third Party in connection with the performance of their respective services and facilities herein including but not limited to be able to use or participate in market infrastructures and any clearing system used in connection with transactions relating to Derivatives and the Client hereby consents to such appointments to enable such parties to be vested with the same authority empowered in YSM as the case may be.

13.3 YSM shall act in good faith in the selection and continued appointment of YSM's Authorised Third Party but shall otherwise have no responsibility for the selection, appointment or performance by YSM's Authorised Third Party and shall not be liable for any loss, damages, costs or expenses incurred in relation to the appointment of YSM's Authorised Third Party.

13.4 The Client hereby acknowledges and agrees that where YSM uses YSM's Authorised Third Party, they may have to respectively accept sole and principal responsibility to the said third party, (notwithstanding that as between the Client and YSM, YSM is in fact acting solely as the agent and/or for the benefit of the Client).

13.5 The Client acknowledges that the performance of YSM's services is subjected and also governed by the terms and conditions and internal policies of YSM's Authorised Third Party. The Client further authorises and consents YSM, to deal with and hypothecate the Client's Monies and/or the securities and/or the Charged Assets in such manner and terms as may be required by YSM's Authorised Third Party for the provision of services contemplated herein and where required to be able to deal with the Client's Monies and/or the securities and/or the Charged Assets as if YSM are the owner of the securities and/or the monies.

13.6 The Client acknowledges and consents in some circumstances, the Client's Monies, securities deposited and credited with YSM's Authorised Third Party and/or under YSM's Authorised Third Party's possession and control may be subjected to the security, charges or lien that may be imposed by YSM's Authorised Third Party in respect of liabilities, indemnities, claims, costs and expenses incurred in the provision of the services contemplated herein for and on behalf of the Client.

13.7 The Client further understands and agrees that YSM's performance of the terms and conditions and their provision of the services herein is subject to The Rules (where applicable) that exist in the country in which any securities are held and/or customs and/or internal policies of YSM. YSM may do or cause to be done any act or thing in compliance with its duties and obligations under The Rules and/or YSM's Authorised Third Party's terms and conditions or to prevent or remedy breach of the application of the aforementioned laws and terms and conditions.

13.8 The Client hereby agrees that YSM shall not be liable for any loss, damages, costs or expenses incurred in relation to the aforementioned limitations and conditions imposed by or arising from The Rules (where applicable) and/or YSM's Authorised Third Party's terms and conditions and shall indemnify and hold harmless, YSM against any and all acts and things taken and done by them as may be necessary, desirable or expedient to ensure that YSM will not be in default of its said principal obligation to the relevant YSM's Authorised Third Party.

13.9 The Rules (as applicable) and the rules and procedures of YSM and of YSM's Authorised Third Party shall be deemed to be incorporated by reference into this Agreement and the Client and YSM are bound by the rules and procedures of YSM and of YSM's Authorised Third Party, the provisions of The Rules, customs, usages and practices of the Derivatives Market, Bursa Derivatives, the Clearing House and without affecting the proper law of this Agreement, in the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the CMSA and The Rules, the provisions of The Rules shall prevail.

14. RECORDING OF CONVERSATIONS

14.1 The Client hereby acknowledges and agrees that the Client's conversations with YSM may be recorded by YSM.

14.2 YSM agrees to make available to the Client to any recording of conversations, if any, in the event of a dispute or anticipated dispute with respect to the Client's Trading Activities. The Client hereby agrees that it shall bear all costs incurred in relation thereto.

15. ACTING AS PRINCIPAL AND MONEY LAUNDERING

15.1 The Client hereby warrants to YSM that:

- (a) unless and until notified to the contrary in writing, the Client is the underlying principal of all the Client's Account(s) and shall remain at all times the sole, ultimate and absolute beneficial owner of all the Derivatives and is the party entitled to all rights, title and interest in and to the Derivatives that are held in all the relevant accounts; and
- (b) all monies which will be paid to YSM shall come from a lawful source of activity and not unlawful activities as defined under AMLA.

15.2 On notification that the Client is an intermediary for other persons and in such event, YSM shall have the sole and absolute discretion on whether to agree to accept the Client acting as such:

- (a) in any event, as between YSM and the Client, the Client shall be the sole and principal party to this Agreement and not as agent or trustee for any beneficiary;
- (b) YSM may require, and the Client agrees and undertakes to provide, verification of the identity of the beneficiary and such other documents or information as YSM may require and copies of such documents may thereafter be retained by YSM;
- (c) the Client further declares and certifies that the necessary "know-your-client" checks have been conducted including but not limited to the identity, existence, address and nature of the business of the beneficiary, it being confirmed by the Client that the funds are from a lawful source of activity and not unlawful activity as defined under AMLA; and
- (d) it is further hereby clearly agreed and understood that the provision of details of the Client's beneficiary shall not make the Client's beneficiary a client of YSM and YSM shall be entitled at all times to hold the Client as the principal.

15.3 Notwithstanding Clause 16.1 hereof, the Client hereby agrees and undertakes irrevocably and unconditionally that:

- (a) the Client shall advise YSM forthwith in writing of any change to the particulars of this Agreement and in the Application Form;
- (b) pending receipt of information/document by YSM from the Client and until received and verified thereof to the satisfaction of YSM and/or the relevant authorities, YSM shall neither be obliged to proceed with any transactions nor place any Assets given by the Client and which is already in the possession of YSM and YSM be entitled (and authorised) to retain the Assets for the time being; any Assets requested to be returned to the Client shall be returned to the Client after YSM receives satisfactory clearance from the relevant authorities; and
- (c) in no event shall YSM be liable for any direct, indirect, consequential or any losses whatsoever or howsoever arising or by reason of YSM's exercise of its duties under the laws for the time being in force, in particular but not limited to its statutory duties under AMLA.

16. NOTICES

16.1 Any notice or communication to be served by one party on the other (including legal process) pursuant to this Agreement shall be in writing and addressed to the last known address, electronic communication or facsimile number of the other party (as the case may be) as the recipient may have notified to the other party in writing or (in the case of notices or communication by YSM) through YSM's official website or such other means as YSM may designate from time to time and shall be deemed to be the proof of receipt:-

- (a) if posted, on the third (3rd) Market Days after posting;
- (b) if delivered by hand, at the time of delivery;
- (c) in the case of any electronic communication, at the time it is sent unless the sender receives an automated message that the email has not been delivered;
- (d) in the case of facsimile transmission, at the time of transmission to the party's last known facsimile number, or earlier if acknowledged by the receiving party or received the transmission result by the sender.

16.2 Any dispute on the accuracy of the information stated in any notice or communication served upon or given to the Client must be communicated in writing to any of YSM's authorised officer within five (5) Market Days from the date of the said notice or communication failing which, such notice or communication shall be deemed to be correct and accurate. The Client agrees that YSM reserves the absolute right to make any adjustment to the contents of any notice or communication sent arising from any technical or typographical error.

16.3 The Client shall forthwith notify YSM in writing of changes to any of the Client's addresses including without limitation the Client's correspondence and electronic mail addresses. Should the Client fail to notify YSM or should YSM fail to receive the Client's notification, any notice or communication issued or sent by YSM (as the case may be) to the address last known shall be deemed properly sent, transmitted, delivered or served on the Client.

- 16.4 Without prejudice to the generality of Clause 16.1 herein, any demand for payment or service of any legal process may be made or effected by prepaid registered or ordinary post addressed to the Client at the Client's address specified herein or at the Client's last known address/place of business and such demand or legal process shall be deemed to have been duly served on the third (3rd) Market Day following that on which it was posted, notwithstanding that the said demand or legal process may subsequently be returned undelivered by the postal authorities.
- 16.5 In respect to any statement of account (contract note, contra note, daily activity statement, statement of account, monthly statement) unless otherwise stated, shall be delivered to the Client's email address registered with YSM. The Client agrees that the statement of account shall be deemed to have been served and received by the Client even if the email was not successfully transmitted for reasons not attributable to YSM.
- 16.6 In the event YSM is unable to send out any statement, the Client agrees that YSM may adopt alternatives modes of delivery which are deemed appropriate by YSM, including via post or facsimile transmission.

17. EVENTS OF DEFAULT

- 17.1 Each of the following shall be an Event of Default, whether it is within or beyond the control of any party to this Agreement:
- (a) failure on the part of the Client to observe or perform any of the terms and conditions or breach or non-compliance of any provision of this Agreement (including undertakings, covenant or declaration);
 - (b) failure on the part of the Client to pay any sum of any kind or nature whatsoever (whether actual or contingent);
 - (c) any misrepresentation or warranty or declaration given or made by the Client which proves to be incorrect or misleading or inaccurate;
 - (d) if any provision contained in this Agreement becomes, for any reason whatsoever, invalid or unenforceable;
 - (e) an encumbrancer takes possession of, or a trustee or administrator or other receiver or similar officer is appointed in respect of, all or any part of the business or assets of the Client;
 - (f) the Client becomes or is declared insolvent or is deemed unable to pay its debts within the meaning of Section 218(2) of the Companies Act or any analogous events in any jurisdiction or becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its creditors;
 - (g) there is a petition for the winding up of the Client or if the Client goes into liquidation whether compulsory or voluntary (except for the purpose of reconstruction, amalgamation or other similar purpose not involving the realisation of assets) or suffers its goods to be taken in execution or becomes insolvent or compounds with or makes similar arrangement with its creditors or does any act frustrating its ability to fulfil its obligations under this Agreement;
 - (h) the Client convenes a meeting of its creditors or proposes or makes any arrangement or composition with, or any assignment for the benefit of its creditors, or a petition is presented or a meeting is convened for the purpose of considering a resolution for the winding-up of, or other steps are taken for making of an administration order against the Client (other than for the purpose of reconstruction);
 - (i) the Client, being an individual, becomes or is adjudged or declared bankrupt or commits an act of bankruptcy or has a bankruptcy petition presented (or any analogous event) against him in any court of competent jurisdiction, or dies or becomes insane;
 - (j) any legal proceedings, suit or action is instituted against the Client or any judgment or order is made against the Client, which is in the opinion of YSM could or would have a material adverse effect on the Client, or distress or any form of execution is levied or instituted against any of the assets of the Client;
 - (k) any governmental authority or any person or entity acting or purporting to act under any governmental authority shall have taken any action in order to condemn, seize, appropriate or assume custody or control of the Client, or all or any substantial part of its assets or to curtail its authority in the overall conduct of its business or operations;
 - (l) if an event or events has or have occurred or a situation exists or arises which in the opinion of YSM may or will affect the ability of the Client to duly perform or observe any of its other obligations in this Agreement or any part thereof;
 - (m) a material adverse change in the financial condition of the Client or in all or any part of the affairs, investments, business or operations of the Client that has in YSM's opinion occurred, or any event occurs or circumstances arise which in YSM's opinion gives reasonable grounds for believing that the Client may not be able to perform or observe any one or more its obligations in this Agreement or any part thereof;
 - (n) in the absence of the Client making alternative arrangements satisfactory to YSM prior thereto, the Client is not at any time contactable by YSM for twenty-four (24) hours, in order for YSM to obtain instructions;

- (o) the Client breaches or threatens to breach any other agreement, arrangement or understanding, whether enforceable or not, between the Client and YSM or any related companies of YSM in connection with Trading Activities and/or with the Clearing Services;
- (p) the circumstances of the Client are such that a reasonably prudent broker would be of the view that the Client is, would be or is likely to be unable to comply with all of the Client's obligations under this Agreement, including, without limitation, strict compliance with or observance of any provisions of The Rules;
- (q) any loans, credit facilities, guarantee, indemnity or other obligation whatsoever constituting indebtedness by the Client becomes due prior to its scheduled maturity (by demand or otherwise) or if the Client is in breach or in default of any agreement, deed or mortgage pursuant to which such indebtedness was created, incurred or assumed;
- (r) any of the authorisations, approvals or board resolutions required by the Client to enter into and perform the terms of this Agreement or any of the Client's Derivatives being wholly or partly revoked, withdrawn, suspended or expiring and not being renewed or otherwise failing to remain in full force and effect;
- (s) YSM is aware or made aware of any adverse information or development of the Client or any of its related companies which materially affects the financial position of the Client;
- (t) a breach by the Client of the rules, regulations, guidelines or other directions and limitations imposed by the Authorities from time to time;
- (u) any guarantee of or security for the Client's obligations hereunder is withdrawn without the consent of YSM or becomes or is found to be defective or insufficient;
- (v) the Client fails to make or take delivery of any offset when required under Derivatives;
- (w) the Client fails to renew any guarantees and/or security or replace the same with other acceptable and equivalent security/collateral and/or fails to deliver to YSM the renewed/replacement guarantees and/or security not later than fourteen (14) days before the expiration of the said guarantees and/or security; and
- (x) the Clearing Participant to whom Derivatives are allocated by the Client does not accept the allocation or where YSM being appointed the Clearing Participant exercises its discretion and does not accept allocation and/or proceeds with the Clearing Services.

17.2 If an Event of Default shall occur or be continuing, YSM shall have the absolute discretion to do any one or more of the following:

- (a) suspend and/or close any or all of the account(s) and/or terminate or determine all the services and facilities provided or any part thereof;
- (b) demand full payment of all Indebtedness from the Client; or
- (c) sell or dispose in any manner as YSM in its/their sole discretion deem fit all securities held in any of the account(s), and the Charged Assets and apply the net proceeds of any sale or disposal towards settlement of all monies owing to YSM, as the case may be;

then and at any time thereafter, YSM shall be entitled in its absolute discretion to the extent permitted by law and without prejudice to any other powers available to it and with reasonable notice to the Client to do any one or more or all of the following on such terms and conditions as YSM thinks fit:

- 17.2.1 take such other action to protect any obligation to satisfy any liabilities incurred when trading on behalf of the Client and/or clearing for and on behalf of the Client;
- 17.2.2 liquidate any Charged Assets lodged with YSM and to apply the proceeds of such sale or dealing by way of set off to satisfy any liability of the Client to YSM;
- 17.2.3 place the Client's name to any defaulter's list or other applicable lists maintained by the Authorities or any other authority as and when YSM deems appropriate without prior notice to the Client;
- 17.2.4 exercise any other power or right which it may have under this Agreement or in law or equity or otherwise whatsoever; or
- 17.2.5 terminate this Agreement forthwith without affecting any existing obligations or liabilities prior to such termination.
- 17.2.6 close out part or all of the Client's Derivatives;
- 17.2.7 close out, cancel, exercise or abandon part or all of any Derivatives not yet exercised; and
- 17.2.8 cover Derivatives positions by entering into further Derivatives.

17.3 The costs, expenses and charges of YSM when exercising any of the powers conferred in Clause 17.2 above shall be met by the Client and may be recovered by YSM as a debt immediately due and payable by the Client to YSM, together with interest in respect of any unpaid amount required to be paid under this Agreement (including, without limitation, any amount due as a result of the Client's Derivatives being sold/closed out) at a rate of twelve percent (12%) per annum or such other rate as may be notified from time to time by YSM, and such interest shall accrue and be calculated from the date when the amount was due (irrespective of any grace period) to the date of its final payment in full.

18. TERMINATION

18.1 Without affecting any existing obligations or liabilities herein, either party may terminate this Agreement at any time by giving the other party fourteen (14) days' notice in writing to that effect and unless otherwise agreed to in writing.

18.2 In this regard, all Derivatives at that time in existence shall be closed out, exercised, transferred or abandoned by YSM as soon as is reasonably practicable thereafter provided that upon the giving of such notice by the Client, YSM shall close out, transfer or abandon (as the case may be) such Derivatives and/or exercise any options not yet exercised at such time, in such manner, and at such price as YSM in its discretion thinks fit.

18.3 Any termination of the Agreement or any part thereof (with or without cause) and any withdrawals of Charged Assets, whether or not following termination, shall be without prejudice to the right of YSM to settle any transactions entered into or to settle any liability incurred on behalf of the Client prior to termination at the discretion of YSM. YSM shall only be entitled to cancel any unexecuted instructions. The Client shall remain liable for all resulting cost and expenses incurred.

18.4 Without prejudice to the generality of the foregoing provisions, YSM may terminate this Agreement and close the Client's Account(s) forthwith in the event there is no activity in the trading account for a period that YSM deem appropriate to close the account, whether in respect of the use of Electronic Trading and/or in relation to Trading Activities generally. A notice will be given to the Client prior to the closing of the account requesting a response from the Client failing which YSM will proceed accordingly. For the avoidance of doubt, a Client's Account(s) shall be deemed to have no activity:

- (a) in respect of Derivatives: two (2) years from the last date of any transaction; or
- (b) any other period of time as YSM may decide.

18.5 Termination shall not release either party from liability for any breach (antecedent or subsequent) of any of the terms of this Agreement or any obligations under this Agreement which remains unfulfilled or executory at the time of termination.

19. LIMITATION OF LIABILITY

19.1 YSM and its respective employees, shareholders and its agents shall not be answerable or liable whatsoever for all and any loss, damage, expense, liability, cost or claim whatsoever and howsoever caused or arising including but not limited to:

- (a) any failure, downtime, crash, breakdown or malfunction of or defects, bugs or glitches in any software, computer system (including the Electronic Trading and the Software) or electronic or mechanical or telecommunication equipment of YSM, the Bursa Companies or the Foreign Exchanges, any telecommunication network operator, any internet service provider or any operator, vendor, supplier or provider of any Communications used by YSM (whether resulting in the Client's inability to place an order for trading or otherwise);
- (b) any telecommunication or interconnection defects, faults or problems, system crashes, software errors or defects, operator errors, sabotage or unlawful access, any loss or unauthorised use of the Access Codes, any unauthorised use of or access to the Electronic Trading;
- (c) any delay in the execution of the Client's instructions, any delay, fault, failure or loss of access to or unavailability of the Electronic Trading or orders due to any reason whatsoever including without limitation due to inefficiency, failure, refusal or neglect on the part of the DR assigned to the Client or any errors in the transmission of the Client's instructions or orders through the Electronic Trading;
- (d) any direct, indirect, consequential or incidental loss (including but not limited to loss of profits, trading and other losses) arising out of or in connection with YSM's failure, neglect, refusal or omission to carry out or execute any order or instruction given by the Client;
- (e) any direct, indirect, consequential or incidental loss (including but not limited to loss of profits, trading and other losses) arising out of or in connection with the exercise or execution of any power, right, privilege and remedy conferred on YSM in this Agreement or law provided or available;
- (f) any action by any regulatory authorities in any jurisdiction whether or not in the exercise of their regulatory or supervisory functions over YSM;
- (g) any losses, delays or claims over any securities accepted for registration on the Client's behalf or for any payment in respect of securities sold by the Client or for delivery of certificates or documents of titles of securities purchased by

the Client in the event that the Client has authorised its DR or any other person to collect payments, transfer deeds and certificates or documents of titles of securities on the Client's behalf from YSM;

- (h) any and all decisions made by the Client in respect of purchase or sale of securities, or the abstinence therefrom;
- (i) any misinterpretation of any information provided by YSM relating to a transaction entered into or proposed to be entered into by the Client or YSM pursuant to this Agreement;
- (j) misinterpretation of any information, directions or instructions which the Client, any Client's Authorised Person, or any person purporting to act on behalf of the Client may have given or claim to have given to YSM in relation to any transaction;
- (k) the nonperformance of its obligations hereunder by reason of any cause beyond YSM's control, including, without limitation, transmission or computer delays, strikes and similar industrial action or the failure of any of the Clearing Participant, the Bursa Companies and/or the Foreign Exchanges to perform its obligations;
- (l) any advice, forecast, opinion or statement of intention to the Client in relation to price movements or positions or the likely or possible profitability of any transaction;
- (m) any breach by the Client in connection with its obligations to YSM or the terms of this Agreement;
- (n) any action or failure by YSM to place or activate a stop loss order;
- (o) any breach of the CMSA and/or The Rules by the Client, the Client's Authorised Person or any person purporting to act on behalf of the Client;
- (p) any errors in the transmission of the Client's instructions or orders through the Electronic Trading;
- (q) any delay in paying the proceeds or monies from the sales of Derivatives into the Client's Account(s) due to unforeseeable circumstances; or
- (r) any decision made by the Client in respect of the trading herein.

19.2 The maximum aggregate liability of YSM against any claims howsoever arising out of or relating to this Agreement or any services or facilities provided by YSM under this Agreement will in any event be absolutely limited to the direct damages actually incurred by the Client up to the aggregate amount of commission paid by the Client in the financial year of YSM when the claim(s) is made.

20. STATEMENT & CERTIFICATES

- 20.1 All or any statement/statement of accounts or certificate by YSM as to any fact, matter and/or Indebtedness shall, in the absence of manifest error, be final, conclusive in respect of the contents therein and binding on the parties hereto for all purposes, including legal proceedings.
- 20.2 Notwithstanding the foregoing, YSM shall be entitled at any time to correct any discrepancy, error and/or mistakes in the statements.

21. COSTS AND EXPENSES

- 21.1 The costs of and incidental to this Agreement including stamp duty shall be borne and paid by the Client.
- 21.2 The Client agrees:
 - (a) to pay all Indebtedness;
 - (b) upon the notice from YSM, to pay to YSM's Authorised Third Party and/or reimburse them respectively for all other costs and expenses incurred for and on the Client's behalf;
 - (c) in respect of trading in Foreign Derivatives, the Client shall additionally pay a prescribed fee per contract, as may be determined from time to time at the discretion of YSM;
 - (d) to pay interest for late payment at YSM's prevailing rate or such rate as may be determined by YSM, on all Indebtedness, outstanding contracts and on any debit balance in the relevant Client's Account(s) from the date the amount is due until full settlement thereof. Such interest rates to be subject to change by YSM from time to time;
 - (e) to pay all commission and/or fees in respect of Trading Activities at such rate and in such amount as prescribed by Bursa Derivatives from time to time as well as any other fee charged or levied by Bursa Derivatives and/or the Clearing House or in the absence of such prescription, at such rates as may be notified by YSM to the Client from time to time;

- (f) to bear all transaction costs which include but not limited to brokerage, both foreign and local, stamp duty, clearing fees, levy, commission, value added taxes, withholding taxes and any other charges, fees or costs charged by YSM's Authorised Third Party;
- (g) in carrying out the instructions of the Client, where YSM instructs a YSM's Authorised Third Party, YSM may share the commission or such other amounts relating to the transaction with such persons in such manner as YSM thinks fit;
- (h) to make payment on the due date and time for any required Margin in Derivatives purchased on the Client's behalf regardless whether these Derivatives are suspended from trading subsequent upon such transaction;
- (i) to pay any deposit, subscription fees, access fees, usage charges, taxes or other costs charged or levied at such rate whether imposed by law or otherwise, as may be notified by YSM to the Client from time to time in respect for, relating and incidental to the provision of Clearing Services or Electronic Trading or any services rendered herein;
- (j) to pay all stamp, transaction, registration and similar taxes and duties (including fines and penalties) and all costs, expenses and fees (including legal fees) which may be payable or determined to be payable in connection with the execution, delivery, performance or enforcement of this Agreement or any transactions;
- (k) with regard to Derivatives Trading, to pay all amounts payable as a result of making or taking delivery of any underlying instrument, or making a cash adjustment in accordance with the terms of the Derivatives or any Derivatives of any Specified Exchanges; and
- (l) with regard to Derivatives Trading, the Client shall pay YSM interest for late payment at a rate as determined by YSM from time to time on any Margin Call amount outstanding from the day of the trade, commissions, fees, any charges and/or any other expenses or costs incurred in relation to the Derivatives and/or on any debit balance in the Client's Account(s) until full settlement thereof, such interest rate to be subject to change by YSM from time to time without prior notice to the Client.

21.3 All payments and/or reimbursements shall, unless otherwise determined by YSM, be in RM and/or acceptable foreign currencies.

21.4 The Client acknowledges and agrees that the transactions in the Client's Account(s) may be subject to its respective handling fees and/or other service charges imposed by YSM from time to time.

21.5 The Client is forewarned not to part with the deposit slip or copies of the same to any third party, failing which YSM is not liable to the Client for any monies which are claimed by third parties as deposit in favour of them.

21.6 In the event the Client fails to provide adequate and clear particulars with regards to the nature and purpose of any of its payment referred to in Clauses 21.3, 21.4, and 21.5 above, YSM shall be absolutely entitled to apply the payment(s) in such manner as it may in its absolute discretion deem fit.

22. PAYMENT BY CLIENT

22.1 All payments in any form whatsoever shall be made in favour of YSM. In making payments in the form of cheque or banker's draft, the Client shall state clearly on the reverse side of the cheque/draft the Client's name, the relevant account(s) number and nature of the payment, e.g. contract number, quantity and name of derivatives and such particulars as may be necessary to allow the identification of the purpose for which the payment is made. YSM shall not be held liable for any cheque(s)/draft(s) that may be lost, misplaced or misappropriated if such cheque(s)/draft(s) had been given by the Client to any employee, officer, DR or any of YSM's Authorised Third Party.

22.2 In making payments by way of telegraphic transfer or by way of direct deposit of monies into YSM account or to such other designated account as may be requested by YSM, it shall be the responsibility of the Client to ensure that adequate and timeous notice is given to YSM regarding the effecting of such payment and such notification shall include the telegraphic transfer confirmation slip, the bank-in slip, the Client's name, the relevant account(s) number and nature of the payment, e.g. contract number, quantity and name of derivatives, and such particulars as may be necessary to allow the identification of the purpose for which the payment is made. YSM shall not be held liable for any payment effected by way of telegraphic transfer or direct deposit of monies into YSM account that may be erroneously credited into a third party's account or unaccounted for.

22.3 In making payments online or by any other mode of payment that may be made available to the Client from time to time, the Client shall comply with any further terms and conditions, instructions or requests for information as required. It shall be the responsibility of the Client at all times to ensure that information required to effect such payment shall be accurately provided to YSM, failing which, it shall be the responsibility of the Client to ensure that YSM is provided with the necessary details to effect such payment. YSM shall not be held liable for any errors howsoever and whatsoever occurring and/or any payment effected online or by any other mode of payment that may be erroneously credited into a third party's account or unaccounted for.

23. INTEREST

- 23.1 YSM will not pay any interest on the Client's Monies or other monies received by or held on the Client's behalf unless agreed to by YSM.
- 23.2 The Client shall pay YSM interest for late payment at twelve percent (12%) per annum or at any rate determined by YSM on any Indebtedness from the day of the transaction/amount incurred, commissions, fees, YSM charges and/or any other expenses or costs until full settlement thereof, such interest rate to be subject to change by YSM from time to time without prior notice to the Client.

24. NO WAIVER AND CUMULATIVE RIGHTS

- 24.1 No failure or delay on the part of YSM in exercising nor any omission to exercise any right herein upon any default on the part of the Client, shall impair any such right, power, privilege or remedy or be construed as a waiver thereof or an acquiescence in such default nor shall any action by YSM in respect of any default or any acquiescence in any such default, affect or impair any of their respective rights, powers, privileges or remedies in respect of any other subsequent default.
- 24.2 The rights and remedies provided by this Agreement are cumulative and are not exclusive of any rights or remedies of the parties provided at law.

25. CHANGES TO THE AGREEMENT

- 25.1 YSM shall be entitled at any time and from time to time to vary, amend, add, review, supplement, substitute or replace all or any of the terms and conditions of this Agreement by way of notification to the extent as is applicable and relevant to them respectively through:
- (a) display of the amended Agreement in YSM and/or its respective branches; or
 - (b) uploading the amended Agreement in website of YSM and/or YSM Group.
- 25.2 The Client agrees that YSM may provide notice of the amendment of the Agreement, The Rules, notice or any document through any one/more of the following means:
- (a) notice in the notice board/any conspicuous section of YSM's office and branches;
 - (b) notice in YSM's Website;
 - (c) notice in the periodic statement of account sent to the Client;
 - (d) notice in the e-mail to the Client; and/or
 - (e) notice by any other means as YSM deems fit.
- 25.3 Such changes shall take effect from the date specified in the notice. The notice shall be given in the manner provided herein and the Agreement shall be deemed to have been so varied, amended, added, supplemented, substituted and replaced accordingly and shall be read and construed as if the changes had been incorporated and formed part of the Agreement.
- 25.4 No change to the Agreement shall bind YSM unless agreed to in writing by YSM respectively to the extent that the terms are applicable and relevant to them.
- 25.5 In the event the Client continues to maintain and/or operate the Client's Account(s) fourteen (14) days after the notice of any amendment to the Agreement, the Client shall be deemed to have accepted the amendments to the Agreement.

26. FORCE MAJEURE

- 26.1 YSM shall not be liable to the Client for any partial performance, delay in performance or non-performance of any of its obligations under the Agreement or any part thereof or any other agreement with the Client by reason of any cause beyond YSM's control including but not limited to any act of force majeure, breakdown or failure of transmission, communication or computer facilities, strike or other industrial action, expropriation, currency restrictions, the failure of any exchange, market or clearing house or the failure of any relevant correspondent or other agent for any reason to perform its obligations, war, nationalisation terrorism, insurrection, revolution hostilities, riot, civil commotion, requisition by any government or regional or local authority or any agency thereof, or any law, regulation, edict, executive order or mandate of any such body or any act of God, fire, flood, frost, storm or explosion.
- 26.2 The Client agrees that any and all securities documents, assets and/or other property hereafter deposited with or held by YSM, whether held by themselves, or YSM's Authorised Third Parties, are at the Client's sole risk as regards to loss, destruction or damage.

27. RECONSTRUCTION & SUCCESSORS IN TITLE

27.1 The rights and obligations created by this Agreement shall continue to be valid and binding for all purposes whatsoever notwithstanding any change by amalgamation reconstruction or otherwise which may be made in the constitution of YSM or of any company by which the business of YSM may for the time being be carried on shall be binding upon and inure for the benefit of YSM's, successors-in-title or permitted assigns, as the case may be.

27.2 This Agreement shall bind the Client's heirs, personal representatives, successors-in-title and permitted assigns.

28. SEVERABILITY

Any term, condition, stipulation, provision, covenant or undertaking in this Agreement which is illegal, void, prohibited or unenforceable for any reason whatsoever shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation, provision, covenant or undertaking herein contained.

29. ASSIGNABILITY

The Client shall not assign or transfer all or any part of its respective rights in this Agreement or delegate its performance in this Agreement without the prior written approval of YSM, and any assignment, transfer or delegation which is made without such prior written approval shall constitute a breach on the part of the Client. The Client hereby consents to and YSM is permitted to assign or transfer all or any the rights and obligations under this Agreement.

30. TIME SHALL BE OF THE ESSENCE

Time wherever mentioned shall be of the essence of this Agreement.

31. DISCLOSURE OF INFORMATION

31.1 The Client agrees and consents that the information and/or documents given in the Application Form and any other information pertaining to the securities and/or to the conduct of all the Client's Account(s) may be made available to YSM's agents or YSM's advisors, YSM's Authorised Third Parties, the companies related to YSM, in so far as such information is necessary for the provision of the services or facilities herein, compliance with The Rules, compliance with the Authorities and any regulatory, governmental authorities of Malaysia and outside of Malaysia and to any courts of competent jurisdiction or any other party as YSM shall deem fit and/or as required by any law, regulation or directive, whether or not having the force of law.

31.2 The Client further agrees to disclose and furnish to YSM any information required or deemed necessary and to the satisfaction of YSM in a timely manner within the period specified by YSM, whether or not for purposes of complying with The Rules or any directions given, request made or policies established by YSM.

31.3 The Client provides consent to YSM to disclose to the extent it is necessary, information and documents relating to the Client, the Client's Account(s) and the Client's conduct and affairs in respect of the Client's Account(s) to/for:

- a) next of kin of a deceased Client/the solicitors acting for the next of kin intending to apply for a court order for a deceased Client;
- (b) the administrator/executor/beneficiary of a deceased Client who had applied for a court order in respect of the deceased Client and to the solicitors acting for them;
- (c) solicitors acting for any party who had obtained court order in respect of the Client/Client's Account(s);
- (d) the legal proceedings between YSM and the Client;
- (e) legal proceedings between YSM and any third party in respect of the Client/Client's Account(s) pursuant to any subpoena issued by courts in Malaysia to YSM;
- (f) official assignees of a bankrupt Client;
- (g) any party for the fulfilment and completion of the transactions requested by the Client or contemplated under this Agreement;
- (h) YSM's business partners, service providers and outsourced service providers, where any of the services are outsourced to such outsourced service providers;
- (i) any party which in the future may express intention to acquire any interest/shareholding in YSM pursuant to any proposed arrangement, composition, merger, acquisition/restructuring between YSM and such parties;

- (j) external professional advisors, consultants, insurers of insurance policy procured by YSM and loss adjusters appointed by the said insurers, insurer's reinsurers, and insurance brokers of YSM, as may be required for the proper performance of their functions, duties and obligations to YSM;
- (k) any third party, as required or permitted under any applicable law;
- (l) any person(s) authorised or appointed by the Client to give instructions to YSM and/or on the Client's behalf such as the Client's agents, accountants, auditors, lawyers, financial advisers, brokers and intermediaries; and
- (m) any person(s) connected to the enforcement or preservation of any of YSM's rights or transferring the rights, interests and obligations under this Agreement.

31.4 The Client further agrees and consents to disclose and furnish to YSM any information required or deemed necessary and to the satisfaction of YSM in a timely manner within the period specified by YSM, whether or not for purposes of complying with any rules and regulations of Bursa Derivatives or Foreign Exchanges or any directions given, request made or policies established by YSM.

31.5 This clause shall survive the termination of this Agreement between YSM and the Client.

32. PRIVACY AND PERSONAL DATA HANDLING

32.1 Where the Client is a corporation, the Client hereby irrevocably consents, represents, authorises and confirms that it has duly obtained its directors, shareholders, authorised signatories, officers, guarantors and/or other security parties' consent and authority to:

- (a) provide the information required by YSM for use in accordance with this Agreement;
- (b) carry out the necessary reference checks including but not limited to credit reference checks to further ascertain the status of the Client, its directors, shareholders, guarantors and/or other security parties; and

at YSM's sole discretion, without further reference to the Client, its directors, shareholders, authorised signatories, officers, guarantors and/or other security parties. The Client agrees to undertake the responsibility to update YSM in writing should there be any change to the personal and financial information relating to the said directors, shareholders, authorised signatories, officers, guarantors and/or other security parties.

32.2 Where the Client is an individual, the Client confirms that he/she has read, understood and agreed to be bound by the privacy notice of, and the clauses therein, as may relate to the processing of his/her personal information. For the avoidance of doubt, the Client agrees that the said privacy notice shall be deemed to be incorporated by reference into this Agreement.

32.3 The Client acknowledges that in opening of Client's Account(s) with YSM, the Client's personal information will be sent to Bursa Derivatives for clearing purposes. The Client therefore hereby acknowledges that the Client is notified of personal data notice issued by Bursa Derivatives, which is available at Bursa Malaysia's website, www.bursamalaysia.com.

32.4 In the event the Client provides personal and/or financial information relating to third parties, including information relating to his next of kin and dependents (for individual Clients), for the purpose of opening or operating the Client's Account(s) with YSM;

- (a) the Client confirms that he has obtained their consent or is entitled to provide the information to YSM for YSM to use it in accordance with this Agreement;
- (b) the Client shall ensure that the personal and/or financial information of the said third party is accurate;
- (c) the Client agrees to update YSM in writing in the event of any material change to the said personal and financial information; and
- (d) the Client acknowledges YSM's right to terminate the Client's Account(s) should such consent be withdrawn by any of the said third parties.

32.4.1 The Client hereby consents to the processing of all the particulars/personal data given herein by YSM and when necessary, YSM may disclose the particulars/personal data if the disclosure is for the purpose of processing the online trading application, including any subsequent transactions that are related to it, or for a purpose directly related to the purpose aforesaid, to a third party whom YSM contracts with to enable YSM to provide such services related to the same purpose. The Client shall be given access to his/her particulars/personal data held by YSM and to be able to correct those particulars if those particulars are found to be inaccurate, incomplete, misleading or not up-to-date.

32.5 Where the Client instructs YSM to effect any sort of cross-border transaction, the relevant details of such transactions (including information relating to those involved in the said transaction) may be received or sent abroad, where it could be accessible in connection with their legitimate duties (e.g. the prevention of crime). In instructing YSM and/or its agents to

enter into any cross-border transaction on the Client's behalf, the Client agrees to the abovementioned disclosures on behalf of the Client and others involved in the said cross border transaction.

32.6 The Client consents to YSM disclosing relevant personal data and/or credit information of the Client to any credit reporting agency and authorises YSM to receive the Client's credit report from the credit reporting agency. The Client agrees that such disclosure of information and obtaining of credit reports can be performed by YSM at any time during and/or after the cessation of relationship between YSM and the Client, including when there is any default/outstanding amount due to YSM from the Client.

32.7 YSM may communicate with the Client through various channels, including telephone, email, electronic/mobile messaging, facsimile or post, using the contact information the Client has provided.

32.8 The Client may inform YSM at any time if the Client does not wish to receive marketing communication from YSM at the various channels given below:

Phone : (603) 2161 2002
Fax : (603) 2181 1662
Email : support@yutaka-shoji.com.my
Post : Level 21, Tower 2, Etiqa Twins, 11 Jalan Pinang,
50450 Kuala Lumpur, Malaysia

32.9 The Client's latest written instructions to YSM will prevail. The Client acknowledges that certain communication such as the statements of the Client's Account(s) to the Client, contract notes sent to the Client and YSM's Website may contain standard information regarding other products and services of YSM that cannot be removed without affecting the delivery/operation of the Client's Account(s) and/or without additional costs to the Client.

32.10 YSM may use a credit reporting agency to help make decisions in the following instances (not exhaustive):

- (a) check details on applications for the Client's Account(s), credit and credit related or other facilities granted to the Client;
- (b) managing and reviewing the Client's Account(s); and/or
- (c) recover debts owed by the Client.

32.11 The Client will be linked by credit reporting agencies to any other names the Client used or may have used, and any joint and several applicants. YSM may also share information about the Client and how the Client manages the Client's Account(s) with relevant credit reporting agencies.

32.12 Even after the Client provides YSM with such information, the Client will have the option to withdraw any consent given earlier. In such instances, YSM will have the right to discontinue the operation of the Client's Account(s) that is/are linked with such information.

32.13 YSM reserves the right to amend this clause from time to time at YSM's sole discretion by providing notice to the Client.

32.14 This clause shall be without prejudice to Clause 31 (Disclosure of Information).

33. TAXES

33.1 YSM may withhold any monies held or received by YSM and may thereafter apply monies in satisfaction of any taxes, levies, charges, assessments, deductions, withholding and related liabilities imposed for transactions made or executed in any manner arising from any trading held in the Client's Account(s). The Client shall remain liable for any deficiency.

33.2 Unless expressly stated otherwise in this Agreement, the Client agrees that any fee, price, value, revenue, commission, brokerage, cost, charges or similar amount to be used in the calculation of the fee is exclusive of any taxes as may be applicable under the provisions of Malaysia Law.

33.3 If any supply made under or in connection with this Agreement is subject to any taxes, YSM may increase the consideration provided for by the amount of the taxes and recover that additional amount from the Client in addition to the fee.

34. EMPLOYEES PROTECTED

Every exemption from liability, defence or immunity available to YSM shall also be available to and extend to protect every one of its employees, agents and/or representatives.

35. NON-EXCLUSIVITY

Nothing herein shall prevent:

- (a) YSM or any of their respective subsidiary or associate company from acting in any other capacity whatsoever for any other company or body or persons on such terms as it may arrange and YSM shall not be deemed to be affected with notice of or to be under any duty to disclose to Client any act or thing which may come to their knowledge or any such subsidiary or associate or any of their servants or agents on the course of so doing or in any manner whatsoever; or
- (b) YSM or any subsidiary or associate of YSM from contracting or entering into any financial, banking, commercial, advisory or other transaction with any company or body any of whose shares, stocks or bonds shall for the time being form part of the securities held for and on behalf of the Client or from being interested in any such contract or transaction and neither YSM nor any such subsidiary or associate shall be liable to account the Client for any profits or benefits made or derived by or in connection with any such contract transaction or dealing.

36. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of Malaysia and the parties hereby irrevocably agree to submit to the non-exclusive jurisdiction of the Courts of Malaysia, and waive any objection to any legal actions or proceedings arising out of or in connection with this Agreement in any such court on the grounds of venue or on the grounds that such action or proceedings have been brought in an inconvenient forum.

37. EXECUTION OF ORDERS AND CLEARING OF DERIVATIVES

- 37.1 The Client hereby appoints YSM as the Clearing Participant in respect of all Derivatives entered into by the Client, which are required to be allocated and cleared through a Clearing House duly appointed by Bursa Derivatives and/or YSM's Authorised Third Party.
- 37.2 Whenever the Client wishes to request for a Clearing Participant other than YSM to accept the allocation of Derivatives, the request shall be made to YSM during the trading hours of Bursa Derivatives and within the cut-off time prescribed by Clearing House, as the case may be. If such Clearing Participant refuses to accept the allocation, YSM may, in its absolute discretion, pursue any of its rights and remedies set out in this Agreement, YSM shall have the absolute discretion to refuse the Client's request without furnishing any reason whatsoever.
- 37.3 Further in respect of the Clearing Services, YSM reserves the right to at any time refuse to accept allocation under the Derivatives and/or refuse to provide any Clearing Services and the exercise of such right shall take immediate effect.

38. SETTLEMENT

- 38.1 The Client agrees and undertakes to satisfy all obligations under the Derivatives and to deliver the underlying instrument in accordance with the prescribed time as determined by YSM and/or YSM's Authorised Third Party and/or as established under the rules of Bursa Derivatives. In the event the Client fails to deliver, the Client hereby authorises and designates YSM or YSM's Authorised Third Party to act on the Client's behalf to satisfy all the Client's obligations under the Derivatives howsoever YSM deems necessary to protect YSM's interest.
- 38.2 If the Derivatives has a call or a put option, the Client shall be required to purchase the underlying instrument at the exercise price or settlement price upon receipt of a notice of assignment. The Client agrees to satisfy all obligations and pays the exercise price and including all fees, charges and costs incurred at the prescribed time as determined by YSM and/or YSM's Authorised Third Party and/or as established under The Rules and/or Specified Exchanges' Rules. In the event the Client fails to purchase, the Client authorises and designates YSM or YSM's Authorised Third Party to liquidate the underlying instrument. The Client understands that the Client's Account(s) will be debited for any losses and that commission and/or other related transaction or penalty cost will be charged for these activities.
- 38.3 The Client understands that, unless the contract specifications state to the contrary, each and every Derivatives contemplates delivery and the Client shall promptly instruct YSM if the Client intends to make or take delivery of the underlying commodity of the Derivatives. In the event the Client intends to take delivery, the Client shall deposit the full value of the commodity with YSM and in the event the Client intends to make delivery, the Client shall furnish the commodity to YSM or to provide all the documents as required by YSM or YSM's Authorised Third Party as proof of ownership of the commodity.
- 38.4 In the event YSM fails to settle as obligated by the Derivatives contracts due to the Client's fault, YSM or YSM's Authorised Third Party shall at its own discretion, be authorised by the Client to borrow and/or to purchase the underlying instrument necessary to satisfy the Client's obligations under the Derivatives and the Client shall pay and fully indemnify YSM for any cost, losses, penalties or damages (including but not limited to delivery and storage cost) which YSM may incur in satisfying the Client's obligations under this Clause.
- 38.5 The Client agrees and undertakes to inform YSM at the time the orders or instructions are given to YSM in the event the Client intends to take or make delivery of the underlying commodity of the Derivatives failing which YSM shall have the absolute discretion to close out all or any of the commodity-based Derivatives at any time and at any price as YSM deems fit without prior notice to the Client.

39. DEPOSITS AND MARGIN

39.1 Margin:

- (a) The Client shall at all times maintain the Margin with YSM in such amount and/or such form as YSM may from time to time require.

Where guarantees or other renewable security/collateral or security/collateral with a limited tenor are accepted by YSM to maintain the Margin, the Client shall and hereby irrevocably and unconditionally agrees and undertakes to renew such guarantees and/or security or replace the same with other acceptable and equivalent security/collateral and to deliver to YSM the renewed/replacement guarantees and/or security not less than seven (7) Market Days or any other period as may be required by YSM before the expiration of the said guarantees and/or security.

- (b) The Client is liable to make the payment required to maintain the Margin at the time a loss (realised or unrealised) arises. The liability to maintain the Margin and make payments in respect thereof accrues whether or not a Margin Call is made and, if a Margin Call is made, irrespective of the time the Margin Call is made;
- (c) In connection therewith, YSM may call a Margin Call of such money, securities, collateral or property including but not limited to foreign securities and/or currency, (or, in its discretion, call for or accept the lodgment of Charged Assets in lieu thereof) as YSM in its absolute discretion considers necessary. YSM may at any time vary any margin requirements; and
- (d) Notwithstanding Clause 6.2, the Client agrees that YSM may at any time, in its absolute discretion, close out without notice to the Client, any or all of the Client's open Derivatives at such price as may be obtainable by YSM or YSM's Authorised Third Party notwithstanding that the Client maintains sufficient Margin or security or collateral with YSM and/or fully meets a Margin Call.

39.2 If the Client fails to maintain the Margin and/or fails to fully meet a Margin Call, and notwithstanding that the Client may have given YSM written and/or oral instructions to close out the Client's open Derivatives at a specific price, YSM may, at any time thereafter, (without prejudice to any other rights or powers YSM may have under this Agreement or otherwise) in its absolute discretion and without creating an obligation to do so, close out without notice, any or all of the Client's open Derivatives (including the Client's open Derivatives in respect of which the Margin Call has not been fully met) at such price as may be obtainable by YSM regardless of the fact that it may be different than the price specified by the Client.

39.3 Each Margin Call shall be satisfied in full within the time stipulated by YSM (in its absolute discretion) or, in the absence of such stipulation, the Client shall meet the Margin Call before the commencement of trade on the following day on which Bursa Derivatives, as applicable, is open for business.

40. APPOINTMENT OF ATTORNEY

The Client hereby appoints, in relation to trading in Derivatives on Bursa Derivatives, the Chief Executive Officer of the Clearing House as the Client's attorney and/or agent to do all things necessary to transfer any open position held by YSM on the Client's behalf to another Trading Participant where the membership of YSM has been suspended or terminated.

41. LEGAL RELATIONSHIPS

41.1 The Client acknowledges that any trading in Derivatives on Bursa Derivatives and/or a Specified Exchange, and any dealings with the Clearing House, are conducted between and by Trading Participants and/or Clearing Participant as principals notwithstanding that in entering into such transactions they may be acting on behalf of or on the instructions of the Client. Therefore, the Client acknowledges that YSM shall be acting as principal, in the provision of services on behalf of the Client or on his instructions, at all material times.

41.2 The Client further acknowledges that in the course of the performance of the services, YSM may be subjected and governed by the terms and conditions and internal policies of the other third parties in its principal contracting obligation with the third parties. The Client acknowledges that YSM may do or cause to be done any act or thing in compliance with its duties and obligations as required or imposed by the third party's terms and conditions and internal policies or to prevent or remedy breach of the application of the aforementioned terms and conditions and internal policies.

41.3 The Client hereby agrees that YSM shall not be liable for any loss, damages, costs or expenses incurred in relation to the aforementioned limitations and conditions imposed by or arising from the third party's terms and conditions and internal policies shall indemnify and hold harmless, YSM against any and all acts and things taken and done as may be necessary, desirable or expedient to ensure that YSM will not be in default of its said principal obligation to the relevant third party.

41.4 The Client acknowledges that, in relation to all trading in Derivatives on behalf of the Client or pursuant to the Client's instructions and all contracts registered by YSM with the Clearing House in relation to those trade, the Client hereby (to the extent permitted by CMSA) waives and shall have no right or cause of action or remedy against Bursa Derivatives or the Specified Exchange, the Clearing House or any Trading Participant and/or Clearing Participant save for the Trading Participant and/or the Clearing Participant who conducted the Trade on behalf of the Client or on his instructions and if it is YSM, such right or cause of action to the extent provided or permitted under this Agreement.

41.5 Clauses 41.1 to 41.4 shall not affect any right, entitlement or remedy of YSM against the Client and vice versa.

42. DECLARATIONS BY THE CLIENT

- (a) The Client hereby declares that it has read the contents of this Agreement and the Client fully understands the terms and conditions contained in this Agreement irrespective of whether the Client has signed or initialed every page of this Agreement.
- (b) The Client further covenants and declares that it has been advised by YSM to seek independent legal advice on any transactions contemplated herein and the effects and consequences and/or any laws and regulation in connection with this Agreement and any transactions and the Client agrees that the provisions contained herein shall be binding on the Client regardless of whether the Client has resorted to such advice.
- (c) The Client releases YSM from actions, claims, demands, suits and liabilities whatsoever which the Client may have or claim to have but for this release might have had against YSM arising out of any warranty, representation or disclosure not set out or referred to in this Agreement, other than in respect only of the gross negligence, fraud, willful misconduct or dishonesty of YSM.
- (d) Joint and Several Obligations: If the Client consists of two or more persons their obligation shall be joint and several and YSM shall be entitled to accept instructions and give receipts and for all purposes deal with any one of them as agent for all of them in the absence of any written instructions to the contrary and any payments made to anyone such person shall be valid and complete discharge whether such payments be made before or after the death of any one or more of such persons.
- (e) The Client represents and warrants to YSM that the Client makes its own independent decisions whether to enter into any transaction contemplated herein and whether the transaction is appropriate or proper for the Client based on the Client's own judgment and/or upon advice from independent advisors as the Client deems necessary

42.1 DECLARATION PURSUANT TO THE TERMS AND CONDITIONS FOR DERIVATIVES TRADING

- (a) I declare that I have attained the age of 21 years old and all particulars and information furnished by me in the Trading Application Form ("Application Form") are true and correct and I have not withheld any material fact or information from YSM;
- (b) I declare that I have not been adjudicated or declared a bankrupt and have not committed an act of bankruptcy and have no knowledge of any bankruptcy petition presented against me in any court of competent jurisdiction;

Upon the occurrence of any of the events rendering the above declaration in Clauses 42.1(a) and (b) becoming inaccurate or untrue, I agree and undertake to immediately cease trading and cease utilising the services of YSM and shall forthwith notify YSM (as the case may be) in writing of the occurrence of such event(s). Without prejudice to the aforementioned, upon YSM having knowledge of the occurrence of any of the such events, YSM shall have the right and discretion to immediately cease my trading and YSM shall have the right to cease the provision of all its/their service or any part thereof. However, all orders carried out for me under any of the Client's Account(s) and all orders, instructions and communications carried out by YSM prior to the aforesaid cessation shall be valid and enforceable against me;

- (c) I understand and acknowledge that YSM do not provide any investment advice, suggestions or recommendations;
- (d) I understand that my application to open any account and any other services and facilities are subject to YSM's approval as the case may be and YSM is absolutely entitled at its/their respective discretion to reject my application or impose such conditions and/or restrictions as it/they may deem fit without giving any reasons thereof;
- (e) I undertake to furnish YSM with such additional particulars, information and declaration as YSM may require at any time and from time to time. I further undertake to promptly notify YSM should there be any changes to the particulars, information or the declaration given to YSM as the case may be;

I also authorise YSM to verify the particulars and information provided from any source and in such manner as it shall deem fit;

I consent to YSM to conduct any check on the credit standing/financial status with any person or institution that it may deem necessary at any point of time; and

42.2 DECLARATION PURSUANT TO THE FEA

I hereby acknowledge that I have read and understood the FEA and shall abide by the provisions at all material times.

I hereby further acknowledge that my/our trading in Foreign Derivatives and all matters relating to the said trading are subject to the FEA, as may be amended from time to time. I further agree to abide by the rules and regulations governing the funding of my/our trading in the Foreign Derivatives under the FEA at all material times.

42.3 DECLARATION PURSUANT TO FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA") AND COMMON REPORTING STANDARDS ("CRS")

I represent and declare that the information provided is true, accurate and complete and the submitted documents are genuine and duly executed.

I hereby consent for YSM to report my information to regulatory authorities in accordance with the requirements of FATCA and CRS as may be stipulated by applicable laws, regulations, agreement or regulatory guidelines or directives.

I undertake to notify YSM in writing within 30 days if there is a change in any information which I have provided to YSM, my status or in the event I become a U.S person. I hereby consent that YSM may terminate my account(s) and/or facilities granted to me, in the event I become a U.S. person.

I hereby acknowledge and agree that YSM may classify me as a recalcitrant account holder or non-participating foreign financial institution ("NPFPI") and/or suspend, recall or terminate my account(s) and/or facilities granted to me, in the event I fail to provide accurate and complete information and/or documentation as YSM may require.

I hereby acknowledge and agree that any payment made by, or on behalf of, or for the benefit of, shall be made subject to any withholding or deduction imposed on such payment pursuant to or on account of FATCA, CRS 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. YSM shall not be required to indemnify me on account of any loss, liability or cost imposed as a result of, or otherwise arising from, such withholding or deduction.

I hereby acknowledge and agree that if YSM is required to make any deduction or withholding pursuant to or on account of FATCA, CRS or any other arrangements with foreign governments or regulators in respect of any payment, and YSM does not so deduct or withhold and a liability resulting from such failure to withhold or deduct is assessed directly against YSM, then I hereby agrees to indemnify YSM therefor (notwithstanding any limitation on indemnification otherwise included in these terms and conditions) and to promptly pay to YSM the amount of such liability. YSM's indemnification obligation hereunder shall include any related liability for interest and, if I have failed to provide YSM, in a timely fashion, with sufficient information necessary for YSM to determine whether and/or to what extent it is required to make any deduction or withholding pursuant to or on account of FATCA, CRS or any other arrangements with foreign governments or regulators, shall include any related liability for penalties.

"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.

"CRS" is a global standard for automatic exchange of information on financial account information between the governments in order to combat offshore tax evasion and protect the integrity of taxation systems. The Income Tax (Automatic Exchange of Financial Account Information) Rules 2016 of Inland Revenue Board of Malaysia mandates YSM to identify and collect relevant information regarding client's tax residency status.

Signature of Client

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42.4 EXPLANATORY DOCUMENT

This document seeks to explain in general terms:

- (i) the nature of Derivatives; and
- (ii) the obligations assumed by a person who instructs YSM to enter into Derivatives,

and contains other relevant information. However, no document can exhaustively deal with all the matters relevant to a decision to trade in Derivatives.

Before you trade in Derivatives, you should be aware of the risks involved and be satisfied that trading in Derivatives is suitable for your purposes. In particular, you should carefully read the risk disclosure statement contained in Part (B) below and forming part of the agreement between you and YSM, and which you shall be deemed to have acknowledged and understood.

Should you be in any doubt as to your obligations or other risks involved, you should ask YSM or seek other professional advice.

A. The nature of Derivatives and Options Contracts

i. Derivatives

A Derivative is a standardised agreement, made on Bursa Derivatives and/or on a Specified Exchange, to buy or sell a specified quantity of a described commodity at an agreed date in the future. They provide a facility for traders to manage the risks associated with the changing prices of commodities. In addition to those who deal in the markets for the purposes of risk management, there are also those who trade in the hope of profiting from the changing prices in the traded commodities, i.e., speculators.

There are two kinds of Derivatives:

- (a) deliverable contracts, under which the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of, the quantity of the commodity described in the contract; and
- (b) cash settlement contracts, under which the two parties will make a cash adjustment between them according to whether the prices of a commodity or security has risen or fallen since the time the contract was made.

The terms and conditions of a Derivative are set out in the rules and regulations of Bursa Derivatives and/or on a Specified Exchange on which the contract was made. Material in this document is intended to refer to any Derivatives traded on Bursa Derivatives and/or on a Specified Exchange, however there may be differences in the procedure and regulations of Bursa Derivatives and/or on a Specified Exchange from one country to another and one Specified Exchange to another.

Derivatives have standardised delivery/settlement dates for periods of up to three years in the future, although the vast majority is for settlement within six months of the agreement being made. Note that deliverable contracts involve an obligation to deliver or take delivery at maturity, and it is not advisable to enter into such contracts in the last weeks before maturity unless actual delivery is contemplated.

The price of the commodity or security is determined in the market place by means of an open outcry system or an electronic system and represents a consensus of market opinion as to what the price of the commodity should be at the specified future time.

Since all contracts for a given future month in the same market are exactly alike, obligations under Derivatives are easily transferred from one party to another. A trader who holds a contract to buy/sell may cancel this obligation by taking a new contract to sell/buy in the same month, a process known as offsetting or closing out the contract. In each case there will be a profit or loss equal to the difference between the buying and selling prices multiplied by the standard contract amount.

The Clearing House ensures that it is able to pay to traders by calling for margins or cash payments to cover any unrealised losses in the market.

Any trader “(A)” whose contract is showing a loss, i.e. if the market falls after a purchase or rises after a sale, must pay margins. This margin ensures that if the party to an opposite contract with the Clearing House wishes to offset the obligation before A does, the Clearing House will have cash on hand to pay the resulting profit. If the market fails to recover before A's contract matures, these margins will not be recovered, and it would then become a realised loss.

Each trader in the market is required to put up a deposit (also known as an initial margin) in order to trade in Derivatives. Deposits are governed by the minimum set by the Clearing House and vary from time to time according to the volatility of the market, being carefully calculated to cover the maximum expected movement in the market

from one day to the next. This means that a deposit may change after a position has been opened requiring a higher deposit (for instance) than the minimum set by Bursa Derivatives and/or the relevant Specified Exchange or Clearing House earlier. In order to protect its position as principal, YSM may call margins as they are incurred.

YSM must call its Clients to pay a margin (you should note that margin call requirements relating to contracts traded on other markets will vary). Deposit and margins must be paid immediately (this is generally on demand and in times of extreme price volatility this may mean as little as one hour). If a Client does not pay a margin YSM is entitled to deal with those funds by way of set off against other monies owing by YSM to the Clearing House.

ii. Option Contracts

Standardised option contracts are available on many exchanges in addition to Derivatives. An option is the right, not the obligation, to enter into Derivatives or take or make delivery of a commodity/security, granted in return for a premium. A call option is an option to buy in the Derivatives Market at a designated price (the exercise price or striking price) or buy a commodity/security at a designated price, at any time before the option expires, irrespective of the current Derivatives or commodity/security price. A put option is an option to sell in the Derivatives market at the exercise price or sell a commodity/security at a designated price. If a trader buys an option, his loss in the market is limited to the premium paid for the option, which is non-refundable. However, the person who sells (i.e. grants) the option has a similar potential liability to the holder of a derivative and will be called for margins if the price moves against him.

There are two parties to an option contract: the buyer (or taker) and the seller (or grantor). If an option is exercised, the option may become a Derivative or it may result in the buyer being required to take delivery of the underlying commodity/security or the seller being required to sell the underlying commodity/security. Depending on the type of the option, it may only be exercised at expiry (referred to as European style option) or it may be exercised at any time before expiry or at expiry (referred to as American style option). You should be aware of the style of the option you are trading as it may affect your obligation to take or make delivery.

The buyer may pay the full amount of the premium at the time the option is traded. However, if he pays only an initial deposit, he may be called upon to pay margins up to the full value of the premium (but no more). Provided the underlying Derivatives market has moved in his favour, the holder of an option can profit by selling it later at a higher premium, or by exercising it and closing out the resulting derivative. The profit depends on the movement in the underlying Derivatives market and is potentially unlimited.

On the other hand, sellers (grantors) of option contracts have limited profit potential (they cannot earn more than the premium for which the option is sold) and unlimited potential for loss.

B. The nature of the obligation assumed by a person who instructs YSM to enter into Derivatives.

Clients of YSM (who under the Exchange's Rules must enter into a written agreement with their clients) having given instructions to YSM to enter into Derivatives/options contracts on their behalf, must be prepared to:

- (a) pay a deposit on each contract upon execution of an order to at least the minimum deposit set down by Bursa Derivatives and/or the Specified Exchange or clearing house for the contract. YSM is entitled to call a higher deposit than the minimum set in order to protect its position as principal;
- (b) pay on demand any calls made by YSM for margins (see 42.4(A) above) to maintain the Derivatives position (i.e. contract or set of contracts) held by the Client;
- (c) deliver or take delivery of and pay the contract in full for, the commodities or securities described in the specifications of any deliverable contract held by the Client, which is still in force at the close of trading on the last day of trading;
- (d) pay up any losses which are incurred as a result of a mandatory cash adjustment made on a cash settlement contract held by the Client which is still in force at the close trading on the last day of trading in the relevant market;
- (e) waive any interest on funds deposited with YSM, where the deposits or margins are deposited for the purpose of trading in Derivatives and options contracts, unless the written agreement between YSM and the Client stipulates that interest is to be paid on such funds. (Note that interest is not paid on margins under such an agreement); and
- (f) take up the opposite position in the Derivatives market from the resulting position held by the buyer of an option, if the Client has sold (i.e. granted) an option which is exercised by the option buyer.

Signature of Client

RISK DISCLOSURE STATEMENT

This brief statement does not disclose all of the risk and other significant aspects of trading in Derivatives. In light of the risks, you should undertake such transactions only if you understand the nature of Derivatives (and contractual relationships) into which you are entering and the extent of your exposure to risk. Dealing in Derivatives is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

RISK ASSOCIATED WITH DERIVATIVES

Effect of “Leverage” or “Gearing”

Trading in Derivatives carry a high degree of risk. The amount of initial margin is small relative to the value of the Derivatives so that transactions are “leverage” or “geared”. A relatively small market movement will have proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with YSM to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss, as you will be liable for any resulting deficit.

Risk-reducing Orders or Strategies

The placing of certain orders (e.g. “Stop-loss” orders, where permitted under the business rules of Bursa Derivatives and/or Foreign Exchanges) that 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.

Terms and Conditions of Contracts

You should ask YSM with which you trade with about the terms and conditions of the specific Derivatives which you are trading and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying instrument of a Derivative and, in respect of Derivatives that are eligible exchange traded options or Derivatives options (“options”), expiration dates and restrictions on the time of exercise).

Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by Bursa Derivatives and/or the Specified Exchange and/or the Clearing House to effect changes in the underlying instrument or state of affairs that is the subject of the Derivatives.

Suspension or Restriction of Trading and Pricing Relationship

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month 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 you have sold options, this may increase the risk of loss.

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

Deposited Cash and Securities

You should familiarise yourself with the protections accorded to Assets which you deposit, particularly in the event of YSM's insolvency or bankruptcy.

The extent to which you may recover your money or securities may be governed by specific legislations.

Commission and Other Charges

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

Currency Risks

The profit or loss in transactions in foreign currency denominated contracts will be affected by fluctuations in currency rates where there is a need to convert from currency denomination of the contract to another currency.

Trading Facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover any loss may be subject to limits on liability imposed by the system provided, the Derivatives Market, the Specified Exchange, the Clearing House and/or YSM. Such limits may vary and you should ask YSM for details in this respect.

Electronic Trading

Trading on an electronic trading system may differ not only from trading from an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

ADDITIONAL RISKS ASSOCIATED WITH OPTIONS

Variable Degree of Risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your 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 the option results either in a cash settlement or in the purchaser acquiring or delivering the underlying instrument. If the option is on a Derivative, the purchaser will acquire a long position or short position (as the case maybe) in relation to the Derivative, with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment (which is the option premium) in addition to incurring transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by a seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves 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 instrument. If the option is on a Derivative, the seller will acquire a position in the Derivative with associated liabilities for margin. If the option is “covered”, for example by the seller assuming a corresponding long position in the underlying that is to the subject of the option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Signature of Client

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