

Derivatives Trading Agreement

Date:

This Agreement is made and entered into at CGS International Securities (Thailand) Co., Ltd., between **CGS International Securities (Thailand) Co., Ltd.**, with its office located at No. 130 – 132 Sindhorn Tower 2, 2nd, 3rd Floor, and Sindhorn Tower 3, 12th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, hereinafter referred to as the “**Company**” on the one part, and

..... hereinafter referred to as the “**Client**” on the other part. WHEREAS the Client has entered into an Agency/Brokerage Agreement with the Company, and in this connection the Client desires to open a derivative trading account with the Company; NOW, THEREFORE, the Client and the Company agree as follows:

Clause 1 Definitions

Unless otherwise expressly defined in the Agency/Brokerage Agreement and in future amendments to the definitions:

“**Derivatives Agent**” means a person who is granted a license to carry on derivatives agency business on the Futures Exchange and who provides services or demonstrates to the public that he/she is ready to provide services as an agent for the trading of derivatives with other persons, and shall include a person who is granted a license or has been registered under the Derivatives Act B.E. 2546 for the abovementioned undertaking;

“**Derivatives**” means derivatives contracts under the Derivatives Act B.E. 2546;

“**Purchase Order**” means an offer to buy derivatives under such terms of derivatives trading as stipulated by the Company;

“**Sale Order**” means an offer to sell derivatives under such terms of derivatives trading as stipulated by the Company;

“**Derivatives Trading Position**” means rights or obligations of the Client, which have arisen from derivatives trading and have not yet become due on the date under the relevant contract(s);

“**Close-out of the Derivatives Trading Position**” means a discharge of all rights or obligations under the existing derivatives by means of new derivatives trading with contrary effect or by such other method as stipulated by the Company or the Futures Exchange or the Office;

“**Initial Margin Requirement**” means minimum collateral that the Client must deposit or pay for a sale or purchase of each type of derivatives at such rate or value as specified by the Company or the Futures Exchange or the Office;

“**Maintenance Margin Requirement**” means minimum collateral that the Client must maintain for a sale or purchase of derivatives at such rate or value as specified by the Company or the Futures Exchange or the Office;

“**Additional Margin**” means other properties than the initial margin and maintenance margin, which the Client must deposit with the Company for a sale or purchase of derivatives at such rate or value as specified by the Company or the Futures Exchange or the Office;

“**Penalty**” means such amount of funds that the Client consents and agrees to pay to the Company in the event of a default on a debt payment or incorrect or incomplete payment of debts, as specified by the Company or calculated according to the percentage of the amount of debts that the Client has failed to pay or paid incorrectly or incompletely until completion of the full payment thereof. At the time of the execution of this Agreement, the penalty rate is set at 15 (fifteen) percent per annum and is subject to change as stipulated by the Company from time to time;

“**Default Interest Rate**” means the interest rate which the Company has the right to charge to the Client in the event of a default or breach of this Agreement. At the time of the execution of this Agreement, the default interest rate is set at 15 (fifteen) percent per annum and is subject to change as stipulated by the Company from time to time;

“**Market Value**” means the value of the derivatives trading position, the calculation of which is based on the market price of each type of derivatives specified by the Futures Exchange and/or the Company;

“**Client’s Properties**” means money and any other properties that the Client has deposited with the Company for the performance of his/her obligations and/or as a margin under this Agreement, and includes any rights and benefits arising out of such properties;

“**Fees**” means the agency fees under this Agreement at the rate set by the Company, including taxes, stamp duty and other expenses related to derivatives trading;

“**Trading Power**” means the maximum value of the contracts or the maximum quantity of the derivatives that the Client can trade in, which value or quantity is calculated on the balance of the Client’s margin at any time;

“**Maximum Position Limit**” means the maximum position limit for the trading of each and/or all type(s) of derivatives which should be possessed by the Client at any time, as approved by the Company and in accordance with the calculation method specified by the Company;

“**Beneficiary of the Client’s Trading**” means a person under the Notification of the Securities and Exchange Commission.

Clause 2 General Terms and Conditions

2.1 The Client agrees that the Company shall serve as his/her derivatives agent and have the power to perform any acts in relation to the derivatives trading for and on behalf of the Client; and that the Company shall be authorized to examine and rectify any other benefits relating to derivatives and goods or variables for the Client. This shall include a case where the Company exercises the rights in the derivatives and goods or any variables for the Client pursuant to the rights the Client has, if the Company has considered that such acts are performed for the Client’s benefit. The Company shall also be authorized to pay fees and other expenses in connection with the trading of derivatives and goods or variables, make demands, receive payments for the trading of derivatives and goods or variables, withhold and remit taxes, and sign any documents or instruments for which the Company has taken action as an attorney-in-fact of the Client.

2.2 This Agreement is binding upon the parties for an indefinite period of time. If either party desires to terminate this Agreement, he/she/it shall so notify the other in writing not less than 15 (fifteen) days in advance, and this termination does not affect the rights and obligations of the parties, which have existed before such termination becomes effective. In the event this Agreement is deemed terminated, the Client agrees that the Company shall be entitled to such close-out of the derivatives trading position of the Client as the Company sees fit.

2.3 The application for opening of a derivative trading account, the risk disclosure statement relating to derivatives trading, and all other derivatives-related documents, which have been specified by the Company, including any other documents which the Client has signed and/or submitted to the Company, shall be deemed to constitute a part of this Agreement.

2.4 The Client agrees to pay the fees under this Agreement, including other expenses for derivatives trading, to the Company within the period of time and at the rate specified by the Company or the Futures Exchange or the Office. Notwithstanding, in the event of a change in the rates of the fees or any amounts payable by the Client, the Client agrees and consents to pay the rates and amounts so changed in every respect.

2.5 If the Client defaults or breaches the Agreement regarding his/her debt payment hereunder or if the Client fails to make payment and/or to pay fees or any expenses which have become due or have been demanded by the Company, the Client consents to be deemed to be in default and to be held liable for the said amounts payable, together with default interest at the rate of 15 (fifteen) percent per annum until completion of the payment, as well as for paying costs of demand, action and legal execution and attorney's fees. In this connection, the Client consents to be deemed to incur debts outstanding under this Agreement and must pay a penalty to the Company from the due date until the Company receives the debt payments in full.

2.6 The Client has read and been well aware of the relevant rules and regulations as well as the terms and conditions of derivatives trading of the Company and will comply with those rules and regulations, terms and conditions in every respect.

2.7 In the event any laws, notifications, rules or regulations are changed, amended or supplemented after the date of the execution of this Agreement, the parties agree that the laws, notifications, rules or regulations so changed, amended or supplemented shall prevail, unless otherwise stipulated for exemption by the Company.

2.8 The Client consents to notify and provide the Company, the Futures Exchange and the Office of and with the following information and to prepare explanations to explain or elucidate it:

- (1) Information on the true identity of the Client and the beneficiary of the Client's derivatives trading;
- (2) Objective(s) of the Client's trading;
- (3) Information on the Client's trading, whether via the Company or not, and information on the trading of goods under the derivatives which the Client is trading in;
- (4) In the event the Client places trading orders for other persons or from hand to hand via an omnibus account, the Client consents to notify, provide and prepare explanations on all items and sequences of information under (1), (2), and (3) of such other persons; provided such information is one of which the Client is or should be aware as a consequence of such undertaking.

2.9 The parties agree that the relevant rules and regulations and commercial customs shall be adhered to for derivatives trading.

2.10 The Company will provide the Client with a written report on the derivatives trading transactions and on the status and fluctuation of funds of the Client on the business day following the date of the Client's transactions and will prepare a derivatives trading report to inform the Client of the balance of the his/her properties, derivatives trading position and margin, so that the Client will acknowledge them and/or examine them against other systems designated by the Company during working hours.

2.11 The Client consents to hold that notice or notification to the Client under this Agreement, if made in writing by the Company and sent to the Client's address or via e-mail or at such telephone number as stated by the Client to the Company, shall be deemed duly served on the Client, regardless of whether the Client has received it in person or another person has received it on his/her behalf or nobody has received it. In addition, in the event of a change in the Client's address or e-mail address or telephone number, the Client will so notify the Company immediately.

2.12 In the event any of the terms of this Agreement becomes null and void or unenforceable, the parties agree that the terms of this Agreement, which remain enforceable, shall continue to be valid and enforceable between the parties.

2.13 Even though the Client has not breached the Agreement, the Client agrees to grant to the Company the right to stop providing the services temporarily, close the trading account, limit the trading position or quantity, or carry out a close-out of the derivatives trading position, or to take any other action with respect to the derivatives trading, in order to conform to the order of the Company or the Futures Exchange or the Office, in the event there appear the following facts:

- (1) The Client's trading would affect the orderliness of the derivatives trading in the Futures Exchange or cause the price of derivatives on the Derivatives Exchange to be inconsistent with the normal condition of the market;
- (2) The Client has inappropriate conduct regarding derivatives trading or his/her conduct may violate the pertinent laws or rules and regulations;
- (3) The Client has not taken steps to notify and provide information or prepare explanations or has provided information that is false or may be misleading in essence.

2.14 In either of the following events:

- (1) Where the Company assigns any rights, obligations, liabilities, or interests under this Agreement, including any collateral provided, whether in whole or in part, to any other person;
- (2) Where there is a change in the laws, notifications, rules, or instructions of any other competent authority or for whatever reason, thereby resulting in any such rights, obligations, liabilities, interests, including collateral being assigned to any person, and/or where the Company must take any action to conform to those laws, notifications, rules, or instructions;

The Client agrees to allow the Company to assign any such rights, obligations, liabilities, interests, including collateral, and he/she further consents to bind himself/herself in all respects to the terms and conditions of this Agreement and/or to those pursuant to which the Company has taken such action with any such company and/or person. The Client will in no way dispute or oppose any such action, provided only that he/she is so notified in writing.

Clause 3 Trading

3.1 To trade in derivatives under this Agreement, the Client agrees to deposit or take steps to have properties of the Client, with a value or rate not lower than that specified by the Company, deposited as a margin with the Company before each time of derivatives trading. In this regard, the Client acknowledges and accepts that the Company may, at its discretion, allow the Client to buy or sell the derivatives without having to deposit a margin with the Company first.

3.2 To place an order for a sale or purchase of derivatives under this Agreement, the Client has had good understanding of various types of sale or purchase order under the conditions of the relevant orders prescribed by the Futures Exchange and/or the Company, in accordance with the practices for the execution of derivatives sale or purchase orders, which are adhered to by members of the Thailand Futures Exchange, with such details as specified by the Company or in accordance with any other method approved by Thailand Futures Exchange or the Office.

In the event the Client places a derivatives sale or purchase order, a record of transactions under the Client's sale or purchase order, which has been prepared by the Company pursuant to the Client's order, shall be deemed to constitute sufficient evidence to demand the Client to assume liability to the Company. In the event a derivatives sale or purchase order is placed by telephone, the Client allows the Company to tape the conversation regarding such sale or purchase order by telephone in order that the Company may keep it as evidence for the purposes of performance of the Company's obligations under this Agreement.

To buy or sell derivatives, the Client acknowledges and consents to a sale or purchase of derivatives to be made by the Company with the Client as counterparty of the Client. For this purpose, this Agreement shall be deemed to constitute a declaration of consent in writing to become a party to such transaction.

3.3 If, in the Client's opinion, there is an error or inaccuracy in a sale or purchase order, the Client shall submit to the Company a dispute against such confirmed sale or purchase order within the trading day. Otherwise, the Client shall be deemed to have recognized such sale or purchase order or such derivatives trading as true, correct and valid.

3.4 If the derivatives trading position in the Client's account exceeds the maximum position limit, the Client agrees and accepts that the Company will carry out a close-out of the derivatives trading position of the Client until his/her maximum position limit is in accordance with the criteria stipulated by the Company.

3.5 In the event the Client fails to trade in derivatives in an account opened with the Company and no balance of his/her derivatives trading position remains in the account during a period of time specified by the Company, the Client agrees and consents to pay an account maintenance fee to the Company at the rate set by the Company, and the Company is in no way obliged to so notify the Client or to obtain further consent from him/her. Notwithstanding, the Company reserves the right to terminate the Agreement or close the account(s) or take such other action as it sees fit.

3.6 Action relating to a transfer or an acceptance of a transfer of the Client's position between the Client and other person shall be in accordance with the criteria stipulated by the Company.

3.7 For the purposes of considering the Client's trading limit and maximum position limit under this Agreement, the Company may aggregate all accounts of the Client and the beneficiary of the Client's trading, which have been opened with the Company, in order to calculate the maximum position limit.

Clause 4 Margin

4.1 The Client agrees to deposit with the Company, for the purposes of derivatives trading, such margin as specified by the Company.

4.2 The value or rate of the margin to be deposited by the Client with the Company must not be lower than the initial margin, subject to the conditions and period of time prescribed by the Company.

4.3 The Company will calculate the value of derivatives in the Client's account and adjust the value of the margin deposited by the Client with the Company in order that it is consistent with the actual value as specified by the relevant rules and regulations at least at the end of each business day or as prescribed by the Company.

4.4 The Client agrees to maintain such maintenance margin as prescribed by the Company. If the aggregate value or rate of the Client's margin is lower than the maintenance margin at the end of any business day, the Client shall monitor the sufficiency of the margin value as notified by the Company to the Client by a written notice or via facsimile, telephone or e-mail, and the Client must deposit an additional margin in order that the value or rate of the maintenance margin in the Client's account is not lower than the initial margin. To this, the Client shall complete the deposit of the additional margin within a period of time specified by the Company.

4.5 The Company may call upon the Client to deposit an additional margin with the Company for each type or class of derivatives, in the amount, at the rate or value and within the period of time specified by the Company.

4.6 The Client may withdraw his/her margin deposited with the Company if it appears that the value or rate of the margin so deposited with the Company is greater than the initial margin, and the Client can withdraw it in accordance with the rules and procedures stipulated by the Company.

4.7 In the event the Company does not receive the margin from the Client within the period of time specified, the Company has the right to take the following steps:

- (1) To reject a derivatives sale or purchase order of the Client, except an order for a close-out of the derivatives holding position or a sale or purchase order closing out the position opposite to the derivatives trading position that the Client has;
- (2) To close out all or part of the derivatives holding position of the Client immediately;
- (3) To make a set-off against or retain the margin or any other benefit that the Client has with the Company;
- (4) To claim a penalty from the Client for his/her default on the deposit of the margin, on the default amount or the amount of fees payable by the Client.

Clause 5 Client's Properties

5.1 The Client agrees to assign the Company to manage and take care of his/her properties as well as other rights arising from those properties. The Client understands and is well aware that, with respect to the assignment for the Company's action above, if the Company keeps the Client's funds itself during the process of separating the Client's properties and if the Company encounters financial problems, the Client's funds so deposited will not be protected under the deposit protection agency laws.

5.2 The Client agrees and accepts that the Client's properties accepted by the Company will be kept separately from the Company's account. Properties of Clients will be kept collectively in the omnibus account, and the properties of each Client will not be separated within such account.

5.3 The Client allows the Company to have the power to deduct his/her properties in the account and/or order payments therefrom for the following purposes:

- (1) For the trading of the Client's derivatives;
- (2) For use as a margin or for the adjustment of the margin account status;
- (3) For the repayment of fees or any other moneys relating to the trading of the Client's derivatives;
- (4) For the repayment of debts and penalties in the event the Client is in default under this Agreement;
- (5) For the application of such properties to debt repayments or as a margin in favor of the Office or the Derivatives Agent or any other financial institution or in the interests of transactions of the Company.

5.4 The Company will, for the care and custody of the Client's properties under the stipulations of the Company and under the relevant rules and regulations, separates the following properties of the Client, which the Company has received or will receive for the purpose of derivatives trading:

- (1) Cash: to be kept by the Company itself in a separate account, or deposited with a commercial bank, or invested in promissory notes issued by a finance company or securities company; provided it is clearly stipulated that such action be taken by the Company for the Client's benefit;
- (2) Securities: to be kept in a manner whereby they can be identified as property of the Client, or deposited with the Thailand Securities Depository Company Limited;
- (3) Other properties: to be kept by the Company itself and separated in a manner whereby they can be identified as property of the Client.

5.5 Subject to the terms and conditions of the relevant rules and regulations, the Client allows the Company to invest the Client's properties on his/her behalf. To this, the Company agrees to pay the legal fruit on deposits of funds or investments in promissory notes or investments of other descriptions at a rate not exceeding the legal fruit or benefits actually derived by the Company from such activities, and these legal fruit or benefits will be paid during a period of time notified from time to time by the Company. In addition, the Company may, unless otherwise stipulated, invest and/or deposit the Client's properties with a financial institution within the same group or conglomeration.

5.6 The Client agrees to pay to the Company the fees or the legal fruit on the Client's properties that the Company takes care of and keep, at a rate and within a period of time to be notified from time to time by the Company.

5.7 The Client shall, for each withdrawal of his/her properties, declare his/her intention in writing to the Company in advance within a period of time specified by the Company, and a withdrawal that can be made shall not exceed the number of the Client's properties actually existing after deduction of the Client's obligations and adjustment of the margin value; provided such withdrawal shall not cause the value or rate of the Client's margin to be lower than the initial margin.

5.8 The Company will not perform any act that would result in the creation, change, transfer, reservation or suspension of the rights to the Client's properties without or in noncompliance with an order or consent of the Client, unless such performance is in accordance with the stipulations in this Agreement or as prescribed by the Company.

5.9 The Company will not take action for the Client in the event funds received from one Client are to be used for the benefit of another or for the benefit of another person, unless such action is in accordance with an order of the Client.

5.10 In the event of a loss of or damage to the Client's properties as a result of express negligence or neglect of the Company to perform its obligations, the Company agrees to be responsible in full only for the portion of damage that has resulted therefrom.

Clause 6 Close-out of the Derivatives Trading Position

6.1 If any of the following circumstances appears, the Client shall be deemed to default on payment of his/her debts and all the debts under this Agreement shall promptly become due:

- (1) A certain circumstance implies to the Company that the Client will not be able to pay the price of derivatives trading, for example, the Client has hidden or disposed of all or part of his/her properties, entered into an arrangement for debt repayment or composition with a creditor, etc.;
- (2) The Client defaults on payment of any amount due under this Agreement or the minimum amount payable when due;
- (3) The Client fails to comply with any of his/her arrangements, stipulations or obligations under the Agreement or to comply with any arrangements or stipulations executed under or in connection with this Agreement; and the Company is of the opinion that any arrangements, stipulations or obligations cannot be remedied; or the Client is not able to make a remedy within 7 (seven) days from the date of his/her failure to comply with the said arrangements, stipulations or obligations;
- (4) Any business license is cancelled, revoked, suspended or has expired without a renewal thereof, and such event produces significantly negative effects on the Client's ability to perform his/her obligations under this Agreement;
- (5) There occurs any event that may produce significantly negative effects on the Client's ability to perform any obligations under this Agreement.

6.2 If it appears that the position of the Client's derivatives trading in his/her derivatives trading account has become due on the date the Client is required to perform the derivatives contracts so agreed and that the Client has not placed a sale or purchase order with the Company to close out his/her derivatives trading position, the Company will carry out a close-out of such derivatives trading position in accordance with the procedures stipulated by the Company or the Thailand Futures Exchange or the Office. The Company can change these close-out procedures, and the Client agrees and consents thereto and will in no way dispute or oppose them.

6.3 The purpose of close-out of the derivatives trading position and deduction from the account for debt repayments shall, in addition to the debt repayments under the Derivatives Trading Agreement and the Agency/Brokerage Agreement, include repayments of penalties and fees incurred as a result of the derivatives trading under this Agreement. If, after this action, the Client is found to still incur debts due to the Company, the Client must be liable for paying such difference together with interest at the rate of 15 (fifteen) percent per annum calculated from the date of default until completion of the full payment, plus a penalty (if any). If, after the close-out of the derivatives trading position and the deduction from the account, a balance of funds is found to remain, the Company will return it without interest to the Client.

6.4 In any of the following circumstances under this Agreement:

- (a) The Client has concealed or distorted the facts provided in this Agreement, either in whole or in part;
- (b) The Client omits or fails to comply with any material clause of this Agreement;
- (c) The Company deems it expedient or prevents and deters an irregular condition of trading, or there is conduct regarding derivatives trading which is inappropriate or may violate the laws;
- (d) The Company complies with an order of the Office or the Thailand Futures Exchange;

Then, the Client allows the Company to take the following steps without obtaining the prior consent of the Client:

- (1) To close out the derivatives trading position, make a deduction from the Client's account or enforce debt repayment against the Client's account opened with the Company, either in whole or in part, whether such debts have become due or not;
- (2) To reduce or limit the trading limit or maximum position limit of the Client;
- (3) To cancel all purchase orders and sale orders which have been placed by the Client but not yet been processed by the Company;
- (4) To close all the accounts of the Client for the purpose of debt repayment under the Client's obligations.

6.5 In the event the Company is unable or fails to close out the derivatives trading position under this Agreement, the Client allows the close-out of the derivatives trading position to be carried out by the Office, the Thailand Futures Exchange, the Clearing House or a person entrusted by the Company for the purposes of close-out of the maximum position limit of the Client.

Clause 7 Delivery of Goods

Acceptance or delivery of goods under this Agreement shall be as stipulated by the Company or the Thailand Futures Exchange or the Office.

Clause 8 Liabilities and Remedies

8.1 The Client agrees to be liable for all damages and any expenses which may be incurred by the Company as a result of or in connection with this Agreement or in relation to an act or omission to act of the Client or the Client's agent, as well as for all damages and any expenses which may be incurred by the Company as a result of claims or actions entered by other persons against the Company for its liability relating to this Agreement and which have not in any way resulted from willful or negligent acts or omission of the Company or employees or servants of the Company.

8.2 In the case where an event of force majeure, an emergency or a disruption occurs to the computer system of the Company, the Client allows the Company to take steps to transmit a sale or purchase order of the Client through a networking company in order to match the sale or purchase order in the Thailand Futures Exchange.

8.3 The Client agrees that the Company shall not be responsible for losses and/or damages sustained by the Client if such losses and/or damages have resulted from fire, storms, strikes, riots, protests, war, assumption of control by state powers, errors related to communication network systems, delays caused by communication networks, device or equipment break-down, power disruption, or events of force majeure affecting the operations of the Company, etc.; provided, however, that such damages have not resulted from seriously willful or negligent acts of the Company or employees or servants of the Company.

8.4 The Client agrees to allow the Company the right to apply the net proceeds of derivatives trading, or the margin under this Agreement, or the net proceeds derived from sales or seizure or attachment of securities or margins under any other agreements that the Client has with the Company, or funds in deposit accounts, any other balances, interest, dividends on securities or any other benefits, which the Client has derived under this Agreement or any other agreements that the Client has with the Company, to deductions for debt repayments or set-offs or account settlements under this Agreement or any other agreements that the Client has with the Company as the Company may see fit, without having to make deductions for debt repayments or set off debts or settle accounts that are due first and without prior notice required to be given by the Company to the Client in any way.

Clause 9 Risk Factors

9.1 The Client has studied the risk disclosure statement relating to derivatives trading and has good understanding of derivatives trading, mechanisms and practices for derivatives trading, deposits of margins, risk factors, damage which may result from derivatives trading, and relevant rules and regulations, including rights, duties and responsibilities of the parties to this Agreement. The client has accepted and acknowledged by signing on the risk disclosure with completely understand on the statement of risk disclosure agreement.

9.2 The Client understands and accepts that derivatives trading constitutes a transaction with high risks on account of a fluctuation in prices of derivatives and goods or variables, which fluctuation results from changes in relevant rules and regulations and taxation changes. In addition, the derivative trading employs a small amount of initial margin when compared to the value of the trading order. A slight fluctuation in derivatives prices will affect the margin deposited by the Client, or otherwise an additional deposit thereof will be required in a proportion higher than the fluctuation in the derivatives prices. This may produce both good and bad effects on the Client. The derivatives trading may, therefore, cause the Client to lose his/her initial margin and all of his/her additionally deposited margins. In the event derivatives prices fluctuate towards a direction that would produce adverse effects on the Client's status or increase the margin level, the Client may be called upon to deposit an additional margin in order to maintain the derivatives trading position. If the Client is not able to deposit the additional margin within a period of time specified, the derivatives trading position of the Client may be closed out at a loss and the Client must be responsible for the loss so incurred.

Clause 10 Governing Law and Arbitration

10.1 In the event a dispute arises in connection with the derivatives trading under this Agreement, the Client can elect to request that the dispute between the Client and the Company be settled by arbitration in accordance with the criteria and procedures stipulated by the Office. An arbitral decision shall be deemed final.

10.2 This Agreement is governed by Thai law. The parties agree that an action shall be filed with a competent court in Thailand.

10.3 If at the time of the filing of an action the Client is found to be domiciled abroad, the Client agrees that his/her domicile in Thailand at the time of his/her execution of this Agreement shall be deemed to be his/her exact domicile. Therefore, a writ of summons and a copy of the plaint sent to the Client's domicile appearing under this Agreement shall be deemed duly served.

10.4 In the event the Client is domiciled abroad at the time of the execution of the Agreement, the Client agrees that the competent court shall be based on the jurisdiction under which the Company is domiciled.

Clause 11 This Derivatives Trading Agreement is deemed to constitute a part of the Agency/Brokerage Agreement which the Client has signed with the Company. Any arrangements or conditions stipulated in the said Agreement shall mutatis mutandis apply to this Agreement.

Clause 12 Risk information about derivative types

12.1 Futures

Nature of Futures

Futures is a contract in which parties are bound to perform their obligations thereunder. Unless a party is able to offset its position before the settlement date, the seller of futures is obliged to make and the buyer is obliged to take delivery of the underlying asset of the contract (physical delivery), or a party may make cash settlement where the cash difference between the exercise price and the market value or price of the underlying asset or variable at a time or a period of time in the future as set out in the contract is paid to the other party.

Risk of Loss in Trading Futures

In futures trading, buyers (a party with long position) and sellers (a party with short position) are required to make an initial margin deposit with their futures agent to secure their performance under futures contracts. Since the amount of initial margin is small compared to the contract's value, a relatively small movement of the market can lead to either large losses or gains within a short period of time. The Client may sustain losses significantly beyond the amount of initial margin deposit it has made or may be called upon by its agent to liquidate its position at a loss should it be unable to provide additional margin funds within a specified period.

12.2 Options

Nature of Options

Options is a contract in which the seller gives the buyer the right to buy or sell the underlying asset at a fixed price within a specified period of time and conditions, or the right to receive payment from the seller under the conditions specified in the contract. The buyer is required to pay a premium to the seller in exchange for such right to buy or sell. Options which grants the buyer the right to buy an underlying asset or variable at a fixed price is a call options while options which grants the buyer the right to sell an underlying asset or variable at a fixed price is a put options. Such right must be exercised according to the terms and conditions specified in an options contract. When the buyer exercises his options, the seller may make physical delivery of the underlying asset or make cash settlement where the cash difference between the exercise price and the market value or price of the underlying asset or variable at a time or a period of time in the future as set out in the contract is paid to the buyer.

Risk of Loss from Options Trading

A buyer of options may choose to offset his position or exercise the options or can simply allow the options to lapse. If the Client chooses to exercise the options, he/she will receive a cash settlement where the cash difference between the exercise price and the market value or price of the underlying asset or variable at a time or a period of time in the future as set out in the contract is paid to the buyer. Otherwise the Client may choose to make or take delivery of the underlying asset (physical delivery) where it will receive payment of or pay for the underlying asset delivered or taken at the exercise price specified under the contract. If options expire worthless, the buyer's loss equals the amount premium.

A seller of options receives premium from a buyer and is bound to perform his obligation should the buyer exercise the options. The seller is required to make margin deposit. Upon the buyer's exercise of options, the seller who does not offset his position is required to either make the cash settlement where the cash difference between the exercise price and the market value or price of the underlying asset or variable at a time or a period of time in the future as set out in the contract is paid to the buyer, or make or take delivery of the underlying asset (physical delivery) where he will receive payment of or pay for the underlying asset delivered or taken at the exercise price specified under the contract. If options expire worthless, the seller's gain equals the amount of premium.

Due to the fact that the maximum loss of a buyer of options is limited to the premium, he/she is to pay the premium but is not required to make margin deposit. On the other hand, the seller's losses can be unlimited therefore he is required to make margin deposit with a derivatives agent to secure his / her performance under the options similar to the case of futures trading. With an unfavorable movement in the market against his/her position, a seller of options may sustain a loss well in excess of the amount of margin deposit made within a relatively short period of time.

12.3 Additional Risks and Other Information Concerning Futures and Options Trading

Understanding Terms and Conditions of Derivatives Contract

Since derivatives trading carries a high degree of risk, therefore, prior to making investment decisions, the Client should carefully study and understand each category of contract specifications, including, but not limited to, type of underlying assets and variables, contract size/unit/multiplier, last trading day, settlement day, delivery or settlement method, and the delivery or reference price used to determine settlement price and margin requirements. The Client should consider if the investment is suitable for his/her investment purpose and financial status or not.

With respect to trading options, the Client should also understand other relevant terms and conditions, including type of options, e.g. put options or call options, exercise conditions, type of underlying assets and variables, etc. The Client should consider if the investment is suitable for his/her investment purpose and the risk exposure is acceptable or not.

The Client should also consider a potential of return on acquiring a position, amount of premium and transaction fees and possible losses.

Fees on Derivatives Trading

Prior to trading, the Client should obtain from his/her derivatives agent clear explanation of all fees and other charges for which it will be liable relating to trading, settlement or exercise of options, e.g. commission, exercise fee, etc. These charges add to the Client's investment costs and will affect loss and gain as well as the Client's investment decision. Commission may vary depending on type and volume of transactions. The Thailand Futures Exchange Plc. and the Office of the Securities and Exchange Commission prescribe no regulation on commission rates.

Risk of Liquidating Position and Liabilities for Resulting Loss

When the Client establishes certain positions on derivatives, i.e. long futures, short futures, long options and short options, he/she is obliged to perform its obligations under the contract. The Client's derivatives contract with such position will be marked to market by its derivatives agent at least at the end of business day to reflect a daily gain or loss from the Client's position. Should the loss sustained by the Client's position in the market cause the balance in its margin account to drop below the maintenance margin, the Client will be called by his/her derivatives agent to deposit an additional fund to maintain its initial margin within a specified period of time. If the Client does not provide the required margin within the time required by his/her derivatives agent, the Client's position may be liquidated and the Client will be liable for any resulting loss from such liquidation. The derivatives agent may also include a forced closeout as an additional term in an Agreement to Appoint an Agent/Broker for Securities Trading and/or Agreement for Derivatives Trading and/or its trading regulation, that is when the Client's balance in its margin account drops to the forced closeout point, the derivatives agent will call the Client to deposit additional margin during trading hours. If the Client does not provide the required margin within the time set out in the agreement or the regulation, the derivatives agent is entitled to close out the Client's position, and the Client will be liable for any resulting loss from such closeout. Clients who maintain a position in derivatives, whether for their own account or through third party, in excess of the amount determined by the Derivatives Exchange and are unable to offset such excessive position as informed by their derivatives agents will be exposed to the similar foregoing risk.

Risk Associated with Failure to Offset Position

Should the Client be unable to offset its derivatives position before the settlement date due to unfavorable market conditions, e.g. illiquidity, trading halt in the market, and etc., the Client may sustain a loss due to its outstanding position in derivatives contracts at settlement date.

Risk Associated with Failure to Execute Stop Loss Order

A derivatives agent may not be able to execute some types of orders, such as "stop-loss" or "stop-limit" orders, placed by the Client to limit his/her losses, since market conditions at the time the order is placed may make it impossible to match such orders.

Risk from Position Restriction or Prohibition

The Derivatives Exchange, the Clearing House or the Office of Securities and Exchange Commission may order derivatives agents to restrict or prohibit a Client from acquiring further position, to close its trading accounts or to liquidate his/her position if the Client's derivatives transactions have or may have affected the integrity of derivatives trading in the Derivatives Exchange, or have or may have caused the price of derivatives traded in the Derivatives Exchange to be inconsistent with the normal market condition, or are inappropriate or may violate the law governing derivatives, or if the Client fails, upon request of the Derivatives Exchange, the Clearing House or the Office of Securities and Exchange Commission, to inform or provide information, or gives false or misleading explanation or information to its derivatives agent, the Derivatives Exchange, the Clearing House or the Office of Securities and Exchange Commission.

The Office of Securities and Exchange Commission may also order the Derivatives Exchange or the Clearing House to suspend trading or restrict or liquidate position of Clients where it is necessary to maintain the stability of the financial and economic system of the country, or to maintain the stability of the trading and settlement system of the derivatives market.

Others

- (1) Every type and category of derivatives trading bear risk. Even the Client has diversified his/her derivatives investment but risk still exists.
- (2) Trading via computer may have risk of hardware and software halt leading the derivatives agent could not follow the whole or part of the Client's order.
- (3) In case the market condition or the price of derivatives fluctuate drastically or it has reason to believe that there will be unsecured to the derivatives agent and the Clearing House, the derivatives agent may call the Client to deposit an additional collateral during the trading period of particular day more than 1 time.
- (4) Derivatives trading involve with risk and return arisen from the price of underlying assets or variables differ from expectation. So the Client should pay attention to both domestic and foreign environment, the international trading policy which may affect the derivatives price or study the technical or fundamental analysis necessitated to reduce risk or to have benefit to the Clients.
- (5) Due to the continuous development of derivatives trading in Futures Exchange and the risk management system, many rules and regulations have been issued for more efficiency. The Client should follow and inquire details information from the Thailand Futures Exchange Plc and the Clearing House.
- (6) This risk disclosure statement does not cover all of the risk factors or significant issues which may arise apart from risks relating to the Futures Trading. In considering the risk factors, the Client should only enter into the transaction upon understanding the nature of the Futures, legal obligations, legal implications arising from the investment, and the legality of the risks involved. Futures Trading is of an investment nature which may not be suitable to certain groups of investors. The Client should carefully consider as to whether the Futures Trading is a suitable investment by taking into account its own investment experience, objectives of Futures Trading, financial status, and other relevant factors.

CGS International Securities Thailand) Co., Ltd. has prepared this document to inform the Clients about the policies and regulations relating to Derivatives Trading Account. Summary are as follows:

1. Opening derivatives trading account and trading limit

- The Company does not allow a nominee to open account
- The Company shall consider the trading limit of any Client as an aggregate amount for all type of his/her accounts under the Company's criteria

2. Goods / variables allowed to be traded in Futures Exchange: Futures and Options of underlying assets as prescribed by the Regulators

- Equities link such as SET Index, Securities Indices, etc.
- Debt instruments link such as interest rate, etc.
- Other such as gold, etc.

3. Margin and type of margin requirement

- Properties which can be deposited as margin
 - Cash (the properties deposited as margin shall be amended/added by the Regulators)
- Type of Margin
 - Initial Margin Requirement (IMR) means minimum collateral that the Client shall deposit prior to trade each type of Derivatives at the rate or the amount stipulated by the Company and under the provisions of the relevant regulations.
 - Maintenance Margin Requirement (MMR) means minimum collateral that the Client shall maintain for the purchase or sale of Derivatives at the rate or the amount stipulated by the Company and under the provisions of the relevant regulations. If the balance in the margin account is below the maintenance margin requirement, the Client will be called to deposit an additional fund within a specified period of time.
 - Intraday Force Close Margin Requirement (FMR) means minimum collateral that the Client shall maintain for the purchase or sale of Derivatives. If the balance in the margin account is below the force close margin requirement, The company will close out the position within the time the company deems appropriate without to notify clients (Details mentioned in No. 6 below)
- The Company shall set the rate of margin by considering the type of Derivatives and the fluctuation of the market at the rate not less than minimum rate stipulated by the Regulators

4. Trading

- At any time, the Client cannot trade Derivatives more than trading limit stipulated by the Company, and buy limit calculated from Client's excess equity.
- The Client has to deposit Initial Margin Requirement (including commission + VAT) before trading Derivatives. However the rate and the amount depended on the type of Derivatives as stipulated by the Company.
- Trading hours
 - Pre-Open **9.15 – 9.45** hrs. - Morning session **9.45 – 12.30** hrs.
 - Pre-Open **13.15 – 14.15** hrs. - Afternoon session **14.15 – 16.55** hrs.
 - Pre-Open **18.45 – 18.50** hrs. - Night session **18.50 – 03.00** hrs. (Next day)
(Precious Metal Futures)
 - There may be changes according to the announcement of the regulator.
- The last execution day
 - The business day immediately preceding the last business day of the contract month.
 - Time at which trading ceases on Last Trading Day is **16:30** hrs.
 - There may be changes to each product and according to the announcement of the regulator.

5. Settlement

- At the end of each business day, the Client's position will be marked to market to reflect the gain or loss. If the balance in Client's margin account is not sufficient, the Client will be called to deposit additional margin as mentioned in No. 6 below
- The Client acknowledges that the futures contract has an expiration of the contract. Clients can close their position or offset their position before the expiration of the contract. If the client holds the contract until the expiration of the contract, the futures exchange will automatically close positions at the settlement price on the last trading day as specified by the futures exchange.
- The final settlement price shall be used the average value announced by the Futures Exchange.

6. Call for additional margin and force close

- The Client will be called to deposit an additional margin when the balance in the client's collateral is below the stipulated maintenance margin requirement (MMR) at the end of any day. By this the Client has to provide the required amount to maintain its initial margin requirement (IMR) within the next business day (T+1) 1 hour before the Futures Exchange close. If the Client fails to comply within the specified time, the Company shall not allow the Client to open additional position.
- The Client will be called to deposit an additional margin when the balance in the client's collateral is below the stipulated Intraday Force Close Margin Requirement (FMR) at the morning session closed. By this the Client has to provide the required amount to maintain its Maintenance Margin Requirement (MMR) within 16.55 hrs. of the date T. However, the company reserves the right to consider taking action to force close the position before the time specified in the announcement of the FI Club in the event that the equity balance adjusted according to the market price at a given moment of the client is lower than zero (0) in order to limit the damage that may occur to the client and the company. And if it turns out that the client's collateral has returned above the Maintenance Margin Requirement (MMR), the client still has to place additional fund or close out the position for the amount called. Then, the client will allow to open the new position.

- The Client will be called to deposit an additional margin when the balance in the client's collateral is below the stipulated Intraday Force Close Margin Requirement (FMR) at the end of any day. By this the Client has to provide the required amount to maintain its Maintenance Margin Requirement (MMR) within the next business day (T+1) (during morning session or within 12.30 hrs.). Furthermore, the clients require depositing the additional fund in order to increase their equity balance to equal to initial margin requirement (IMR) within 15.55 hrs. (According to the regulation from FI club). In case the client decline to deposit the additional fund, the company shall forces close the outstanding position according to the client was called to place additional collateral until the initial margin requirement (IMR) within 16.55 hrs.
- After force close, the Company shall send the letter informing the Client.

7. Withdrawal of excess equity

To withdraw excess equity, the Client has to submit the signed form to the Company and the Company shall reimburse within the next business day and the withdrawal of excess equity should not cause the value of margin in the Client's Derivatives trading account less than the initial margin requirement (IMR) at the end of the business day that the Client submit the withdrawal form.

8. Concentration Limit

In case the Client's position meet the concentration limit by nature and condition as stipulated by the Company, the Company may forbid the Client to open addition position and call additional margin more than usual including forbid the Client to withdraw excess equity which is higher than the initial margin requirement during the concentration period.

9. False payment, fee, interest, penalty in case the client cannot provide the required margin

- In case the Client fails to pay indebtedness, fee, interest, the Company reserves the right to set off or to retain the margin or the Client's interests which are in the possession of the company.
- In case the Client cannot provide margin within the specified period, the Company reserves the right to fine, to set off or to retain the margin or the Client's interests which are in the possession of the company.
- The Company shall announce the penalty and interest from time to time.

10. The settlement and delivery method

- For Agricultures Futures, the company has the delivery method by Cash Settlement only.
Remark: the Agricultures Futures which trading in TFEX i.e. Natural Rubber Ribbed Smoke Sheet No. 3 (RSS3)
- For Deferred Precious Metal with the physical delivery (Gold D), please note that currently the company does not provide this service. In case there are any changes, the company will announce on company website.
Remark: Any changes in this notification are committed to clients without prior notice.

In case the Client has been treated unfair or has any complaint over the operation of Company's officer, the Client can complain to the Company's Compliance Department at the telephone number 02-7619276-81 or via email: bk.compliance@cgsi.com

The client has a good understanding of derivatives trading as well as having an understanding of the above policies and guidelines. The company is able to change the above conditions and details, which the company will publish on the website of the company from time to time. The client agrees to the agreement and details of the risk disclosure in all respects. So, the client signs and / or stamped (if any) as evidence.

al of Juristic person



Signed.....Client

(.....)

Signed.....Company

(.....)

Signed.....Investment Consultant

(.....)

Signed.....Witness

(.....)