

## Client Agreement for Derivatives Trading

Client Agreement for Derivatives Trading (Agreement) is made in Phnom Penh between:

(1) ATFX (Cambodia) Co., Ltd (the "Company") whose office is situated at 24<sup>th</sup> floor in Amass Central Tower, House No.176, street 63, Phum 6, Sangkat Boeng Keng I, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia, is Derivatives Broker, License No. 040 SERC/License/DB issued by Securities and Exchange Regulator of Cambodia (SERC), represented by Derivatives Representative Name:

....., (DR) License No.: .....

And:

(2) Name: ..... (the "Client"), Address:.....

....., Identity Card/Passport No.: .....

Registration Numbers (in case of entity): ..... Date: ..... /...../.....

The both Parties hereto agree as follow:

### ARTICLE 1: DEFINITION

- **Derivatives Instrument:** refers to Contract for Difference of the primary financial instrument derived from equity securities, debt securities, indices, metal, precious substance, crude oil, natural gas, commodities, currencies and principal protected scheme traded in exchange. These derivatives instruments are one type of securities.
- **Derivatives Brokerage Business:** refers to business which provides derivatives trading services as the agent of its client.
- **Central Counterparty:** refers to a company which act as a direct counterparty for every derivatives trading contract, i.e. as a buyer for every seller and as a seller for every buyer.
- **Spread:** refers to the difference between bid and ask price of the product.
- **Law:** refers to the Law on Issuance and Trading of Non-government Securities.
- **Derivatives Broker:** refers to a licensed company or a securities firm approved by the Director General of the SERC to operate derivatives brokerage business.
- **Derivatives Representative:** refers a physical person licensed by the Director General of the SERC to open and manage Client's trading account and provide other services as derivatives broker.
- **Initial Margin:** refers to amount of initial cash as percentage of the total investment which a Client shall deposit in the account prior to trading.
- **Anukret:** refers to Anukret on the implementation of the law on issuance and trading of non-government securities.

### ARTICLE 2: GENERAL RULES

- 2.1. The Client agrees that the Company acts as his/her agent and is entitled to carry out activities related to derivatives trading on behalf of the Client. The Client agrees to fulfil obligations which result from the mandate performed by the Company authorized by the Client under this agreement and relevant regulations.
- 2.2. The Company shall not trade derivatives instruments in the Client's account on behalf of the Client with the Client's prior consent.
- 2.3. The Company ensures that it is licensed by the SERC to provide services to its clients.
- 2.4. Both parties acknowledge and agree that remuneration to the Company states in the Agreement is determined based Table [1] and is subject to change determined by SERC. The Company can update Table [1] in case of any change to the remuneration and shall notify the Client in writing on such change. Increase in remuneration as stated in the Agreement is effective unless this Agreement is updated, and the

Client has been notified in writing and agrees to such change.

- 2.5. The Client has read and understood the relevant laws and regulations, as well as general rules of derivatives trading of the Company and shall abide by these relevant laws and regulations, as well as these general rules.
- 2.6. The Client agrees to provide the Company with the following:
  - a. Information about the Client's real identity and beneficiary;
  - b. Purpose of the trading;
  - c. Information about the Client's trading in the company or other companies and information about the derivatives instrument being traded;
  - d. When the Client makes trading order on behalf of another person, the Client agrees to provide the information as stated in above a, b and c in 2.6 of the subject person.
- 2.7. Both parties agree that derivatives trading shall be in compliance with the relevant laws and regulations.
- 2.8. The Company shall provide derivatives trading reporting on the cash balance, derivatives trading situation and the Client's margin so that the Client can verify with the system operated by the Company. This report shall be provided to the Client in writing, electronically or by other means as agreed by the Client.

### **ARTICLE 3: DERIVATIVES TRADING**

- 3.1. The Client agrees to deposit cash or Liquidity as collateral before trading derivatives instruments.
- 3.2. In order to place any order to trade a derivatives instrument under this Agreement, the Client shall clearly understand the various type and trading rules determined by the Central Counterparty in compliance with the laws, regulations and rules in force.
- 3.3. Trading order can be placed by a written notice, voice mail, email or other electronic means. Upon receiving the Client's trading order, the Company shall record the order in the form of written notice, voice mail, email, or other electronic means to verify the Client's order. In case that the derivatives trading order is made by phone, the Client agrees to allow the Company to record the voice related to the trading order by phone as evidence.
- 3.4. The Company shall ensure an effective mechanism in receiving the Client's trading order.
- 3.5. The Company shall provide information to the Client on possible risks while placing trading order and shall be not responsible for risk of interruption in phone communication system, internet or internal trading system, the Client's computer, power failure, problems with data transmission facilities, unauthorized access, theft, fire, war, strikes, civil disorder, acts or threatened acts of terrorism, natural disasters or labor disputes which arisen beyond the Company's forecast and control
- 3.6. The Company shall ensure minimizing the possible risks related to trading order.
- 3.7. The Company shall promptly notify the Client in case that the Company is aware that any unauthorized person uses the Client's confidential information to place any trading order.
- 3.8. The Client shall acknowledge that he or she is aware and understand the possible risks during the trading order which is informed by the Company.
- 3.9. The Client shall promptly inform the Company in case that the Client is aware that any unauthorized person uses his or her confidential information to place any trading order.
- 3.10. The Client acknowledges and agrees that the derivatives trading order through derivate broker is the trading between the Client and the Central Counterparty who is another party of the Agreement for whom the Company acts as an agent.

### **ARTICLE 4: MARGIN**

- 4.1 The Client agrees to deposit cash with the Company in order to trade derivative instrument at margin determined by the Company in compliance with the laws, regulations and rules in force, with the maximum cash limit of 200,000,000 (two hundred million) Riels or 50,000 (fifty thousand USD), except that client is qualified investor who completes the terms in accordance with applicable laws and provisions.
- 4.2 The Company shall put the Client's cash deposit in an account separate from the Company's account with the Cash Settlement Agent accredited by SERC.

- 4.3 The Company shall calculate the value of the derivatives instrument in the Client's account and adjust the margin deposited with the Company by the Client by the end of the trading day at the latest to ensure that the margin in the Client's account complies with the laws, regulations and rules in force.
- 4.4 The Client shall agree to have the maintenance margin determined by the Company in compliance with the laws, regulations and rules in force. If the Client's margin falls below the maintenance margin, the Client shall ensure the sufficiency of the margin as notified by the Company with the Client's prior consent such as written notice, facsimile, phone, email, or other electronic means, and the Client shall deposit additional cash to ensure that the margin in his or her account does not fall below the initial margin. The Client shall deposit additional cash within a certain timeframe determined by the Company.
- 4.5 The Client is able to withdraw cash from the deposit except during margin call or liquidation scenarios.
- 4.6 In case that the Company does not receive the additional cash within the timeframe, the Company has the following rights:
  - a. Refuse to place the Client's additional trading order;
  - b. Partially or fully close all open positions of the Client.
- 4.7 The Company is not able to deduct the Client's cash except for the following:
  - a. The Company makes settlement to the authorized person.
  - b. The Company settles brokerage fee, commissions, and other expenses incurred by the Client.
  - c. The Company makes settlement to another person or another account at the request of the Client through a written notice.
  - d. The Company settles or deducts cash in compliance with SERC or laws.

#### **ARTICLE 5: CLOSING TRADING**

- 5.1 The Company may take actions on the Client if the following situations occur:
  - a. The Client hides information or provide false information.
  - b. The Client breaches any clause of the Agreement.
  - c. The Company considers the necessity in preventing any irregularity, improper, or illegal trading.
  - d. The Company acts upon instruction of the SERC.
- 5.2 Actions that can be taken against the Client are as follows:
  - a. Close any or all trading activities of the Client to settle the Client's obligations.
  - b. Reduce or restrict the derivatives trading of the Client.

#### **ARTICLE 6: INTEREST AND RELATIONSHIP**

The Company shall clarify all interest and relationships between the Company and other parties which may affect the Company or any Derivatives Representative in Table [2] in compliance with the terms of the Agreement and relevant regulations.

#### **ARTICLE 7: CLAIM**

- 7.1 In case of any problems or irregularities in their trading account, the client must inform and make a request to the company or derivatives broker to check and explain in detail the status of the problem according to the company's procedures.
- 7.2 In case that the Company or any Derivatives Representative does not comply with any terms set forth in of the Agreement, the Client is entitled to file a written claim with Client's detailed information and the person who will settle the claim of the Company.
- 7.3 The Company shall agree to settle the Client's claim within 07 (seven) working days following the claim.

#### **ARTICLE 8: CONFIDENTIALITY**

The Company agrees to not disclose the personal information of the Client or other confidential information related to the Client obtained by the Company under the terms of service as stated in the Agreement to any person, except under the following conditions:

- 8.1 Obtaining a written notice from the Client justifying that the person is authorized to obtain the

confidential information;

8.2 Ordered by SERC or Court of the Kingdom of Cambodia;

8.3 Required by relevant laws or regulations

Clients must not advertise or share publicly confidential information, irregularities or dissatisfaction with any service that leads to misunderstanding that could damage the Company's reputation without the Company's permission.

#### **ARTICLE 9: NOTICE**

- 9.1 All reports and notices provided to the Client shall comply with the Agreement or laws or regulations except for any written request from the Client.
- 9.2 The Client agrees to promptly notify the Company in case of change in his or her address or contact information. In case that the Client fails to notify the Company of such changes, all reports or notices shall be forwarded to the latest address which the Company is aware of.

#### **ARTICLE 10: JOINT AGREEMENT**

Any representations or statements or other agreements whose substance contradicts with this Agreement in writing or verbally between both parties shall not prevail.

#### **ARTICLE 11: DUPLICATE COPY OF THE AGREEMENT**

This Agreement is made into two copies with signature and stamp of the Company or thumbprint of both parties, and the Company shall provide one copy to the Client and keep the other one.

#### **ARTICLE 12: MODIFICATION**

This Agreement can be modified upon consent between both parties. In the event of amendment of relevant laws and regulations which are contrary to this Agreement, the Company shall modify the Agreement to conform to the amendment of the laws and regulations without prior consent of the Client and shall provide a written notice to the Client regarding such modification but all other provisions of this Agreement shall remain valid and effective.

#### **ARTICLE 13: APPOINTMENT**

The Client agrees that all rights and obligations as stated in this Agreement shall be transferred to a universal successor, a particular successor and a representative of the Client in case of change in ownership of the Client's property in the Company due to the execution of the law, Client's death, bankruptcy, disability, court's order, or any reason. The Company shall handle the property transfer.

#### **ARTICLE 14: GOVERNING LAWS**

- 14.1 This Agreement shall be governed by the laws of the Kingdom of Cambodia.
- 14.2 All disputes arising from this Agreement shall be settled in accordance with dispute resolution procedures determined by SERC.

#### **ARTICLE 15: TERMINATION OF AGREEMENT**

- 15.1 Each party has the rights to terminate this Agreement at any time with the prior written notice in seven (07) days to another party save as otherwise stated in this Agreement.
- 15.2 Both parties agree that terminating this Agreement shall not affect the rights and obligations, as well as benefits unfurnished by each party before the end of this Agreement.

#### **ARTICLE 16: RISK FACTORS**

- 16.1 The Client studies the risks relevant to derivatives trading and understands the derivatives trading, trading

mechanisms and execution, cash deposit in the account, and tort resulting from the derivatives trading. The Client is also aware of the relevant laws and regulations including rights, obligations, and responsibilities of each party in this Agreement.

- 16.2 The Client understands and acknowledges that derivatives trading is a high-risk trading with high price volatility.
- 16.3 Prior to signing the Agreement with the Client, a Derivatives Representative who directly contact the client has explained the substance of the Agreement to the Client and details all methods of placing order and possible risks relevant to each method to the Client. The Derivatives Representative may provide the Client the information about risks and explain in details about possible risks relevant to derivatives trading.

This Agreement shall be valid when both parties agree to sign or thumbprint below:

**Signature of the Client with full name**

**Signature with full name and stamp of the Company**

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

**Table 1**  
**Commissions, fees and other benefits**

Type of fee	Amount	Calculation
Commission		
Service fee		
Other benefits		

**Table 2**  
**Benefits and relationships**

Name	Relationship with the company	Explanation of influence

**Table 3**  
**Customer Representative**

Name of representative	Address and contact number	Size of permission