



Phillip Bullion Limited

BULLION CLIENT AGREEMENT

SCHEDULES:

1. On-line Trading Agreement
2. Personal Information Collection Statement
3. Risk Disclosure Statement
4. Account Opening Form
(Customer Information Form)

BULLION CLIENT AGREEMENT

THIS AGREEMENT is made the date stated in the Account Opening Form.

BETWEEN:

- (1) **Phillip Bullion Limited**, a company incorporated in the Hong Kong Special Administrative Region with its principal place of business at 11/F, United Centre, 95 Queensway, Admiralty, Hong Kong (the "Company") and
- (2) The party whose name, address and details are set out in the Account Opening Form (the "**Customer**").

1 Terms and Headings

1.1 In this Agreement, unless the context otherwise requires, the term:

"**Accounts**" means the trading accounts now or hereafter opened in the name of the Customer with the Company in connection with this Agreement, "**Account**" means any one of them.

"**Account Opening Form**" means the form attached as Schedule 4.

"**Agreement**" means this agreement, including the Account Opening Form, the Schedules attached hereto as amended or supplemented and all other agreements and authorizations entered into by Customer on the date of this Agreement or thereafter in connection with the maintenance of Customer's Account with the Company.

"**American-Style**" means an Option which allows the Grantee to exercise the Option at any time up to and including the date of the Option's expiration.

"**Authorised Person**" means the Customer's officers, partners, principals or employees or any persons to whom the Company reasonably believes that trading authority or control over Customer's account was granted.

"**Business Day**" means any day on which the Company is open for trading other than Saturday, Sunday, public holiday in Hong Kong and in London and any other day declared by the Company to be a non-business day.

"**Confirmation**" means a written notice sent from time to time by the Company to the Customer in relation to transactions between the Parties, transactions entered into on behalf of the Customer, other adjustments by the Company to the Customer's Account or results of any Netting transactions.

"**Contract**" means a contract as may be agreed by the Parties from time to time in respect of the purchase and sale of Precious Metal pursuant to the terms and subject to the conditions of this Agreement.

"**Contract Price**" means the price per unit of Precious Metal multiplied by the total quantity of Precious Metal bought or sold pursuant to the terms and subject to the conditions of this Agreement.

"**Electronic Services**" means services which enable the Customer to give electronic Instructions and to obtain quotations and other information via computer or telephonic transmission for use on compatible personal, home or small business computers, including internet appliance with modems, terminals or network computers that can connect to a telecommunication network.

"**European-Style**" means an Option which usually allows the Grantee to exercise the option only at the option's maturity date.

"**Exercise Price**" of an Option means the price per unit of Precious Metals at which the Option may be exercised by the Grantee and, unless otherwise agreed by the Parties and stated in a Confirmation, shall be valued in U.S. dollars.

"**Grantee**" means the buyer of an Option, who pays the Total Premium Amount to the Grantor pursuant to the terms and conditions of an Option.

"**Grantor**" means the seller of an Option, who receives the Total Premium Amount from the Grantee pursuant to the terms and conditions of an Option.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the Peoples Republic of China.

"**Instructions**" means any instructions or orders regarding trading of Precious Metal and/or Options communicated by the Customer or any of its Authorised Persons to the Company.

"**London Bullion**" means gold having a fineness of at least 0.995 and/or silver having a fineness of at least 0.999, both of which shall be valued in U.S. dollars per troy ounce and be suitable for delivery through the London Bullion Market Association, unless otherwise agreed by the Parties and stated in the relevant Confirmation.

"**Margin**" means a deposit as collateral required by the Company to be placed by the Customer as a guarantee of performance in trading.

"Netting" means an agreement by the Parties to settle their respective delivery and payment obligations on a net basis after the complete or partial off-set of delivery and payment obligations to each other, on any given day, under the terms and subject to the conditions of this Agreement.

"Off-set" or **"Off-setting"** means an agreement by the Parties to off-set and terminate their respective rights and obligations to each other in relation to any Option.

"Options" means a Contract between the parties in the agreement giving certain rights to the Grantee and creating certain obligations for the Grantor under the terms and conditions specified therein.

"Parties" means the Company and the Customer and "Party" means either of them.

"Precious Metal" means bullion including London Bullion and/or any other kinds of metal as may be agreed by the Parties and stated in the relevant Confirmation.

"Premium Price" means the price per unit of Precious Metal at which the Option may be bought by the Grantee, and unless otherwise agreed by the Parties and stated in a Confirmation, shall be valued in U.S. dollars.

"Settlement Date" means:

- (i) for London Bullion spot delivery Contracts, the second Business Day following the date on which the deal was entered into;
- (ii) for bullion forward delivery Contracts, the date to which the Parties have agreed as stated in a Confirmation;

in each case unless otherwise determined by the Company and notified to the Customer, and,

- (iii) for the payment of a Total Premium Amount or for delivery of Precious Metals and payment of the Total Exercise Amount, the date as determined by the Company and notified to the Customer.

"Total Exercise Amount" means the Exercise Price per unit of Precious Metal multiplied by the total quantity of Precious Metal subject to an Option.

"Total Premium Amount" means the Premium Price per unit of Precious Metal multiplied by the total quantity of Precious Metal subject to an Option.

1.2 In this Agreement:

- (i) references to the "Customer", wherever used, shall in the case where the Customer(s) is/are individual(s) include the Customer(s) and his/their respective executors and administrators and in the case where the Customer is a sole proprietorship firm include the sole proprietor and his executors and administrators and his/their successors in the business and in the case of a partnership firm include the partners who are the partners of the firm at the time when the Customer's Account(s) is/are being maintained and their respective executors and administrators and any other person or persons who shall at any time hereafter be or have been a partner of and in the firm and his or their respective executors and administrators and the successors to such partnership business and where the Customer is company include such company and its successors;
- (ii) references to "Group Company" includes the Company's director or indirect holding companies, and direct or indirect subsidiaries of the Company or of such holding companies;
- (iii) references to clauses and sub-clauses unless otherwise stated are to clauses and sub-clauses of this Agreement;
- (iv) the heading to the clauses are for convenience only and do not affect their interpretation and construction;
- (v) words denoting the singular include the plural and vice versa; and
- (vi) words importing any gender include every gender and references to persons include companies and corporations.

2 Instruction and Authorization

2.1 The Company is hereby authorized to act upon the Instruction of the Customer or any of its Authorized Persons to deposit, purchase and/or sell Precious Metal and/or Options for the Account(s) and otherwise deal with Precious Metal, receivables or monies held in or for the Account(s).

2.2 All Instruction shall be given by the Customer or any of its Authorized Persons orally either in person or by telephone, or in writing, delivered by post, by hand, by e-mail or by facsimile transmission or through any of the Electronic Services in accordance with the terms and conditions set out in Schedule 1 (On-line Trading Agreement) to this Agreement.

- 2.3 The Company shall be entitled to rely on any Instructions, directions, notices or other communication which the Company reasonably believes to be from an Authorized Person and the Customer shall be bound by such communication. The Customer agrees to indemnify the Company and hold the Company harmless from and against all losses, costs and expenses (including legal costs) reasonably incurred by the Company in reliance thereon.
- 2.4 All Instructions must be given by the Customer or an Authorized Person to the Company in clear and unambiguous terms. All Instructions, orders and transactions shall be subject to the constitution, rules, regulations, customs, usages, rulings and interpretations, from time to time extant or in force of the counterparty institution, the London Bullion Market Association or other markets or clearing organization concerned, and all applicable law, rules or regulations.
- 2.5 In the event that any Instruction has been given otherwise than in accordance with Clause 2.3, the Company is hereby authorized by the Customer to elect without prior notice to the Customer either to ignore the order or to execute the order with such modifications or changes as may be necessary to comply with the applicable rules. Orders to execute Contracts may be given in writing or orally (whether by telephone or actual meeting) or by telex or by fax whether by the Customer or any of its Authorized Persons, and once given may not be rescinded or withdrawn without the written consent or confirmation of the Company.
- 2.6 A statement by the Company confirming that an Instruction has been received from the Customer or a Contract has been executed for the account of the Customer and any statement of account from the Company shall be conclusive evidence thereof.
- 2.7 The Company may, in its absolute discretion, determine the priority in the execution of its customers' instructions, having due regard to the sequence in which such instructions were received, and the Customer shall not have any claim of priority to another customer(s) in relation to the execution of any Instruction received by the Company.
- 2.8 The Company is under no obligation whatsoever at any time to accept any Instruction or enter into any Contract, including but not limited to any matching Contract or any Contract to settle any existing Contract in whole or in part. Notwithstanding anything contained herein, the Company shall be entitled at its absolute discretion to refuse to act on any of the Customer's instruction and shall not be obliged to give any reason for such refusal.
- 2.9 The Customer understands and agrees that the Company may compensate third parties]for introducing the Customer to the Company and that such compensation may be on a per trade basis or other basis. Such compensation to third parties may require the Customer to incur a mark-up, above and beyond the ordinary spread generally provided by the Company, and the Customer has a right to be informed of the precise nature of such remuneration.
- 2.10 This Agreement shall be continuous and shall cover individually and collectively, all Accounts of Customer at any time opened or reopened with Company irrespective of any change or changes at any time in the personnel of Company or its successors, assigns, or affiliates. Each Contract and each Option shall be governed by the terms and conditions of this Agreement and the relevant Confirmation, unless otherwise agreed by the Parties.
- 2.11 Each Confirmation shall supplement and form a part of this Agreement and all the terms are subject to the conditions of this Agreement and all Confirmations, and their amendments, constitute a single agreement between the Customer and the Company.

3 Margin

- 3.1 The Customer shall provide to and maintain with the Company Margin in such amount and in such form and within such time as may be required by the Company from time to time.
- 3.2 The Company may change the Margin requirements at any time at its sole discretion. No previous Margin requirement (whether as to amount, form, time for payment or otherwise) shall limit the Company's right to vary Margin requirements (increase or decrease) at any later time for existing positions as well as new positions after the date of such change. The Customer agrees to promptly meet all Margin requirement as and when required by the Company and to pay for all charges incurred during remittance or transfer, including bank commission, exchange rate differences and all other related expenses. Any failure by the Customer to meet calls for Margin by the Company shall entitle the Company to cancel, close by Off-set or any other form of liquidation any or all open Contracts and/or Options in any account of the Customer, and/or convert any monies into Precious Metal, or vice versa, in the Customer's account, at a rate of exchange as determined by the Company in its sole discretion.
- 3.3 The Customer is fully aware that some time is required for the Company to process the Customer's deposit, and the Customer may not be able to use the deposit immediately as Margin required for new positions or as additional Margin funds.
- 3.4 The Customer may sustain a loss from forced liquidation for not meeting the Margin requirement and such loss may be greater than the initial Margin required. The Company may at any time proceed to

liquidate all or any of the Customer's Accounts in accordance with this Agreement and any failure by the Company to enforce its rights hereunder shall not be deemed a waiver by the Company to enforce its rights thereafter.

- 3.5 The Customer shall at all times be liable for the payment of any debit balance(s) or deficit in each Account, and that in all cases, the Customer shall be liable for any Margin deficiency in each Account. Any debit balance(s), account deficit or Margin deficiency in an Account shall be charged with interest as the Company shall in its absolute discretion determine. Such interest shall accrue on a day-to-day basis and the Customer shall promptly settle upon demand all outstanding liabilities of the Customer together with all cost of collection (including but not limited to legal costs).
- 3.6 The Customer has the right to withdraw from an Account and acknowledges that the Company requires certain time to process such withdrawal request and the Customer may not be able to receive the withdrawal amount immediately. The Customer agrees to hold the Company harmless from and against any and all liability arising out of or in connection with any delay of the Company in execution of the Customer's withdrawal request.
- 3.7 The Customer will observe and accept all rules, Margin deposit requirements, trading facts, time table(s) for placing order(s), taking delivery and/or other matters relating to the trading of Precious Metal as determined by the Company from time to time.

4 Netting of Bullion Contracts

Unless otherwise agreed by the Company and the Customer, whenever a Contract is entered into by the Parties which creates obligations for the delivery of and payment for Precious Metal, and such obligations are opposite to the obligations of an existing Contract between the Parties, then and without further action and notice, such new and existing Contracts shall be netted by the Company automatically.

5 Off-setting Options

Unless otherwise agreed by the Parties, any call Option or any put Option granted by one Party to the other Party may be terminated and discharged automatically, in whole or in part, as applicable, against a call Option or put Option, respectively granted by the other Party to the first Party.

6 Payment and Delivery Netting

The Parties may agree verbally or in writing to settle on a net basis any delivery and payment obligations on a single day which arise from the purchase and sale of Options, or delivery and payment due from the exercise of an Option, or any delivery and payment from Contracts, and, if so agreed, the Parties' respective obligations will be satisfied and discharged by delivery and/or payment of the net amount.

7 Option Exercise and Settlement

- 7.1 The Grantee may exercise an Option by notifying the Grantor on any Business Day in the case of an American-Style Option or on the expiration date in the case of an European Style Option. Upon such notice of exercise the Grantee shall be obliged irrevocably to buy from or sell to the Grantor, and the Grantor shall be obligated to sell to or buy from the Grantee, as the case may be, the Precious Metal subject to such Option at the Total Exercise Amount on the Settlement Date.
- 7.2 In the event that the Grantee exercises any Option, delivery of any payment for the Precious Metal shall be made on the Settlement Date. Payment of the Total Exercise Amount between the Grantee and the Grantor will be in U.S. dollars unless otherwise agreed and stated as such in the relevant Confirmation. Unless otherwise agreed by the Parties, delivery of Precious Metal and payment of the Total Exercise Amount may be made by the Parties in accordance with any standing delivery and payment instructions previously issued by one of the Parties to the other Party and not subsequently cancelled by the issuing Party.

8 Bullion Delivery and Payment

- 8.1 Subject to Clause 4 hereof, each Contract shall give rise to an obligation to make or take delivery of Precious Metal on the Settlement Date against payment of the Contract Price.
- 8.2 The Company, at its sole discretion, will decide the time and place of delivery. Unless otherwise agreed by the Parties, delivery and payment may be made by the Parties in accordance with any standing delivery and payment instructions previously issued by one of the Parties to the other party and not subsequently cancelled by the issuing Party.
- 8.3 Unless otherwise agreed by the Parties and so stated in an original or amended Confirmation, all payments in settlement of London Bullion deliveries shall be in U.S. dollar in immediately available funds. The obligations of the Parties hereunder shall not be discharged by payment in another currency or at any place other than that specified by the payee. In the event that any payment is made by either of the Parties in another currency which, upon conversion to U.S. dollar, does not result in payment of the amount due in U.S. dollar, the payee shall have a separate cause of action against the payer for the balance due and owing to the payee.

9 Fees, Charges and Payment

- 9.1 The Customer shall pay such brokerage, commission and special service and all other charges (including, without limitation, markups and markdowns, statement charges, idle account charges, order cancellation charges, account transfer charges or other charges) and all fees (including, without limitation, fees imposed by any interbank agency, bank, contract markets or other regulatory or self-regulatory organizations) as notified to the Customer by the Company from time to time.
- 9.2 The Customer agrees to be liable to the Company for interest on amounts due from the Customer to the Company at an interest rate as determined by the Company in its absolute discretion from time to time. All amounts due shall be paid by the Customer upon demand, or as the Company in its sole and absolute discretion may determine, and the Customer hereby authorizes the Company to transfer such amount from the Margin or security deposited with the Company by the Customer without call or notice as may be necessary to cover the amounts due to the Company.
- 9.3 The Customer shall be charged a premium or offered a discount on the Precious Metal Contracts depending on the Precious Metal traded and whether it is a buy or sell transaction. Such premium or discount shall be adjusted periodically and the Customer is advised to check for updates on-line at the Company's website. The Customer shall be personally responsible for any and all government duties, fees and taxes levied on the transactions or profits of the Customer's trading activities. The Customer hereby agrees that the Company may withhold or deduct such duties, fees or taxes directly from the Customer's Account.
- 9.4 The Company may change its commission, interests, charges and/or fees without notice.
- 9.5 All transactions between the Customer and the Company are concluded on the understanding that the Company and/or its brokers are entitled to receive commissions and/or rebates in the transaction.

10 Representations and Warranties

- 10.1 The Customer represents and warrants that on each day during the continuance of this Agreement:
- (i) (in the case of a corporation) it is validly incorporated and existing under the laws of its country of incorporation; (in the case of an individual) it is of sound mind, legal age and legal competence;
 - (ii) it has full power and capacity to enter into and perform the terms and conditions of this Agreement and has taken all necessary action to authorise the execution, delivery and performance of this Agreement;
 - (iii) it is not an employee of any exchange, any corporation in which any exchange owns a majority of the capital stock, any member of any exchange and or firm registered on any exchange, or any bank, trust, or insurance company that trades the same instruments as those offered by Company, and in the event that Customer becomes so employed, Customer will promptly notify Company at its office in writing of such employment;
 - (iv) (in case of a corporation) its entry into this Agreement has been duly authorized by its governing body and is in accordance with the memorandum and articles of association or by-laws as the case may be of the Customer;
 - (v) neither the signing or performance of this Agreement nor any instructions given hereunder will contravene or constitute a default under any existing applicable law, statute, ordinance, rule or regulation or judgment or cause to be exceeded any limit by which the Customer or any of the Customer's assets is bound;
 - (vi) it has obtained and will maintain in full force and effect any necessary consents, licences and authorities in entering into this Agreement and any Contract or Option pursuant hereto;
 - (vii) it has paid and/or will pay any taxes, duties and other amounts which may be required to be paid in connection with the execution of this Agreement and any Contract or Option pursuant hereto;
 - (viii) the financial information it disclosed to the Company is an accurate representation of the Customer's current financial condition, including (without limitation) that:
 - (a) in determining its net worth, the Customer has carefully calculated its assets and liabilities;
 - (b) in determining the value of its assets, the Customer has included cash and or cash equivalents, marketable securities, real estate owned (excluding primary residence), the cash value of life insurance and other valuable assets;
 - (c) in determining its liquid asset, the Customer has included only those assets that can be quickly (within one day's time) converted to cash;
 - (d) in determining the value of its liabilities, the Customer has included notes payable to banks (secured and unsecured), notes payable to relatives, real estate mortgages payable (excluding primary residence) and other debts; and

- (e) the Customer has carefully considered the portion of its assets that it considers to be risk capital, namely, the amount of money which the Customer is willing to put at risk and, if lost, would not in any way change the Customer's lifestyle;
 - (ix) it has no separate agreement with its broker or any employee or agent of the Company regarding the trading in the Account, including any agreement to guarantee profits or limit losses in the Account. The Customer undertakes to notify the Company immediately in writing if there is any agreement of this type;
 - (x) it will enter into Contracts and Options solely in reliance upon its own judgment and investigations, and not upon advice or recommendations by any director, employee or agent of the Company;
 - (xi) no person other than the Customer and or the Customer's joint account holder has or will have an interest in the Customer's account(s); and
 - (xii) all information provided to the Company under or in connection with this Agreement is true, correct and complete as of the date hereof and it will notify the Company immediately of any changes in such information. The Company is entitled to rely on such information until written notice from the Customer of any changes in such information has been received by the Company.
- 10.2 In connection with the delivery of Precious Metal under any Contract or exercise of any Option between the Customer and the Company, the seller of Precious Metal thereunder (whether the Company or the Customer) shall be deemed to represent and warrant to the buyer that:
- (i) Precious Metal subject to such Contract or Option is of the fineness set forth in the definition of this Agreement, or, as the case may be, stated in the relevant Confirmation;
 - (ii) the seller has (or will have on the Settlement Date) good title to Precious Metal, free and clear of all liens and encumbrances; and
 - (iii) the seller makes no warranties of merchantability, fitness or other warranties express or implied.
- 10.3 The Customer agrees not to pledge or charge any properties or monies forming part of any Account without the prior consent of the Company, or to sell, grant an option over, or otherwise deal in any properties or monies forming part of the Account.
- 10.4 The Customer undertakes to perform such acts, sign and execute all such agreements or documents whatsoever as may be required by the Company for the performance or implementation of this Agreement or any part thereof.

11 Joint Account

- 11.1 If more than one individual executes this Agreement as the Customer, all such individuals agree to be jointly and severally liable for the obligations assumed in this Agreement.
- 11.2 Where an Account is held by more than one individual (hereinafter referred to as 'joint account holder'):
- (i) the liability and obligations of each joint account holder shall be joint and several and reference to the Customer shall be construed, as the context requires, to any or each of them;
 - (ii) each joint account holder singly has authority to deal with the Account, including but not limited to executing trades pursuant to this Agreement, receiving all correspondence and documents in respect of the Account, receiving or withdrawing money from the Account. The Company may accept Instructions from, give receipts to and for all purposes deal with any one of such individuals without notice to the other individual and the Company is not responsible for determining the purposes or propriety of an Instruction the Company receives from any such individual or for the disposition of payments or deliveries among such individuals. The Company reserves the right to require written Instructions from all such individuals at its discretion;
 - (iii) any payments made to any one of such individuals shall be a valid and complete discharge of the Company's obligations to each individual regardless of whether such payment is made before or after the death of any one or more of such individuals;
 - (iv) any notices and communications sent to one such individual will be deemed notice to all individuals holding the Account;
 - (v) the Company shall hold the Account as security for the liabilities of all the joint account holders whether individually or jointly;
 - (vi) on the death of any of such individual (being survived by any other such individual), this Agreement shall not be terminated and the interest in the Account of the deceased will thereupon vest in and ensure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Customer shall also be enforceable by the Company against such deceased Customer's estate. The surviving Customer(s) shall give the Company written notice immediately and provide proof of a death certificate upon any of them becoming aware of any such death.

11.3 This Agreement shall be binding on the Customer's heirs, executors, administrators, personal representatives, successors and assigns, as the case may be.

12 Events of Default

12.1 Any one of the following events shall constitute an event of default ("**Event of Default**") under this Agreement:

- (i) the death, insanity or incompetence of the Customer (being an individual);
- (ii) the filing of a petition in bankruptcy, winding up or the institution of any insolvency or similar proceeding against the Customer;
- (iii) the Customer convenes a meeting for the purpose of making, or proposes or enters into, any arrangement or composition for the benefit of its creditors;
- (iv) any indebtedness or obligations of the Customer for the repayment of any debts becoming due and payable, or capable of being declared due and payable prior to the specified maturity date thereof owing to any default by the Customer or is not paid when due;
- (v) the filing, levy or enforcement of any attachment, execution or other process against the Customer, or the appointment of a receiver or similar officer in respect of any part of the undertaking or assets of the Customer;
- (vi) insufficient Margin in the Customer's Account, or the Customer's failure to pay any Margin or other sums payable to the Company or submit to the Company any document hereunder, when called upon to do so or on due date;
- (vii) the Customer stops payment of, or becomes unable to pay, its debts, or ceases or threatens to cease to carry on its business or disposes or threatens to dispose of its undertaking or assets;
- (viii) the Customer's failure to provide the Company with any information requested pursuant to this Agreement or the Company is of the view that the Customer is in breach of any law or regulation; or
- (ix) any representation or warranty made by the Customer to the Company in this Agreement or in any document being or becoming incorrect or misleading;
- (x) any consent, authorization or board resolution required by the Customer (being a corporation or a partnership) to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (xi) default by the Customer in the due performance of any of the terms of this Agreement, any Contract and/or Option and/or the observance of any by-laws, rules and regulations of the appropriate exchange and/or clearing house;
- (xii) the occurrence of any event which, in the sole opinion of the Company, might jeopardize any of its rights under this Agreement; or
- (xiii) any other circumstances or developments that Company deems appropriate for its protection, and in Company's sole discretion.

12.2 If an Event of Default occurs, all amounts owing by the Customer to the Company shall become immediately due and payable on demand, and interest will accrue, at the rate as determined by the Company at its sole discretion, on the amounts outstanding from time to time, and without prejudice to any other rights or remedies that the Company may have against the Customer and without further notice to the Customer, the Company shall be entitled to:

- (i) immediately close the Account(s);
- (ii) terminate all or any part of this Agreement;
- (iii) suspend the Company's obligations to perform pursuant to the terms and subject to the conditions of this Agreement and any Confirmation issued by the Company or any Confirmation received from the Customer;
- (iv) cancel any or all Options in which the Company and the Customer are counterparties, either as Grantee or Grantor;
- (v) sell and Off-set any or all Options long in any account of the Customer and buy and Off-set any or all Options short in any account of the Customer, and, as determined by the Company, calculate a net settlement payment amount to one of the Parties for all Options so off-set;
- (vi) set off any amount owed by the Company to the Customer against any amount owed by the Customer to the Company, and calculate a net settlement payment amount to one of the Parties;
- (vii) cancel any or all Contracts with the Customer on or before their respective Settlement Dates;

- (viii) set off any or all Contracts with the Customer and calculate a net settlement payment amount to one of the Parties equal to the difference between:
 - (a) the Contract Price of the original Contract and the price at which the Company could, or does, buy an equivalent type and quantity of Precious Metal for delivery on the same Settlement Date as the Customer had contracted to buy in the original Contract, or
 - (b) the Contract Price of the original Contract and the price at which the Company could, or does, sell an equivalent type and quantity of Precious Metal for delivery on the same Settlement Date as the Customer had contracted to sell in the original Contract;
- (ix) subject to applicable laws, dispose of any or all securities or other property held for or on behalf of the Customer by the Company or any Group Company and to apply the proceeds thereof and any cash deposit(s) to settle all outstanding balances owing by the Customer to the Company; and
- (x) combine, consolidate and set off any or all Accounts in accordance with Clause 18 and Schedule 5 (Client Money Standing Authority).

12.3 In the event of any sales pursuant to this Clause:

- (i) the Company shall not be responsible for any loss occasioned thereby howsoever arising unless it is caused by the Company's negligence or wilful default;
- (ii) the Company shall be entitled to appropriate to itself or sell or dispose of the securities or other properties or any part thereof at the current price to the Company or any Group Company without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by the Company and/or any Group Company; and
- (iii) the Customer undertakes to pay to the Company any deficiency if the net proceeds of sale shall be insufficient to cover all outstanding balances owing by the Customer to the Company.

13 Termination

- 13.1 Without prejudice to Clause 12, this Agreement shall continue in effect until terminated by either party at any time upon receipt by either party of a written notice of termination. Such notice from the Company shall be deemed to have been received by the Customer on the day such notice is sent to the Customer.
- 13.2 Service of notice of termination by the Customer pursuant to Clause 13.1 shall not affect any transaction entered into by the Company pursuant to this Agreement before the notice has actually been received by the Company.
- 13.3 Termination of this Agreement shall not affect any legal rights or obligations which may already have arisen.
- 13.4 Notwithstanding Clause 13.1, the Customer have no right to terminate this Agreement if the Customer has open positions or outstanding liabilities or obligations owed to the Company.
- 13.5 Clauses 12, 14, 16 and 19 shall survive the termination of this Agreement.

14 Limitation of Liability and Indemnification

- 14.1 Neither the Company nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Customer as a result of:
 - (i) the Company acting or relying on any Instruction given by the Customer or any Authorized Persons whether or not such Instruction was given following any recommendation, advice or opinion given by the Company or by any of its directors, employees or agents and whether or not such Instruction was in fact authorized by the Customer or not;
 - (ii) the access or use, or inability to access or use, of the Electronic Services or any delay or alleged delay in acting or any failure or refusal to act on any Instruction given by the Customer to the Company (whether or not the Company has been advised of the possibility of such loss or damage);
 - (iii) any condition or circumstances which are beyond the reasonable control of the Company, including but not limited to any delays in the transmission of orders due to disruption, breakdown, failure or malfunction of transmission of communication facilities, failure of electronic or mechanical equipment, telephone or other interconnection problems, unauthorised use of Electronic Services, prevailing fast market conditions, governmental agency or exchange actions, theft, war (whether declared or not), severe weather, earthquakes and strikes;

- (iv) the Company exercising or refraining from exercising or delaying the exercise of any of all of its rights conferred by the terms of this Agreement; or
 - (v) any conversion of one currency to another pursuant to, in relation to or arising from this Agreement.
- 14.2 The Customer undertakes to indemnify and keep indemnified the Company in respect of any costs, claims, demands, damages and expenses whatsoever which may be reasonably and properly suffered or incurred by the Company directly or indirectly arising out of or in connection with any transaction entered into by the Company as agent on behalf of the Customer or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by the Company in accordance with the terms of this Agreement or pursuant to any Customer's Instruction or communication, or any breach by the Customer of any of its obligations under this Agreement. The Customer also agrees to pay promptly to the Company, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) reasonably incurred by the Company in the enforcement of any of the provisions of this Agreement.
- 14.3 The Customer acknowledges that any market recommendations and information communicated to the Customer by the Company or by any person within the Company does not constitute an offer to buy or sell, or a solicitation of an offer to buy or sell any Precious Metal or Options. The Company shall not be under any liability in respect of such recommendations and information. Any recommendation or information provided from the Company, although based upon information obtained from sources believed by Company to be reliable, may be based solely on an opinion and that such information may be incomplete and may be unverified, and the Company makes no representation, warranty or guarantee as to, and shall not be responsible for, the accuracy or completeness of any information or trading recommendation furnished to Customer.

15 Conflict of Interest

- 15.1 The Company and its directors, officers or employees may trade on its/ their own account of on the account of any Group Company subject to any applicable regulatory requirements.
- 15.2 The Company may buy, sell, hold or deal in any Precious Metal or Options or take the opposite position to the Customer's order whether it is on the Company's own account or on behalf of its other clients. The Company may effect transactions in Precious Metal or Options where the Company or any Group Company has a position in the Precious Metal or Options. The Company may also effect transactions with the Customer as principal and may match the Customer's orders with those of other clients.
- 15.3 In any of the above cases, the Company shall not be obliged to account for any profits or benefits obtained.

16 Notice, Transaction Statement and Reports

- 16.1 All notices, reports, confirmation of orders, statements of accounts and other communication shall be in written or electronic form (if applicable) which may be personally delivered or transmitted by post, facsimile or electronic mail, to the Customer, at the address, facsimile number or electronic mail address given in the Account Opening Form or at such other address, facsimile number or electronic mail address as shall be designated by the Customer in a written notice to the Company; and all communications so transmitted to the Customer, whether by mail, fax, electronic form or otherwise, shall be deemed transmitted when deposited in the mail or at the time of delivery or transmission, whether actually received by the Customer or not. Any notice to be made or delivered to the Company by the Customer will be effective only when actually received by the Company at its address at such office of the Company as the Company may from time to time select and notify the Customer.
- 16.2 All notices, reports of the confirmation of orders, statements of accounts for the Customer shall be deemed correct and shall be conclusive and binding upon the Customer if not objected in writing by the Customer within one day after transmittal to Customer by postal mail, electronic mail or otherwise. Margin calls shall be conclusive and binding unless objected in writing by the Customer immediately. Written objections by the Customer shall be delivered to the Company at its office address as set out on the Company's website, and shall be deemed received only when actually received by the Company. The Customer's failure to receive a trade confirmation shall not relieve Customer of the obligation to object as set forth herein.
- 16.3 The Customer acknowledges that telephone calls between the Customer and the Company may be recorded on a centralised tape recording system operated by the Company and that the record may be used as final and conclusive evidence of the Instructions in the case of disputes.
- 16.4 The Customer hereby acknowledges and agrees that there are risks of misunderstanding or errors in any communication and that such risks shall be borne by the Customer.
- 16.5 The Customer agrees that it is the Customer's obligation to immediately notify the Company if there is any change in its facsimile number, correspondence or electronic mail address.

17 Assignment

- 17.1 The Customer may not assign any right under this Agreement or any Contract without the consent of the Company. The Customer's rights under each Contract shall be subject to all rights, liabilities and obligations arising out of the application of this Agreement to every Contract entered into by the Customer with the Company.
- 17.2 The Company may assign all or a part only of its rights and obligations under this Agreement to any person without the prior consent or approval of the Customer.

18 Set-off, Lien and Combination of Accounts

- 18.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which the Company may be entitled under law or this Agreement, all Precious Metal, receivables, monies and other property of the Customer (held by the Customer either individually or jointly with others) held by or in the possession of the Company at any time shall be subject to a general lien in favour of the Company as continuing security to offset and discharge all of the Customer's obligations, arising from or in connection with the business of dealing in Precious Metals and Options, to the Company and the Company is authorised to combine or consolidate any or all accounts of any nature or name whatsoever and held either individually or with others, maintained by the Customer with the Company.
- 18.2 On the date of this Agreement or at such later time as required by the Company, the Customer shall sign a client money standing authority in the form as set out in Schedule 5 (Client Money Standing Authority).

19 Anti-Money Laundering and Counter-Terrorist Financing

- 19.1 Where the Customer is an Intermediary as defined in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance ("AMLO"), the Customer undertakes the following:
- 19.1.1 Maintenance of internal policies, procedures and controls to comply with anti-money laundering/countering the financing of terrorist laws, regulations, and guidelines including performing ongoing monitoring of clients and their transactions;
- 19.1.2 Performance of the client due diligence measures specified in section 2 of schedule 2 of AMLO; and
- 19.1.3 Provision without delay of the documentary evidence obtained in the course of carrying out client due diligence measures upon request from overseas or local regulators or the Company.

20 Tax compliance

- 20.1 The Customer and any person acting on its behalf acknowledge that it is the sole responsibility of the Customer to understand and comply with its tax obligations in all jurisdictions. The Customer is advised to seek independent legal and tax advice and neither the Company nor its agents provide tax advice.
- 20.2 The Customer undertakes to provide the Company with information, documents and certificates as required by the Company in order to meet obligations imposed by applicable Inter-jurisdictional Tax Compliance Rules. "Inter-jurisdictional Tax Compliance Rules" includes but without limitation to:
- (a) "FATCA", which means:
- (i) sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
 - (ii) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with Clause 19.2(a)(i), including as entered into the government of Hong Kong;
 - (iii) agreements between the Company and the Internal Revenue Service of the United States or other regulator or government agency pursuant to or in connection with Clause 19.2(a)(i); and
 - (iv) any laws, rules, regulations, interpretations or practices adopted in the United States, Hong Kong or elsewhere pursuant to any of the foregoing; and
- (b) "Tax Information Sharing Arrangements", which means any local or foreign laws, regulations and rules including, without limitation to, the obligations under FATCA and associated rules and regulations and other international exchange arrangements affecting the Company.
- 20.3 The Customer acknowledges and agrees that the Company may report and disclose any information, document, certification or account details (including but not limited to the relevant account balances, gross amounts of relevant interest incomes, dividend incomes and withdrawals) given by or relating to the Customer, any beneficial owners, any authorised signatories or other representative, any account with the Company or any transaction to the Tax Authorities, as required under the applicable local or foreign laws, regulations and rules and as determined by us. The Customer also

acknowledges and understands that the Company's obligations imposed by applicable local or foreign laws are continuous.

- 20.4 The Customer will, from time to time, supply the Company with identity information and personal data in connection with the establishment or continuation of any account with the Company or provision of its services. Failure to supply the information may result in the Company being unable to effect a transaction, provide the services or operate or maintain any of the Customer's accounts. It may also result in the Company having to withhold or deduct amounts as required under the local or foreign laws, regulations and rules.
- 20.5 Without limiting any other indemnity provided by the Customer, the Customer will indemnify the Company, its affiliates or agents on demand against any liability, reasonable loss or expense (including tax and levy) arising from its instructions, account or provision of services to the Customer, including as a result of any failure by the Customer to comply with these Clauses or any other undertakings given by the Customer providing misleading or false information in respect of its account or any other person or matter in connection with these Clauses, unless the Company is negligent or guilty of wilful misconduct.

21 Governing Law and Dispute Resolution

- 21.1 This Agreement, and the rights, obligations and liabilities of the parties hereto, shall be governed by and construed in accordance with the laws of Hong Kong.
- 21.2 The Parties irrevocably agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

22 General

- 22.1 The Customer authorises the Company or its agents acting on behalf of the Company to conduct a credit enquiry or check on the Customer for the purpose of ascertaining the financial status and investment objectives of the Customer.
- 22.2 The Customer expressly agrees that the Company may make such disclosure of all matters relating to the Account(s) as may be required under any laws, orders, lawful requests or regulations of any relevant market, banking or governmental authority without further consent from or notification to the Customer.
- 22.3 The Customer agrees that the Company may amend the terms of this Agreement by giving the Customer reasonable notice of the changes in writing at any time. Any amendment to this Agreement shall take effect on expiry of such notice period and the Customer will be deemed to have accepted the amendment if it continues to trade on or gives Instructions in relation to the Account.
- 22.4 This Agreement (as modified, amended or supplemented from time to time by the Company) constitutes the whole and entire Agreement of the Parties with respect to Precious Metal trading only. This Agreement replaces and supersedes all prior written and oral Agreements to which the Parties are signatory relating to the subject matter, Precious Metal trading, of this Agreement.
- 22.5 Each provision in this Agreement is severable and distinct from the others and, if one or more of such provisions is or becomes illegal, invalid or unenforceable, the remaining provisions shall not be affected in any way. In the event that any provision would be invalid if part of the wordings thereof were not deleted, the provision shall apply as if the relevant wordings were deleted.
- 22.6 In the event of any inconsistency between the English and Chinese version, the English version shall prevail.

23 Risk Disclosure and Disclaimer

- 23.1 The Company refers the Customer to the Risk Disclosure Statements and Disclaimers as contained in Schedule 3.
- 23.2 The Customer acknowledges that it understand the nature and risks of Precious Metal trading and Options and the risks set out in Schedule 3 (Risk Disclosure Statements and Disclaimers), that it should undertake its own research and study on the trading of Precious Metal contracts and Options before commencing any trading activities, and that it should seek independent professional advice if uncertain of or has not understood any aspects of this sub-clause or Schedule 3 (Risk Disclosure Statements and Disclaimers) or the nature and risks involved in such trading.
- 23.3 The Customer further acknowledges that the prices of Precious Metal and Options fluctuate, sometimes dramatically; the price of Precious Metal or an Option may move up or down, and may become valueless. The Customer accepts and acknowledges that there is no guarantee of any return and the Company is not responsible for any claims or assurance made by its employees and/or associates. It is likely that losses will be incurred rather than profit made as a result of buying and selling Precious Metal and Options, and this is a risk that the Customer is prepared to accept. The Customer agrees and acknowledges that all losses incurred in any Contract shall be borne by it, and that the Company shall not be liable for any loss incurred in any Contract.

SCHEDULE 1

ON-LINE TRADING AGREEMENT

This On-line Trading Agreement is supplemental to the Bullion Client Agreement entered into by the Company and the Customer to which this On-line Trading Agreement is annexed whereby the Company agrees to provide to the Customer Electronic Services which enable the Customer to give electronic Instructions and to obtain quotations and other information via computer or telephonic transmission for use on compatible personal, home or small business computers, including internet appliance with modems, terminals or network computers that can connect to a telecommunication network ("**Electronic Services**"). Where any conflict arises between the Bullion Client Agreement and the provisions of this On-line Trading Agreement, the provisions of the latter shall prevail.

1 Interpretation

- 1.1 Terms defined in this On-line Trading Agreement have the same meanings as in the Bullion Client Agreement unless stated otherwise.
- 1.2 The following expressions shall, unless the context requires otherwise, have the following meanings:
 - "**Login ID**" means the Customer's identification, used in conjunction with the Password, to gain access to the Electronic Services;
 - "**Information**" means any transaction or market data, bid and ask quotations, news reports, third party analysts' reports, research and other information relating to Commodity futures contract and the futures markets;
 - "**Password**" means the Customer's password, used in conjunction with the Login ID, to gain access to the Electronic Services.
- 1.3 References to "Instructions" in the Bullion Client Agreement are deemed to include electronic Instructions given by means of Electronic Services.
- 1.4 "Notice, Transaction Statement and Reports" referred to in Clauses 16 of the Bullion Client Agreement respectively may be sent solely by means of Electronic Services if the Customer so consents and such consent can be given initially as indicated in the Account Opening Form or subsequently by Electronic Services. Confirmations delivered by Electronic Services shall be deemed to have been duly delivered at the time of transmission.

2 Using Electronic Services

- 2.1 On the issuance by the Company to the Customer of its Login ID and Password, the Electronic Services shall be activated and the Company shall notify the Customer.
- 2.2 The Company is entitled to require the Customer to place a cash and/or securities deposit prior to execution of any Instructions as will be informed by the Company from time to time.
- 2.3 The Customer agrees:
 - (i) that it shall use the Electronic Services only in accordance with this On-line Trading Agreement, the Futures Client Agreement and the instructions and procedures as set out in the Company's Instruction Manual which is supplied to the Customer from time to time;
 - (ii) that it shall be the only authorized user of the Electronic Services;
 - (iii) that it shall be responsible for the confidentiality and use of its Login ID and Password.
 - (iv) that it shall be solely responsible for all Instructions entered through the Electronic Services using its Login ID and Password and any Instructions so received by the Company shall be deemed to be made by the Customer at the time received by the Company and in the form received;
 - (v) that it shall immediately inform the Company if it becomes aware of any loss, theft or unauthorized use of its Login ID or Password;
 - (vi) that the Company has the right to suspend the Electronic Services if an incorrect Login ID and Password are entered on more than 3 occasions;
 - (vii) to provide the Company with the Customer's e-mail address, and promptly provide the Company with any changes to the Customer's e-mail address, and to accept electronic communications from the Company at the e-mail address the Customer has specified;
 - (viii) that the Company may in its absolute discretion impose restrictions on the types of orders, and the range of prices for orders which can be placed through the Electronic Services;

- (ix) to pay all subscription, service and user fees, if any, that the Company charges for the Electronic Services and authorises the Company to debit the Customer's Account with the same;
 - (x) that it shall be bound by any consent the Customer gives through the Electronic Services for the Company to provide any notices, statements, trade confirmations and other communications to the Customer solely through Electronic Services; and
 - (xi) that it shall logoff the Electronic Services immediately following the completion of each Electronic Services session.
- 2.4 After the giving of an Instruction via the Electronic Services, the Customer shall check via the Electronic Services that its Instruction has been correctly acknowledged by the Company.
- 2.5 Without limiting the generality of the foregoing, the Customer acknowledges and agrees that it may not be possible to amend or cancel an Instruction after it has been given through the Electronic Services and that an Instruction may only be amended or cancelled if it has not been executed by the Company. In such circumstances the Company will use its best efforts to amend or cancel the Instruction but, notwithstanding an acknowledgement by the Company in relation to the amendment or cancellation, there is no guarantee that the amendment or cancellation will occur. If the amendment or cancellation does not occur, the Customer shall remain liable for the original Instruction.
- 2.6 In the case the Electronic Services is not available, the Customer shall place its Instructions in accordance with the Futures Client Agreement.

3 Provision of Information

- 3.1 The Company may convey Information to the Customer by Electronic Services. The Customer may be charged a fee for Information the Company provides that has been obtained from any markets and from other third-parties that transmit Information (collectively referred to as the "**Information Providers**").
- 3.2 The Information is the property of the Company, the Information Providers or others and is protected by copyright. The Customer shall:
- (i) not upload, post, reproduce or distribute any Information, software or other material protected by copyright or other intellectual property right (as well as rights of publicity and privacy) without first obtaining the permission of the owner of such rights; and
 - (ii) not use the Information or any part thereof other than for its own use or in the ordinary course of its own business.
- 3.3 The Customer agrees not to:
- (i) reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information in any manner without the express written consent of the Company and the relevant Information Provider(s);
 - (ii) use the Information for any unlawful purpose;
 - (iii) use the Information or any part thereof to establish, maintain or provide or to assist in establishing, maintaining or providing a trading floor or dealing service for trading in futures listed on the HKFE.
- 3.4 The Customer agrees to comply with reasonable written requests by the Company to protect the Information Providers' and the Company's respective rights in the Information and the Electronic Services.
- 3.5 The Customer shall comply with such reasonable directions as the Company may give from time to time concerning permitted use of the Information.

4 Intellectual Property Rights

- 4.1 The Customer acknowledges that the Electronic Services, and any software comprised in it, is proprietary to the Company. The Customer warrants and undertakes that it shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Services or any of the software comprised in it. The Customer agrees that the Company shall be entitled to terminate this On-line Trading Agreement if at any time the Customer breaches, or if the Company at any time reasonably suspects that the Customer has breached, this warranty and undertaking.

5 Limitation of Liability and Indemnification

- 5.1 The Company, Associates, its agents and the Information Providers shall not be responsible for any losses, costs, expenses or liabilities suffered by the Customer resulting from circumstances beyond their reasonable control including, without limitation:
- (i) delays, failure or inaccuracies in transmission of communications to or from the Company through telephone, electronic or other systems that are not under our control;
 - (ii) delays, inaccuracies or omissions in or unavailability of research, analysis, market data and other Information prepared by Information Providers;
 - (iii) unauthorized access to communications systems, including unauthorized use of the Customer access number(s), password(s) and/or account numbers; and
 - (iv) war or military action, government restrictions, labour disputes or closure of or disruption to orderly trading on any market or exchange, severe weather conditions and acts of god.
- 5.2 The Customer agrees to defend, indemnify and hold the Company, its Associates, its Correspondent Agents, and the Information Providers harmless from and against any and all claims, losses, liability costs and expenses (Including but not limited to attorneys' fees) arising from the Customer's violation of the Futures Client Agreement (including this On-line Trading Agreement), applicable futures laws or regulations, or any third party's rights, including but not limited to infringement of any copyright, violation of any proprietary right and invasion of any privacy rights. This obligation will survive the termination of this On-line Trading Agreement.
- 5.3 The Customer accepts that while the Company endeavours to ensure the accuracy and reliability of the Information provided, the Company does not guarantee its accuracy or reliability and accepts no liability (whether in tort, contract or otherwise) for any loss or damage from any inaccuracies or omission.

6 Termination of Electronic Services

- 6.1 The Company reserves the right to terminate the Customer's access to the Electronic Services or any portion of them in its sole discretion, without notice and without limitation, for any reason whatsoever, including but not limited to the unauthorized use of the Customer's Login ID, Password and/or account number(s), breach of this On-line Trading Agreement or the Futures Client Agreement, discontinuance of the Company's access to any Information from any Information Provider or termination of one or more agreements between the Company and Information Providers.
- 6.2 In the event of termination by the Company, the Information Providers, and the Company shall have no liability to the Customer; provided, however, that if the termination is without cause the Company will refund the pro rata portion of any fee that may have been paid by the Customer for the portion of the Electronic Services not furnished to the Customer as of the date of such termination.

7 Risk Disclosure

The Company refers the Customer to the Risk Disclosure Statements and Disclaimers contained in Schedule 3.

8 General

- 8.1 In the event of any dispute between the parties, the Customer agrees that the records of the Company (including electronic records) shall prevail.
- 8.2 The Company may change the terms in this On-line Trading Agreement from time to time by giving the Customer reasonable notice in writing or via Electronic Services.

SCHEDULE 2

PERSONAL INFORMATION COLLECTION STATEMENT

This Statement is provided to the Customer as an individual Customer of Phillip Group (the "Group") in accordance with the requirements of the Hong Kong Personal Data (Privacy) Ordinance (the "**Ordinance**").

1. Definitions

"Account" means any one or more accounts now or hereafter opened in the name of the Customer with the Company;

"Account Opening Form" means the prescribed document the Customer completes and signs for the opening of an account with the Company;

"Associate" means, in relation to the Group, a body corporate which is its subsidiary or affiliated company in Hong Kong or elsewhere including, where appropriate, but not limited to Phillip Securities (Hong Kong) Limited, Phillip Commodities (HK) Limited, Phillip Capital Management (HK) Limited, Phillip Financial Advisors Limited, and Phillip Bullion Limited;

"Client Agreement" means the agreement signed between the Customer and the Company, including the Account Opening Form and the various schedules attached, as originally executed or as thereafter from time to time amended or supplemented;

"Company" means the corporate body with whom the Customer entered into a Client Agreement;

"Correspondent Agent" means anyone who acts as the Company's agent, contractor or third party service provider (whether in Hong Kong or elsewhere) who provides administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, audit, banking, financing, insurance, risk management, business consulting, outsourcing, customer relationship management, marketing or other services to the Group in connection with the operation of its business;

"Customer" means the party whose name, address, and details are set out in the Account Opening Form; and

"Instructions" means any instructions or orders communicated by the Customer or its authorized persons to the Company.

2. Disclosure Obligation

Unless otherwise stated the Customer must supply the personal data requested on the enclosed Account Opening Form to the Company. If the Customer does not supply this data, it will not be possible for the Customer to open an Account with the Company, as the Company will not have sufficient information to open and administer the Account.

3. Use of Personal Data

3.1 Users

All personal data concerning the Customer (whether provided by the Customer or any other person, and whether provided before or after the date the Customer receives the Client Agreement containing this information) may be used by any of the following companies or persons (each, a "**User**"):

- (i) any member of the Group;
- (ii) any director, officer or employee or agent of the Group;
- (iii) any person (such as lawyers, advisers, nominee, custodian etc.) authorized by the Group when carrying out the Customer's Instructions and/or the business of the Group;
- (iv) any actual or proposed assignee of any rights and obligations of the Group in relation to the Customer;
- (v) any governmental, regulatory or other bodies or institutions, whether as required by law or regulations applicable to any member of the Group; and
- (vi) any Correspondent Agent.

3.2 Purposes

All personal data concerning the Customer may be used by any User for the following purposes:

- (i) processing the Customer's Account opening application;
- (ii) carrying out new or existing client verification and credit checking procedures and assisting other financial institutions to do so;
- (iii) ongoing Account administration, including the collection of amounts due, enforcement of security, charge or other rights and interests ;
- (iv) designing further products and services or marketing a Group product to the Customer.
- (v) transfer of such data to any place outside Hong Kong;
- (vi) comparison with the Customer's personal data (irrespective of the purposes and sources for which such data were collected, and whether collected by a User or any other person) for the purpose of: (A) credit checking; (B) data verification; and/or (C) otherwise producing or verifying data which may be used for the purpose of taking such action that a User or any other person may consider appropriate

- (including action that may relate to the rights, obligations or interest of the Customer or any other person);
- (vii) providing on the terms of any other agreements and services relating to the Customer;
 - (viii) any purpose relating to or in connection with compliance with any law, regulation, court order or order of any regulatory body;
 - (ix) investigating suspicious transactions; and
 - (x) any other purpose relating to the execution of the Customer's Instructions or in connection with the business or dealings of the Group.

3.3 Use of Data in Direct Marketing

The Company intends to use and /or transfer the Customer's data to its Associates for direct marketing and the Company requires the consent (including no objection) of the Customer for that purpose. In this connection, please note that:

- (i) the name, contact details, portfolio information, transaction pattern and financial background of the Customer may be used in direct marketing of investment or financial related products and services of the Group; and
- (ii) if a Customer does not wish the Company to use and /or transfer the Customer's data for use in direct marketing, the Customer may, without charge, exercise the right to opt-out.

3.4 Duration of Use

The Company shall store the Customer's data for no longer than required under the rules, regulations, and laws of all relevant regulators.

4. Rights of the Customer

The Customer has the right to have access to and correction of the Customer's personal data as set out in the Ordinance. In general, and subject to certain exemptions, the Customer is entitled to:

- (i) enquire whether an Associate holds personal data in relation to the Customer;
- (ii) request access to the Customer's personal data within a reasonable time, at a fee which is not excessive, in a reasonable manner and in a form that is intelligible;
- (iii) request the correction of the Customer's personal data;
- (iv) be given reasons if a request for access or correction is refused, and object to any such refusal;
- (v) object to the use of its data as listed under clause 3.2 above, however the objection to any one of the uses contained therein shall prevent the Company from administering the account. Therefore any objections shall be treated as a request to close the Customer's account with the Company; and
- (vi) lodge a complaint with a relevant supervisory authority if the Customer considers that the processing of his/her data infringes on his/her rights.

5. Disclosure of Personal Data

Upon the death of the Customer, the Company shall upon the request of the surviving spouse, child, or parent of the Customer (the Applicant) disclose the account balance and such other information concerning the Customer as the Applicant may require if the Applicant provides a certified true copy of the Customer's government issued death certificate to the Company.

6. Contact Person

If the Customer wishes to request access to and /or correct personal data and/or opt out of receiving direct marketing material, the Customer should contact the Data Protection Officer of the Company on 2277 6555 or cs@phillip.com.hk.

SCHEDULE 3

RISK DISCLOSURE STATEMENTS

This brief statement does not disclose all of the risks and other significant aspects of trading in Precious Metal. In light of the risks, Customer should undertake such transactions only if he understands the nature of the trading into which Customer is about to engage and the extent of Customer's exposure to risk. Trading in Precious Metal is not suitable for many members of the public, but is suitable only for those sophisticated institutions or participants financially able to withstand losses that may substantially exceed the value of margins or deposits. Customer should carefully consider whether trading is appropriate for him in light of Customer's investment experience, objectives, risk-bearing ability, financial resources and other relevant circumstances. Before Customer opens an account and proceeds with trading, Customer is advised to seek advice from legal advisors or other professionals. In considering whether to trade, Customer should be aware of the following:

1 Effect of "Leverage" or "Gearing"

Precious Metal transactions carry a high degree of risk. Any profit or loss arising as a result of a fluctuation in the price of Precious Metal or otherwise shall be borne entirely by the Customer. The amount of initial margin may be small relative to the value of the precious metal so that transactions are 'leveraged' or 'geared'. A relatively small market movement may have a proportionately larger impact on the funds Customer has deposited or will have to deposit: this may work against Customer as well as for Customer. Customer may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain Customer's position. If the market moves against Customer's position or margin levels are increased, Customer may not be able to pay additional funds in time to maintain Customer's position and Customer's position may be liquidated at a loss and Customer will be liable for any resulting losses.

2 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 an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus 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 the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a Precious Metal contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

3 Risk-reducing orders or strategies

The placing of certain orders (e.g., "stop-loss" and "stop-limit" orders), which are intended to limit losses, may not precisely limit losses or be executed at all. If an order is placed at a stop-limit, there is no guarantee that the order will be executed at the limit, or even at all. Strategies using combinations of positions, such as "spread" and "straddle" positions, may be as risky as taking simple "long" or "short" positions.

4 Trading facilities

Precious Metal is not traded on an organized exchange and therefore does not require open-outcry. Though quotations or prices are afforded by many computer-based component systems, such quotations and prices may vary due to market liquidity. Most 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. It may not always be able to execute orders at the prices quoted "at best" or "at market" and Customer agrees in any event to be bound by transactions executed by the Company following instructions given by Customer. Customer's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary.

5 Electronic trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If Customer undertakes transactions on an electronic trading system, Customer 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 Customer's order is either not executed according to Customer's instructions or is not executed at all.

6 Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which Customer deals may be acting as Customer's counterparty to the transaction. Phillip Bullion Limited functions as a direct counterparty to Customer in many precious metal transactions. Phillip Bullion Limited neither offers the right to offset, nor guarantees a market in which to offset, transactions it effects as counterparty. Therefore, it may be difficult or impossible to liquidate an existing position, to assess its value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before Customer undertakes such transactions, Customer should familiarize himself/herself/itself with applicable rules and attendant risks.

7 Transactions in other jurisdictions

Transactions in other jurisdictional markets, including markets formally linked to a domestic market, may expose Customer to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. Before Customer trades, Customer should enquire about any rules relevant to Customer's particular transactions. Customer's local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where Customer's transactions have been effected. Customer should ascertain and understand the remedies available in both Customer's home jurisdiction and other relevant jurisdictions before Customer starts to trade.

8 Terms and conditions of Precious Metal Trading

Customer should ask about the terms and conditions of the precious metal transactions which Customer is trading and associated obligations. (e.g. in respect of options, expiration dates and restrictions on the time for exercise).

Whilst every attempt has been made by the Company to deal with reputable creditworthy institutions and clearing houses, there are no guarantees to the creditworthiness of the counterparty of Customer's Precious Metal position.

There may also be certain cases in which trading liquidity decreases causing trading in a certain currency to cease, thereby preventing the liquidation of an adverse position that may result in a substantial financial loss.

9 Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any Precious Metal because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions, liquidate or offset positions. Further, normal pricing relationships between the underlying interest and the precious metal may not exist. The absence of an underlying reference price may make it difficult to judge "fair" value.

10 Commission and other charges

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

11 Deposited cash and property

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

12 Risk of margin trading

The risk of loss in financing a transaction by deposit of collateral is significant. Customer may sustain losses in excess of his cash and any other assets deposited as collateral with the Company. Market conditions may make it impossible to execute contingent orders, such as "stoploss" or "stop-limit" orders. The Company's margin policies and/or the policies of those institutions or clearing houses through which Customer's orders are executed may require that additional funds be provided to properly maintain a margin in Customer's Account and Customer may be called upon at short notice to immediately meet such margin requirements or make additional deposits or interest payments. Failure to meet such requirements within the prescribed time may result in the liquidation of any collateral of Customer and/or any open positions with a resultant loss. The Company also reserves the right to refuse to accept any order or guarantee a market in which to offset.

13 Quoting and Execution Errors

Should quoting and or execution errors occur, which may include, but are not limited to, a dealer's mistype of a quote, a quote or trade which is not representative of fair market prices, such as but not limited to a wrong big figure quote or an erroneous quote due to failure of hardware, software or communication lines or systems and or inaccurate external data feeds provided by third-party vendors, the Company will not be liable for the resulting errors in account balances.

In addition, orders must be placed allowing sufficient time to execute, as well as, sufficient time for the system to calculate necessary margin requirements. The execution of orders placed too close to prices, which would trigger other orders (regardless of order type) or a margin alert, cannot be guaranteed. The

Company will not be liable for the resulting margin alert, resulting balance, and or positions in the account due to the system not having been allowed sufficient time to execute and or calculate accordingly.

The foregoing list is not meant to be exhaustive and in the event of a quoting or execution error, the Company reserves the right to make the necessary corrections or adjustments for the account involved.

Any dispute arising from such quoting or execution errors will be resolved by the Company in its sole and absolute discretion. Customer agrees to indemnify and hold the Company harmless from all damages or liability as a result of the foregoing.

14 Arbitrage and Price, Execution and Platform Manipulation

Internet, connectivity delays, and price feed errors sometimes create a situation where the prices displayed on the Company's trading platform do not accurately reflect the market rates. The concept of arbitrage and "scalping", or taking advantage of these Internet delays, cannot exist in an over-the-counter market where Customer is buying from or selling directly to the market maker. The Company does not permit the practice of arbitrage on the Company trading platform. Transactions that rely on price latency arbitrage opportunities may be revoked.

The Company reserves the right to make the necessary corrections or adjustments to the Account involved. Accounts that rely on arbitrage strategies and/or are suspected of manipulation may, at the Company's sole discretion, be subject to dealer intervention and dealer approval of any orders and/or termination of Customer's account. Any dispute arising from such arbitrage and/or manipulation will be resolved by the Company in its sole and absolute discretion. The Company at its own discretion may report such incidents to any relevant regulatory and law enforcement authority. The Company reserves the right to withhold withdrawals until such matters are resolved. Any action or resolution stated herein shall not waive or prejudice any rights or remedies which the Company may have against the Customer, its officers and/or representative, all of which are expressly reserved.

15 Bankruptcy Protections

The transactions Customer enters into with the Company are not traded on an organized exchange. If the Company becomes insolvent and Customer has a claim for funds deposited or profits earned on transactions with the Company, Customer's claim may not receive a priority. Without a priority, Customer is a general creditor and the claim will be paid, along with the claims of other general creditors, from any monies still available after priority claims are paid.

16 Authorization

If, notwithstanding its agreement in paragraph 2.3(b) of Schedule 1 (On-line Trading Agreement), the Customer grants trading authority or control over its Account to a third party ("**Third Persons**"), whether on a discretionary or non-discretionary basis, the Company shall in no way be responsible for reviewing the Customer's choice of such Third Persons or for making any recommendations with respect thereto. The Company shall not be responsible for any loss of the Customer occasioned by the actions of the Third Persons or by its reliance of any information or advice from such Third Persons; and the Company does not, by implication or otherwise endorse or approve of the Customer's arrangement with the Third Persons. The Customer accepts and acknowledges that if it gives any Third Persons authority to exercise any of the Customer's rights over its Account, it does so at its own risk, and that the Third Persons and many third party vendors of trading systems, courses, programs, research or recommendations may or may not be regulated by a government agency.