

# STANDING AUTHORIZATION (CLIENT SECURITIES)

## Standing Authorization (Client Securities)

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### Standing Authorization under the Securities and Futures (Client Securities) Rules (Cap. 571H, Laws of Hong Kong)

The Client hereby agrees to provide Asia Future Trading ("AFTT") with the standing authorization set out in Clause 3 ("Client Securities Standing Authorization") pursuant to the Securities and Futures (Client Securities) Rules (Cap. 571H of the Laws of Hong Kong) ("Client Securities Rules"), as amended from time to time. The Client has the right to revoke this Client Securities Standing Authorization at any time pursuant to Clause 8. The Client understands and acknowledges the risks associated with providing the Client Securities Standing Authorization, including those risks set out in the General Business Terms and any other terms Asia Future Trading and the Client may agree upon from time to time.

Unless otherwise defined or the context requires, all capitalized terms used herein shall have the meanings ascribed to them in the General Business Terms and supplemented by the Margin Financing Terms and Securities Borrowing Terms (as the context requires).

The Client hereby authorizes Asia Future Trading ("AFTT"), without further notice or consent, to:

3(a) Sell, withdraw, or otherwise deal with any collateral in any manner pursuant to any instructions;

(b) Take any action relating to any collateral affecting the Client's ownership thereof, including any rights or new issues, or any consolidation, subdivision, or revaluation of any fund, stock or share, or any other routine event:

(i) Subscribe for, accept or dispose of any rights, interests, or benefits arising therefrom, or deal or act in any manner pursuant to any instructions (provided that the terms of the constitution or offering documents on which the issuance, offer or sale of such collateral is based shall always prevail, and the Client authorizes Asia Future Trading to act or refrain from acting in accordance with such terms notwithstanding any instructions); or

(ii) In the absence of instructions or if instructions are delayed, act in such manner as Asia Future Trading considers appropriate to protect the Client's interests;

(c) Deposit and hold any collateral with one or more custodians or appointees (including any custodian or appointee acting on behalf of any exchange or clearinghouse), and transfer any collateral for any purpose in accordance with any applicable laws, regulations and market rules;

(d) Sell, dispose of, or otherwise deal with any collateral under current market conditions if such sale, disposal or dealing is required by applicable laws, regulations and market rules, or to protect the interests of the Client or Asia Future Trading. Asia Future Trading shall credit the proceeds of such sale or disposal (after deducting reasonable expenses) to the Client's cash account;

(e) Deal with any collateral (including, where applicable, lent stocks and/or margin securities) in such manner as Asia Future Trading considers appropriate to facilitate the provision of services to the Client (including margin financing and/or securities borrowing services under the relevant terms), having regard to applicable laws, regulations, market rules and prevailing market practices from time to time;

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(f) Apply any margin securities under securities borrowing agreements entered into between Asia Future Trading and third parties in accordance with applicable laws, regulations and market rules. Asia Future Trading shall act as the Client's agent to enter into such securities borrowing agreements with third parties and shall have the right to transfer margin securities under any such agreements;

(g) Deposit any collateral with authorized financial institutions as collateral for financial accommodation granted to Asia Future Trading, subject to applicable laws, regulations and market rules concerning re-pledging of collateral;

(h) Where Asia Future Trading provides financial facilities to the Client in securities trading and in any other regulated activities for which Asia Future Trading is licensed or registered, apply or deposit any collateral pursuant to paragraphs (e), (f) and/or (g) above;

(i) Deposit any collateral with any clearing house recognized by the Securities and Futures Commission or any securities dealer as collateral to discharge and satisfy Asia Future Trading's settlement obligations and liabilities;

(i) and take all actions and do all things necessary or incidental to carry out the foregoing activities or any of them.

The Client acknowledges and confirms:

4(a) The Client has been informed of Asia Future Trading's rebate practices, and the Client has provided Asia Future Trading with a standing authorization to re-pledge margin securities; and

(b) The Client Securities Standing Authorization shall not affect Asia Future Trading's affiliated entities' rights to dispose of or commence disposal of collateral to satisfy any liabilities owed by the Client or on behalf of the Client to Asia Future Trading, its affiliates, or third parties.

The Client understands that third parties may have rights over margin securities which Asia Future Trading must satisfy before returning such securities to the Client.

The Client understands that third parties may have rights over margin securities which Asia Future Trading must satisfy before returning such securities to the Client.<sup>5.6</sup> The Client confirms and agrees that the Client Securities Standing Authorization is valid for 12 months from the date of this letter, but the Client may renew it or it shall be deemed renewed in accordance with Clause 7 below and the Client Securities Rules. This Clause 6 applies only to Clients who are not professional investors as defined under the Securities and Futures Ordinance.

The Client understands that if Asia Future Trading sends the Client a written reminder at least 14 days before the relevant authorization expiry date, and the Client does not object before that expiry date, the Client Securities Standing Authorization shall be deemed continuously renewed without the Client's written consent.

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The Client may revoke the Client Securities Standing Authorization in whole or in part by providing at least 30 days' prior written notice to Asia Future Trading. If Asia Future Trading considers that the absence of the Client Securities Standing Authorization (in whole or in part) prevents Asia Future Trading from continuing to provide related services to the Client, Asia Future Trading may immediately terminate any and all services provided to the Client upon notice.

The Client confirms that the Client Securities Standing Authorization has been explained to the Client, the Client fully understands its contents, and has sought or had the opportunity to seek legal advice regarding its contents and effect.