



Foreign Exchange Master Agreement

Commercial Account

IMPORTANT NOTICE: Foreign exchange transactions can sometimes result in a loss if exchange rates or interest rates change. It is up to the Customer to understand these risks and to monitor their position. This foreign exchange master agreement is to be read in conjunction with KVB's Foreign Exchange Product Disclosure Statement ("PDS") and shall be construed as one document (this "Master Agreement") constituting the terms and conditions between KVB and the Customer. KVB shall not be liable to the Customer for the Customer's losses in any circumstances other than to the extent mandated by laws.

This Agreement is made as of the _____ day of _____

BETWEEN

- (I) KVB TRADING (HONG KONG) LIMITED (昆侖國際貿易(香港)有限公司), a company incorporated in Hong Kong whose registered office is at Flat 2701, 27/F, 28 Hennessy Road, Admiralty, Hong Kong ("KVB") and a money service operator registered with the Customs and Excise Department; and
(II) _____, a company incorporated in _____ whose registered office is at _____, whose detailed personal information of its authorized signatories are set out in the Customer Information as attached herewith (the "Customer").

This Master Agreement shall apply to FX transactions entered into between the parties.

Interpretation of certain terms used in this Agreement (as hereinafter defined):

Authorised Signatory – means a person who has been authorised by the Customer to act on its behalf in respect of giving instructions to, transacting, dealing and/or trading any FX Transactions with KVB including signing on behalf of the Customer and "Authorised Signatories" shall be construed accordingly;

Business Day – means a day other than (a) a public holiday; (b) a Saturday; (c) a Sunday; and (d) a gale warning day or a black rainstorm warning day as defined in Section 71(2) of the Interpretation and General Clauses Ordinance (Cap. 1) Laws of Hong Kong;

Commercial Purposes – means the purchase and sale of foreign currencies to receive or take physical delivery of the currency (excluding any transactions or trading for speculative purposes), under which KVB provides FX services in the amount and the foreign currencies (as agreed between KVB and the Customer) to the Customer or its nominee(s) under an underlying FX Transaction;

Customer – means the person(s) or party(ies) specifically named above, who as Customer, duly completes, signs and delivers to KVB the application form supplied with this Agreement;

Deliverable/Delivery – means a FX exchange contract/transaction where the physical delivery is made of the principal and other currency detailed in the FX contract/transaction or the Transaction Confirmation;

FX – means foreign exchange;

FX Transaction – means a Same Day Value FX Transaction, a Spot FX Transaction or a FX Forward Transaction;

FX Forward Transaction – means a FX transaction where the settlement of it is scheduled to be on the FX Forward Value Date (with the relevant transaction model further illustrated and specified in Appendix 1);

FX Forward Value Date – means the settlement date as agreed between KVB and the Customer of any FX Forward Transactions (which is a day falling on or after the third (3rd) Business Day but no later than 6 months after the booking date of such FX Forward Transactions) when KVB will send the Customer's purchased currency to its Nominated Account held by the Customer in its own name after the deduction of all bank charges, costs and fees charged and levied by both the remittance and recipient banks, provided that the Customer must have the full amount (without deduction of bank or other charges) of their sale currency already deposited into the Nominated Account;

Hong Kong – means the Hong Kong Special Administrative Region of the PRC;

Insolvent – means insolvent, bankrupt, in liquidation, receivership judicial management or statutory management, under administration or reconstruction, struck-off or removed from the register under the Companies Ordinance (Cap. 622) or subject to any bankruptcy, liquidation or winding-up proceedings including the presentation of winding-up or bankruptcy petition or any resolution of winding-up of the same has been passed, wound-up, dissolved, or Bankruptcy Act or wound-up, dissolved, subject to any assignment for the benefit of creditors or subject to any arrangement or compromise with the creditor;

KVB – means KVB Trading (Hong Kong) Limited (昆侖國際貿易(香港)有限公司) and its successors and permitted assigns;

Nominated Account – means, in respect of the Customer, the bank account nominated by KVB from time to time which the Customer's sale currency will be paid into;

Non-Deliverable/Non-Delivery – is where the contracted currencies are not delivered but settled against each other resulting in a net balance (payable or receivable);

Person – includes an individual, natural person, a body corporate, a firm, a partnership, an unincorporated association or an authority and other such incorporated bodies, corporate bodies and all other legal persons of whatever kind and however constituted;

PRC – means the People's Republic of China, which for the purpose of this Agreement, shall exclude Hong Kong, the Macau Administrative Region of the PRC and Taiwan;

Rules – means the rules, regulations and practices of any exchange that govern the conduct of business on markets operated by that exchange or of persons authorised to undertake transactions trading or dealing activities on those markets. For the purposes of this definition, the exchange may be any regulated exchange on which KVB transacts, deals or trades (including any futures exchange, securities exchange, commodities exchange, clearing house or any other approved exchange operator anywhere in the world);

Same Day Value FX Transaction – means a FX Transaction between the parties for the purchase by the Customer of an agreed amount in one currency against the sale by it to KVB of an agreed amount in another currency, both such amounts shall be Deliverable on the same date (i.e. the transaction date and the settlement date shall be the same);

Spot FX Transaction – means a FX transaction where the settlement of it is scheduled to be on or before the Spot FX Value Date;

Spot FX Value Date – means a day falling no later than the second (2nd) Business Day from and after the transaction date of any Spot FX Transaction, which is the settlement date when KVB will deliver the Customer's purchased currency to its Nominated Account held by the Customer in its own name after the deduction of all bank charges, costs and fees charged and levied by both the remittance and recipient banks, provided that the Customer must have the full amount (without deduction of bank or other charges) of their sale currency already deposited into the Nominated Account;

Transaction Confirmation – means, in respect of a FX Transaction, a written document/electronic confirmation issued by KVB setting out the details and economic terms (which shall include, *inter alia*, the transaction date, currency pair, notional amount of base and counter currency, the rate of exchange and the Value Date (which is the settlement date) of the FX Transaction, which will be sent to the Customer, after the transaction instructions have been placed; and

Value Date – means, in respect of a FX Transaction, the Spot FX Value Date or the FX Forward Value Date (as the case may be) applicable to the FX Transaction.
Unless the context otherwise requires words importing one gender include all other genders and words importing the singular include the plural and vice versa.

Any reference to a statutory provision shall be deemed to include a reference to any statutory modification or re-enactment of it.

Headings of clauses or sections do not form part of this Agreement and shall not be taken into account in its construction or interpretation

References in this Agreement to any clause or sub-clause or schedule or important notice or attachment without further designation shall be construed as references to the clause or sub-clause of or schedule or important notice or attachment to this Agreement.

Any attachments, schedules, important notice and recitals form part of this Agreement and any reference to "this Agreement" includes the attachments, schedules, important notice and recitals.

Reference to a document is a reference to that document as from time to time supplemented or varied.

References to "parties" are references to the parties to this Agreement.

All references to time refer to Hong Kong time unless otherwise stated.

In this Agreement, the words "include", "includes", "including" and "such as" are to be construed as if they were immediately followed by the words "without limitation".

1. What this Agreement Covers

- 1) This Master Agreement covers all FX Transactions that KVB and the Customer enter into after the date of this Master Agreement. This Master Agreement, the PDS and each FX Transaction will together form a single agreement (referred to as "**this Agreement**"). All FX Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties, and the parties would not otherwise enter into any Transactions.

Each party will make each payment or delivery specified in each Transaction Confirmation to be made by it, subject to the other provisions of this Agreement.

- 2) The Customer represents, warrants, acknowledges and undertakes that:

- (a) all FX Transactions are primarily for Commercial Purposes (delivery, i.e., must be one of Deliverable/Delivery) and not for the purpose of currency speculation (and not in the form of Non-Deliverable/Non-Delivery);
- (b) KVB has no obligation to monitor or enforce the Customer's compliance with their obligations in Clause 1(2)(a), and will have no liability for any direct or indirect losses incurred by the Customer in relation to Customer's non-compliance therewith;
- (c) the Customer is acting as principal only and not as an agent or as trustee for any third party;
- (d) in respect of each FX Transaction, the Customer will take physical delivery on the Value Date of their purchased currency conditional upon payment to KVB of the full amount (which shall be cleared settlement

funds) of their sale currency for each FX Transaction having been made pursuant to this Agreement or as stipulated by KVB;

- (e) FX Transactions cannot be transferred to any third parties or entities in any event;
- (f) the Customer has received, read and understood the PDS;
- (g) the Customer has to undergo and pass KVB's customer due diligence measures (commonly known as Know-Your-Client) in accordance with the Anti-Money Laundering and Counter Terrorist (Financial Institutions) Ordinance (Cap. 615) and other mandatory provisions before the Customer can enter into any FX Transactions. KVB is not obliged to enter into any FX Transactions with the Customer;
- (h) in respect of each FX Forward Transaction:
- (i) is genuinely and wholly referable to international trade related purchase order(s) and trade invoice(s) conducted by the Customer using the remittance services offered by KVB (each an "**Underlying Trade Transaction**"); and
- (j) the notional amount of the relevant FX Forward Transaction matches the transaction amount of the corresponding Underlying Trade Transaction;

- (k) the Customer will provide the relevant documents, evidence and information (including but not limited to purchase order(s) and trade invoice(s) of the Underlying Trade Transaction corresponding to a FX Forward Transaction) as may be reasonably requested by KVB (the **“Underlying Trade Transaction Information”**), not later than 2 Business Day(s) before the relevant FX Forward Transaction booking date;
- (l) all the Underlying Trade Transaction Information and other information provided under the application forms supplied herewith or during KVB's customer due diligence measures) are true, correct, complete, up-to-date and not misleading and that all FX Transactions are entered into in reliance upon such information;
- (m) the Customer will notify KVB immediately if any of the Underlying Trade Transaction Information is no longer true, correct, complete or up-to-date. KVB will not otherwise enter into any FX Transactions with the Customer; and
- (n) KVB relies on each of the representations, warranties, acknowledgements and undertakings set out in this Clause.
- 2. How to enter into FX Transactions**
- 1) All FX Transactions will be entered into by telephones and/or electronic communications (for the avoidance of doubt automated transactions and trading services is excluded) via KVB's platforms (electronic mail and facsimile system). KVB and the Customer will be legally bound from the time a FX Transaction is agreed between the parties.
 - 2) The Customer is obliged to ensure that all instructions to convert and remit funds will be conveyed to KVB in a clear and precise manner.
 - 3) KVB will then send to the Customer the Transaction Confirmation. Upon receipt of the Transaction Confirmation and when the Customer first becomes aware of any discrepancy (but within twenty-four (24) hours in any event), they must advise KVB of any such discrepancies. Otherwise, the Transaction Confirmation shall be accepted by both parties as conclusive evidence of the agreed terms of such FX Transaction. To the extent of any inconsistency, conflict or ambiguity, unless otherwise agreed by the parties:
 - (a) the Transaction Confirmation prevails over this Agreement for that particular relevant FX Transaction ; and
 - (b) this Master Agreement prevails over the PDS.
 - 4) All FX Transactions will still be valid and binding without such Transaction Confirmation of its terms.
 - 5) The Customer shall maintain appropriate controls and security so as to ensure that unauthorised, forged or fraudulent instructions are not provided to KVB. The Customer shall immediately notify KVB of any such unauthorised instructions. Despite such notification, KVB shall not assume any liability for unauthorised forged or fraudulent instructions.

- 6) The Customer acknowledges that KVB shall be entitled to act upon instructions which appear to be from the Customer, and will not be liable to the Customer or any other parties should any instructions be unauthorised, forged or fraudulently given.
- 7) KVB, in its sole discretion, reserves the right to refuse to act on any instructions or to prescribe any conditions subject to which it accepts any instructions when it considers reasonable to do so.
- 8) KVB maintains the following records that relate to the Customer's money and FX Transactions:
 - (a) books of accounts;
 - (b) customer statements;
 - (c) customer details;
 - (d) records of activities;
 - (e) any documents, evidence and information as provided by the Customer (including but not limited to purchase order(s) and trade invoice(s) of the Underlying Trade Transaction of a FX Forward Transaction);
 - (f) instructions received from the Customer; and
 - (g) FX Transactions executed.

Accounting and dealing records are kept for at least seven (7) years. The records of telephone and internet conversations, and other records are kept for six (6) years. A request for a copy of any or all of the above records must be made to KVB by way of a medium acceptable to KVB such as fax, mail, email or telephone. The Customer will receive a copy of the requested records by fax, mail, or through an electronic medium. The charges for such services / requests are available from KVB on request.

3. Payments

- 1) Save as otherwise provided under this Agreement and subject to

Clauses 3(5) and 3(10), KVB and the Customer will make payments to each other at the time and place agreed for each FX Transaction, which shall be:

- (a) In respect of each Spot FX Transaction, on the Spot FX Value Date - the Customer shall deposit the payment currency into the Nominated Account in cleared funds, not later than the Business Day immediately preceding the Spot FX Value Date;
- (b) in respect of each Same Day Value FX Transaction, at the time of settlement; and
- (c) in respect of each FX Forward Transaction, the Customer shall pay a specified percentage of the notional amount of the relevant FX Forward Transaction or such specific amount specified by KVB in the payment currency into the Nominated Account in cleared funds as pre-payment for the Customer's payment obligations, not later than by such date and time stipulated by KVB, with the balance of the notional amount of the relevant FX Forward Transaction in the payment currency into the Nominated Account in cleared funds on the FX Forward Value Date.

The amount and the currency of payment will depend on the terms of each FX Transaction.

- 2) Notwithstanding the foregoing Clause 3(1),
 - (a) for a Spot FX Transaction, the Customer shall deposit their payment currency into the Nominated Account in cleared funds, not later than the Business Day immediately preceding the Spot FX Value Date;
 - (b) for a FX Forward Transaction, the Customer

shall deposit their balance payment currency into the Nominated Account in cleared funds, not later than the Business Day immediately preceding the FX Forward Value Date.

- 3) The Customer warrants that any payments or such other funds provided or deposited into the Nominated Account as full/part payment for the Customer's obligations will be beneficially owned by KVB and will not be subject to any charge or lien over any funds so provided.
- 4) Any payments or such funds provided or deposited into the Nominated Account as full/part payment will pass automatically to KVB and will become KVB's funds in any of the following circumstances:
 - (a) in case of Spot FX Transaction, on the Spot FX Value Date;
 - (b) in case of Same Day Value FX Transaction, on the date of Delivery;
 - (c) in case of FX Forward Transaction, on each of the booking date and the FX Forward Value Date;
 - (d) if the Customer is in breach of any of the terms and conditions of this Agreement; or
 - (e) if any FX Transactions is subject to termination.
- 5) All payments made by the Customer must be in cleared funds and the amount of each payment made by the Customer to KVB must be the full amount payable without any withholding deduction. KVB will only be obliged to make a payment to the Customer when none of the events of default referred to in Clause 4(1) has occurred and/or is continuing to occur.
- 6) The parties acknowledge that the banks through which payments of the FX Transactions are made, have specific cut-off times for the receipt and release of electronic payments. KVB accepts no responsibility for, and shall have no liability in respect of any delay in onward payments due to the late arrival of funds or instructions of payments relative to the cut-off times of the respective bank. KVB reserves the right to hold over payments until the next available settlement date which shall be the next Business Day.
- 7) KVB shall not be liable for any delays when the above terms (Clauses 3(1) to 3(6)) have not been adhered to.
- 8) KVB will not receive payments from third parties, nor will it in normal circumstances make payments to third parties. Request for payment to a third party or a third party's bank account or an account held jointly by the Customer with a third party is subject to KVB's own discretion which shall be exercised by its senior management in accordance and strict compliance with Financial Services, Anti Money Laundering, Countering of Terrorist Financing and other applicable laws, by-laws, regulations and guidelines.
- 9) If on the same day KVB and/or the Customer owes the other an amount in the same currency under this Agreement then the one that owes the higher amount shall deduct the amount that is owed by the other and pay only the net amount that is owing to the other party. The party owing the lesser amount will not have to make a payment in those circumstances.
- 10) KVB is not obliged to make any payments in the event the Customer is in breach of any terms of this Agreement including the events of default referred to in Clause 4 or any other agreements the Customer has entered into with KVB or its related companies and affiliates.
- 11) The Customer agrees to indemnify KVB for any loss incurred in the payment of funds where such loss has been incurred due to fraud by any employee, agent or director of the Customer.

12) Any interest that may accrue on the Customer's payments is retained by KVB and will not be available to the Customer, i.e. the Customer waives the rights to any interest on fund paid or deposited with KVB.

13) KVB does not accept cash deposits. In normal circumstances, KVB does not accept funds transfer from third parties (acceptance of third party's funds are subject to KVB's own discretion which shall be exercised by its senior management in accordance and strict compliance with Financial Services, Anti Money Laundering, Countering of Terrorist Financing and other applicable laws, by-laws, regulations and guidelines); the Customer has to ensure that all funds transferred to KVB are from its own bank account (unless otherwise pre-approved by KVB in writing). Therefore KVB will not accept any liability or responsibility for any losses (including any losses incurred by the Customer because the Customer may subsequently in default of its obligations to pay on time) that the Customer may suffer as a result of, or arising out of, or in connection with, the return of any transferred moneys from a third party, of which such transfer is without KVB's prior written approval. Further KVB does not accept "cash equivalents" as collateral (i.e. no securities or other assets as payment or deposit).

14) The Customer hereby acknowledges and agrees that money paid or deposited into the Nominated Account is deposited with KVB's other customers' moneys in a pool, i.e. the Customer's funds and funds of other individual customers are not separately deposited into each individual customer's sub-account but pooled together in a single balance where records of each customer's balance are easily reconciled and calculated by system records.

15) References to "payment(s)" in this Clause include full payment and/or prepayment (where applicable).

4. When may KVB terminate a FX Transaction (Events of Default or Early Termination Event)

1) KVB may terminate any or all outstanding FX Transactions and/or this Master Agreement if any of the following events (or other similar conditions) has occurred and/or is continuing:

(a) the Customer fails to make, when due, any payment under this Agreement or any other agreement the Customer has entered into with KVB or its related companies and affiliates; or

(b) the Customer does not comply with or perform their obligations under this Agreement or any other agreement that the Customer has entered into with KVB or its related companies and affiliates; or

(c) in respect of any FX Forward Transaction:

i. the Customer fails to provide the Underlying Trade Transaction Information within 2 Business Day(s) before the relevant FX Forward Transaction booking date;

ii. the Underlying Trade Transaction Information does not reflect or correspond to the Underlying Trade Transaction; or

iii. the Underlying Trade Transaction Information does not match the notional amount of the relevant FX Forward Transaction; or

iv. the Customer fails to make any prepayment in accordance with the terms of this Agreement.

(d) any representations, warranties or

acknowledgments made or given (or deemed made or given) by the Customer to KVB in relation to this Agreement (including the information tendered under the application form supplied herewith or during the process of KVB's customer due diligence measures) or a FX Transaction proves to be false, incorrect or misleading in any material respect, such as the Customer enters into any agreements or transactions with KVB under an assumed name or non-disclosure of nationality or refuse to produce travel document; or

- (e) the Customer becomes Insolvent, under administration or places itself under voluntary administration or has been liquidated or is subject to any winding-up proceedings or any resolution for the winding-up of the same has been passed; or
- (f) a distress or execution shall be levied or enforced upon or sued out against any chattels, properties or assets of the Customer; or
- (g) the Customer shall otherwise be unable to pay its debts as they become due; or
- (h) the Authorised Signatory or the Customer's custodian acting on its behalf shall disaffirm, disclaim or repudiate any obligation to deliver to KVB money denominated in the lawful currency of any countries pursuant to any FX Transactions; or
- (i) the Customer consolidates or amalgamates with or merges into or transfers all or substantially all its assets to another entity; or

- (j) any funds used or payment to KVB by the Customer under this Agreement has been derived from or related to any criminal activities (including laws and sanctions of any other countries).

For the avoidance of doubt, the Customer hereby acknowledges and agrees that the rights conferred by KVB under this Clause are without prejudice to KVB's other rights and entitlements to request and require any payment under this Agreement or any part thereof on demand.

- 2) If KVB elects to terminate any FX Transactions, Clause 3(1) of this Agreement will not apply to payment to be made by KVB but instead payment will be determined by Clause 5 of this Agreement.

5. Payments on Termination

- 1) If a FX Transaction is terminated pursuant to Clause 4, the value of that terminated FX transaction shall be determined according to the agreed exchange rate, the agreed purchased currency and the agreed sold currency as if that FX Transaction has not been terminated.
- 2) If the value of the terminated FX Transaction is denominated in a currency other than Hong Kong dollars, KVB may convert the amount into Hong Kong dollars using an exchange rate base on market quotations obtained by KVB from its counterparties in good faith.
- 3) Once the value of each terminated FX Transaction has been determined, each value will be aggregated to obtain a final net amount. If this final net amount calculated shows that monies are owed by the Customer to KVB, then the Customer must pay this amount to KVB. If this final net amount calculated shows that monies are owed by KVB to the Customer, then KVB will, subject to its right to set off under Clause 7(4) below, pay this amount to the Customer.

- 4) KVB will notify the Customer of its determinations under this Clause as soon as is reasonably practicable.
- 5) Payments must be made within two (2) Business Days of KVB notifying the Customer of its determinations.

6. Representations

- 1) The Customer represents and warrants as of the respective date of this Agreement and each FX Transaction that:
 - (a) it has the power to enter into and perform its obligations under this Agreement;
 - (b) it is not Insolvent;
 - (c) its obligations under this Agreement are binding on it;
 - (d) in entering into this Agreement, it is not in violation of any agreements by which it is bound;
 - (e) it acts as principal (and not as agent or trustee) in entering into this Agreement and each FX Transaction; and
 - (f) this Agreement has been, and each FX Transaction under this Agreement, has been or will only be, as the case may be, entered into to hedge its FX exposure in connection with an underlying remittance transaction of the Customer, and not for the purpose of speculation.
- 2) The Customer represents and warrants as of the respective date of this Agreement and each FX Transaction that none of the events of default referred to in Clause 4(1) has occurred or is continuing.

7. Other Provisions

1) Significant risks

The Customer should be aware that FX Transactions involve risks. It is important that the Customer should carefully consider whether purchase and sale of foreign currencies is appropriate for it in light of its investment objectives, financial circumstances and needs.

2) Market Volatility

FX currency markets are subject to many influences (such as political instability and economic crisis) which are highly speculative and may result in rapid currency fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequences being market volatility. Given the potential levels of volatility in the FX currency markets, it is essential that the Customer closely monitors its positions at all times having regard to its hedging requirements and other obligations. The Customer acknowledges that it is capable of assuming and assumes all risks occasioned by and relating to this Agreement and each FX Transaction including those under this Clause and the risks referred to in the PDS.

3) Independent Advice

The Customer undertakes in relation to each FX Transaction, that it has obtained or will obtain such independent advice including tax, legal, and financial product advice as the Customer considers necessary and will not rely on any representation or information made or given by KVB or its representatives, and KVB shall not be liable for the Customer's losses in any circumstances other than to the extent mandated by laws.

The Customer further acknowledges that:

- (a) it is not relying on any communications (written or oral) of KVB or its representatives as advice or recommendation to enter into any FX Transactions but based upon its own judgment;
- (b) it has not received from KVB or its representatives any assurances or

guarantees as to the expected results of any FX Transactions;

- (c) information and explanations related to the terms and conditions of this Agreement and each FX Transaction shall not be considered as investment advice or recommendation to enter into this Agreement or any FX Transactions;
- (d) no communications (written or oral) received from KVB shall be deemed to constitute an assurance or a guarantee as to the expected results of this Agreement or any FX Transactions;
- (e) it is capable of assessing the merits of, evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the FX Transactions; and
- (f) KVB is not acting as a fiduciary or an advisor for the Customer in respect of any FX Transactions.

4) Set-Off

If:

- (a) a FX Transaction is terminated in accordance with Clause 4;
- (b) on or after the termination date an amount is (or, but for this Clause would be) owed by KVB to the Customer under this Agreement; and
- (c) on or after the termination date an amount is owed by the Customer to KVB (whether or not owed under this Agreement and irrespective of the currency, place of payment or booking office of the obligation) in respect of a FX Transaction,

Then: at the option of KVB (which shall be binding to the Customer) the FX Transaction referred to in Sub-Clause 7(4)(c) shall be deemed to be one of the transactions to which this Agreement applies; and the

value of such FX Transaction shall be determined according to Clause 5(1). The amount referred to in Sub-Clause 7(4)(b) and the amount referred to in Sub-Clause 7(4)(c) shall be taken into account in the calculation of the final net amount under Clauses 5(2) and 5(3).

5) Right to Retain the Customer's Funds

KVB shall be entitled at any time to retain or make deductions from set-off amounts or credit balances which KVB owes to the Customer (including, the proceeds of any sale or closing out any FX Transactions) in order to meet any liabilities which the Customer may have incurred to KVB or which KVB may have incurred on the Customer's behalf under this Agreement.

6) Communications

In order that FX Transactions may be properly and efficiently processed, KVB is entitled to rely upon and act in accordance with any communications received from or purportedly sent by the Customer or the Authorised Signatory. Communications can be given in any form agreed between KVB and the Customer, provided that, in KVB's conclusive view, any such communication is clear and unambiguous as to its terms. KVB reserves the right not to act on any communications which is not in an agreed form. KVB may in its sole discretion and despite any other provisions of this Agreement, before or after KVB acts on any communication, require written confirmation of any such communication from the Customer.

KVB may refuse to act on any communications if KVB is in doubt of the legality or authenticity of any communications. If KVB refuses to act on any communications, KVB shall inform the Customer that such communication has not been acted upon. KVB is not bound to make any enquiry as to the accuracy of the information contained in any communications and is entitled to assume that any communications given by the Authorised Signatory. To help improving the services provided by KVB, and in the

interests of security, KVB may monitor and/or record any telephone calls with the Customer or any Authorised Signatories. Any recording may be used as evidence in any courts or in any proceedings for the purpose of establishing any matters pertinent to this Agreement and any FX Transactions under it.

The Customer acknowledges the risks associated with the different forms of communications offered by KVB and agrees to accept those risks for the purposes of making such communications. In addition to the above, by sending KVB any electronic instructions, the Customer acknowledges and agrees that:

- (a) It is requesting and authorising KVB to accept and act on those electronic instructions, which KVB in its sole discretion and in good faith believes to have been provided by the Customer or the Authorised Signatory, without requiring written confirmation bearing actual signatures in accordance with the mandate for the Customer's FX trading account maintained with KVB before acting on those electronic instructions;
- (b) there are risks inherent in the giving of electronic instructions. Fraudulent or other unauthorised instructions may be transmitted by electronic communications. Facsimile instructions may be transmitted to wrong numbers, may never reach KVB and may become known to third parties. The Customer should not give electronic instructions unless these risks are understood and the Customer is prepared to accept such risks;
- (c) good and proper receipt by KVB of the electronic instructions will be conclusive evidence of such receipt; and
- (d) KVB will not be under any duty to verify the identity of the person or persons giving electronic instructions purportedly in the Customer's name (whether they are

from the Customer or any Authorised Signatories) and any FX Transaction made pursuant to those electronic instructions will be binding on the Customer whether made with or without the Customer's authority, knowledge or consent.

The Customer undertakes to indemnify and to keep indemnified at all times, KVB, against all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against, incurred or suffered by KVB as a result of or which arises in connection with (whether directly or indirectly), KVB accepting and acting in good faith on any electronic instructions purporting to originate from the Customer, the Authorised Signatories or any other persons purporting to be authorised by the Customer or acting on the Customer's behalf.

7) Assignment

Neither party may assign, transfer, charge, mortgage, declare a trust over or otherwise deal with any of its rights under this Agreement unless the other party consents, except that KVB may assign, transfer, charge, mortgage, declare a trust over or otherwise deal with any of its rights under this Agreement by giving two (2) days' notice in writing.

8) Interest

If the Customer does not pay an amount to KVB when due, the Customer must pay KVB interest on that overdue amount. Such interest will accrue daily from the date the amount was due to the date the Customer makes payment. The rate of interest will be determined according to the highest rate as permitted by laws or at KVB's absolute discretion, whichever is lower and overdue interest may be capitalised at any intervals. KVB will not pay interest to the Customer for deposits held.

9) Enforcement Costs

If an event of default referred to in Clause 4(1) occurs, the Customer shall, on

demand, meet any costs (including legal costs and disbursements, debt collection costs associated with the collection of outstanding amounts and agreed interest at the rate of 2% per month) incurred by KVB when enforcing KVB's rights under this Agreement.

10) Fees

The Customer will, on demand, meet fees and expenses charged by KVB in relation to this Agreement and/or FX Transactions (if any).

11) Consequential Loss

The Customer waives their claims for any consequential losses and/or indirect losses in the event of breach of this Agreement on the part of KVB.

12) Amendment

No amendment in respect of this Agreement will be effective unless it is in writing and executed by each of the parties.

13) Authorised Signatory

The Customer will provide KVB with a list of those persons the Customer has authorised to enter into, settle FX Transactions and sign confirmations on its behalf and the Customer shall bear the full responsibility for ensuring such list is always accurate and up-to-date.

14) Limitations on Liability and Indemnity

(a) No warranty is given by KVB as to the performance or profitability on any FX Transactions. KVB does not assume liability or responsibility to the Customer or any other persons for any liabilities, claims, action, suits, proceedings, losses, damages, demands, taxes, costs, charges and expenses of any kind which may be incurred or suffered by the Customer or any other persons as a result of or in connection with:

- (i) any errors of fact or judgment or any action taken (or omitted to be taken) by KVB in good faith;
- (ii) KVB acting on any instructions from the Customer;
- (iii) access to or use of the services provided by KVB under this Agreement by the Customer or any other persons whether or not authorised by the Customer;
- (iv) any interruption, suspension, delay, loss, mutilation or other failure in transmission of any instructions or other information howsoever caused;
- (v) any inability to access KVB's communication platforms for any reason beyond the reasonable control of KVB;
- (vi) KVB's inability or delay in executing any instructions from the Customer due to any reasons beyond its reasonable control including exchange control or other government measures or restrictions, adverse market conditions, disruptions in market or exchange, suspension of trading, change in national or international monetary, financial, political or economic conditions, any act of force majeure, any breakdown or failure of transmissions, communications or computer failures, any strikes or similar industrial actions and the failure of any exchanges, or any mechanical failures, power failures, malfunctions, breakdown, interruptions or inadequacy of equipment or installations;

- (vii) any failure by KVB to perform its obligations under this Agreement as a result of any third parties (including any counterparty to, or any person whom KVB engages in connection with any FX Transactions) failing to perform its obligations to KVB unless arising from KVB's negligence or wilful default and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom; and/or
 - (viii) any persons who is appointed by KVB to perform any of the services and is made available to KVB under this Agreement, provided that KVB has exercised such care in appointing such persons as it would employ for its own business.
- (b) KVB shall not be liable for any taxation consequences of any FX Transaction.
- (c) The Customer irrevocably and unconditionally indemnifies KVB and its employees on demand (whether before or after termination of this Agreement) against all liabilities, claims, demands, losses, damages and taxes incurred by any of them, and charges and expenses of any kind (including legal fees on a full indemnity basis) incurred by any of them, and all actions or proceedings which may be brought by or against any of them in connection with any breach of the Customer's obligations, representations or warranties under this Agreement, and/or as a result of KVB acting on any instructions given or authorised or purportedly given or authorised by the Customer, and/or the provision of any services under this Agreement, and/or the exercise or preservation of KVB's powers and rights under this Agreement, unless arising solely from negligence or wilful default of KVB or its employees and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom. KVB is entitled to retain or deduct such amounts from any accounts maintained by the Customer with KVB as KVB determines to be sufficient to cover any amounts which may be owed by the Customer to KVB under this Clause.
- (d) The Customer shall be fully liable to any and all the instructions given (no matter given by whom) under their FX trading account maintained with KVB. KVB will not be liable to the Customer or any other parties if the instructions are unauthorised, forged or fraudulently given and KVB could not reasonably have detected that from the instructions received. The Customer shall indemnify KVB for its losses in acting on such instructions.

15) Waiver

No indulgence or concession granted by KVB and no failure, omission or delay in exercising any of KVB's rights, powers or privileges under this Agreement, shall operate as a waiver or preclude the exercise of any other rights, powers or privileges.

16) Entire Agreement and Relationship

- (a) This Agreement constitutes the entire agreement and understanding of the parties and supersedes any previous agreement between the parties relating to the subject matter of this Agreement. The terms and conditions of this Agreement are agreed after mutual and arm's length negotiations between the parties.
- (b) The Customer hereby confirms and acknowledges that it has been advised by KVB prior to the execution hereof that it shall seek independent legal and other

professional advices in relation to this Agreement and the FX Transactions thereby effected or intended to be thereby effected before executing and/or entering into the same. The Customer further confirms and acknowledges that it fully understands the purposes, nature and effect of this Agreement.

17) Severability

Each of the provisions of this Agreement is distinct and severable from the others. If any provisions of this Agreement shall be held to be void, invalid, illegal or unenforceable the same shall be deemed to be deleted to the extent necessary to cure such voidness, invalidity, illegality or unenforceability and all other provisions of this Agreement shall remain in full force and effect.

18) Notice

- (a) Any notice required to be given for the purposes of this Agreement must be given by sending it by prepaid registered post or by facsimile transmission or by delivery by hand at the relevant address shown in this Agreement or such other address as has been notified by the party concerned as being its address for the purposes of this Clause. Any notice sent by post shall be deemed to have been served two (2) days after posting. In proving service it shall be sufficient to prove that a notice was properly addressed and stamped and put into post. Any notices sent by facsimile transmission shall be deemed to have been served immediately as evidenced by the relevant transmission report. Any notice delivered by hand shall be deemed to have been served when physically delivered at the relevant address.
- (b) However, if the notice is deemed to be received on a day which is not a Business Day or after 5pm, it is deemed to be received at 9am on the next Business Day.

19) Electronic Trading and Order Routing System

KVB shall not be liable to the Customer for any failures, hindrances or delays in performing its obligations under this Agreement where such failure, hindrance or delay arises directly or indirectly from circumstances beyond its reasonable control. Such events shall include technical difficulties such as telecommunication failures or disruptions, non-delivery of KVB's On-line FX trading facilities due to maintenance, downtime, civil unrest, terrorism, war, natural disasters, strikes, lock-outs, fire or such at KVB's premises, notwithstanding that KVB is a party to the conflict and including cases where only part of KVB's functions are affected by such events. FX Transactions and trading through an electronic trading or order routing system exposes the Customer to risks associated with system or component failures. Since KVB does not control signal power, its reception or routing via the Internet, configuration of the Customer equipment or reliability of its connection, KVB shall not be responsible for communication failures, distortions or delays when the Customer transacts on-line over the Internet.

20) Customer Not Enter into this Agreement as Consumer

The Customer agrees that it enters into this Agreement in the course of its business and not in the capacity as a consumer.

21) Privacy / Anti-Money Laundering

- (a) KVB is authorised to:
 - (i) without notification to the Customer, collect, hold and disclose personal data/information (as defined under Section 2 of the Personal Data (Privacy) Ordinance (Cap.486)) about the Customer or any Authorised Signatories, for

- the purposes of carrying out the Customer's instructions, to conduct KVB's credit, verifications or security checks, administering the Customer's FX trading account maintained with KVB and for KVB's own marketing purposes;
- (ii) without notification to the Customer, promptly disclose or give or procure to be disclosed or be given such information about the Customer or any Authorised Signatories and details of any FX Transactions as required by any regulator under the Rules or at law (including domestic and foreign laws);
 - (iii) request the Customer at any time to provide the names of one or more credit references to assist in assessing the Customer's credit worthiness, and to exchange credit information about the Customer with KVB and with credit reporting agencies at any time;
 - (iv) report any overdue payments owing to KVB by the Customer to other credit providers or credit reporting agencies;
 - (v) terminate the Customer's FX trading account maintained with KVB and/or suspend KVB's services to the Customer if the Customer fails to provide KVB with any relevant information that KVB requests from the Customer; and
 - (vi) record telephone conversations, Internet conversations (chats) and meetings which KVB may have with the Customer (or any external parties) as specified in Clause 7(6).
- (b) KVB whose registered office and principal place of business are situated at Flat 2701, Level 27, 28 Hennessy Road, Admiralty, Hong Kong will collect and hold the Customer's personal information (including its Authorised Signatories', if any). The Customer has the right to see all personal information held about the Customer by KVB. If the information held about the Customer is wrong, the Customer has the right to have it corrected. The personal information supplied by the Customer is confidential to the Customer and may be used by KVB primarily to further the relationship between the Customer and KVB. This includes the provision of any financial products or services of KVB and information about them which may be of interest to the Customer. Such information may be in the form of customer newsletters, brochures, offers of other services, or similar communications. If the Customer would like to correct its personal information or does not wish to receive the aforesaid information, they may contact KVB at the above address.
 - (c) The Customer may wish to allow the Customer's legal and financial advisors, as nominated in writing by the Customer, to have access to information relating to the Customer's FX Transactions.
 - (d) The Customer will take all reasonable steps to obtain and communicate to KVB all information, and deliver or cause to be delivered to KVB all documents with respect to transactions dealing and trading activities which are requested by a person having a right to request such information or documents. The Customer authorises KVB to pass on all information, and deliver or cause to be delivered all documents, to the person so requesting.
 - (e) KVB reserves the right to collect and verify such information as is

necessary from the Customer to meet its obligations under applicable Anti-Money Laundering and Countering of Terrorist Financing laws and regulations, and to provide all such information regarding the Customer to a relevant regulatory body (whether legally compelled or not).

- (f) In certain circumstances, KVB may be obliged to freeze or block the Customer's FX trading account maintained with KVB where it is being used in connection with illegal activities or suspected illegal activities (including laws of sanction of any other countries). Freezing or blocking can arise as a result of the account monitoring that is required by the Financial Services and Anti Money Laundering and Countering of Terrorist Financing laws and other laws and enactments. In that event if any FX Transactions is delayed or cancelled, KVB shall not be liable for any loss suffered by the Customer (including consequential losses) in connection with the Customer's FX trading account maintained with KVB being frozen or blocked or any FX Transactions be delayed or cancelled.

22) Use of the Customer's Personal Data in Direct Marketing

The Personal Data (Privacy) Ordinance (Cap. 486) requires KVB to obtain the consent of the Customer's and the Authorised Signatories' (if any) personal data in direct marketing. By executing this Agreement, the Customer hereby consents to the use of its and the Authorised Signatories' personal data in direct marketing including authorising KVB to communicate to the Customer or the Authorised Signatories (if any) from time to time, when appropriate, by email and/or SMS.

23) Time of Essence

Time shall be of the essence in this Agreement.

24) Termination by Notice

Conditional upon there being no outstanding transaction between the parties, either party may (without prejudice to KVB's rights and entitlements to terminate this Agreement under other provisions) terminate this Agreement at any time by seven (7) days' prior written notice to the other party and the termination shall be effective at the end of such seventh (7th) day or the date specified in such notice, whichever is the later, provided, however, that any such termination shall not affect any outstanding obligations under this Agreement, and the provisions of this Agreement shall continue to apply until all obligations of each party to the other under this Agreement have been fully performed.

25) Consequences of Termination

Without prejudice to any rights and entitlements provided by this Agreement, termination of this Agreement pursuant to any rights herein shall be:

- (a) without prejudice to the completion of any FX Transactions or the FX Transactions already initiated and any FX Transactions outstanding at the time of termination will be settled and delivery made; and
- (b) without prejudice to and shall not affect any accrued rights, existing commitments or any contractual provisions intended to survive termination.

26) Miscellaneous

- (a) Each party shall do or procure to be done all such further acts and things, and execute or procure the execution of all such other documents, as the other party may from time to time reasonably require and at each own cost, whether during or after the term of this Agreement, for the purpose of giving to the other party the full benefit of all of the provisions of this Agreement.

- (b) Any approval or consent given by a party under this Agreement shall be valid only if given in writing. The Customer shall not be entitled to claim any moneys or other damages or remedy by way of set off, counterclaim, defence or in any other ways based upon any claims or assertions or otherwise.
- (c) No decision, exercise of discretion, judgment or opinion or approval of any matters mentioned in this Agreement or arising from it shall be deemed to have been made by KVB except only in writing and shall be at its sole discretion unless otherwise expressly provided in this Agreement.
- (d) All rights granted to either of the parties shall be cumulative and no exercise by either party of any rights under this Agreement shall restrict or prejudice the exercise of any other rights granted or otherwise available to it.

27) Translated Version

This Agreement contains Chinese translation to the English version and may be translated to other languages. The Chinese translation and other translated versions (if any) are for reference only and do not form part of this Agreement, nor shall they be treated or construed as any representations made by KVB to the Customer. Should there be any discrepancy, inconsistency or ambiguity between the English version and any translated versions, the English version of this Agreement shall prevail.

28) Governing Law

This Agreement is governed by and construed in accordance with the laws of Hong Kong and the parties submit to the exclusive jurisdiction of the courts and tribunals in Hong Kong.

SIGNED by)
as authorised representative for)
KVB TRADING (HONG KONG) LIMITED)
in the presence of:)

.....)
.....)

Signature of witness)
.....)
Name of witness (block letters))

SIGNED by)
as authorised representative for the Customer)
in the presence of:)

.....)
.....)

Signature of witness)
.....)
Name of witness (block letters))

.....
Signature of Customer

Appendix 1 –Specification and illustration of FX Forward Transaction Model

(A) Transaction Model of a FX Forward Transaction

The following will be determined and agreed upon at the time of booking for a FX Forward Transaction:

- (a) the denomination and amount of the currency pair that is being bought by the Customer and sold to KVB;
- (b) the FX Forward Value Date;
- (c) the currency exchange rate, which is generally calculated in the form of “spot rate + spread (premium).” A number of factors are considered in determining the spread which generally reflect variables such as:
 - (I) interest rate changes of the two currencies in the currency pair;
 - (II) market volatility; and
 - (III) transaction size and offset liquidity in the interbank market; and
- (d) the amount of pre-payment:
 - (I) KVB shall request the Customer to pay a certain percentage of the notional amount of the relevant FX Forward Transaction or such specific amount specified by KVB as pre-payment (the percentage is calculated based on [the currency pair, length of the FX Forward Transaction and credit review of the Customer](#)); and
 - (II) the Customer shall make the pre-payment, no later than by such date and time stipulated by KVB, to fulfill its payment obligation under this Agreement.

(B) Illustration

By way of illustration, a Customer wishes to buy USD in three (3) months' time in exchange for CNH. In this scenario, the following takes place:

- (a) the Customer shall notify KVB to book a CNH/USD FX Forward Transaction at a specific locked exchange rate and select the FX Forward Value Date;
- (b) the Customer shall provide the Underlying Trade Transaction Information to KVB not later than 2 Business Day(s) before the relevant FX Forward Transaction booking date;
- (c) KVB shall notify the Customer if KVB decides to proceed with the FX Forward Transaction after KVB has conducted the relevant customer due diligence and is satisfied that the FX Forward Transaction is genuinely and wholly referable to the Underlying Trade Transaction;
- (d) the Customer shall deposit the pre-payment in CNH in the Nominated Account, no later than by such date and time stipulated by KVB, and
- (e) on the FX Forward Value Date, the Customer shall deposit the balance in CNH to KVB and KVB shall deliver the agreed amount of USD in the Nominated Account, after the deduction of all bank charges, costs and fees charged and levied by both the remittance and recipient banks.

Complete all details below –

Company Information

Company Name

Company Number

Registered Business Address

Principal Place of Business:

Street No

Street Name

Suburb

Town/City

Country

Postcode

Mailing Address (if different):

Business Description

Account Purpose

Expected level of transactions

Number of deals (*Estimate*)

per month

per quarter

per year

Average transaction value (*Estimate*)

in Currency

Telephone

Mobile

Email Address

Fax

This Agreement must be signed by two Directors unless the Company only has one Director or the Company constitution allows a single Director signatory, in which case the Director must sign before a witness.

Only provide details for those Directors authorized to place orders on behalf of a Company or Entity Applicant.

Director Details (Complete for EVERY director)

Director 1

Surname First names

Date of Birth Citizenship

Residential Address:

Street No Street Name

Suburb Town/City

Country Postcode

Phone Work Mobile

Email Address

Director 2

Surname First names

Date of Birth Citizenship

Residential Address:

Street No Street Name

Suburb Town/City

Country Postcode

Phone Work Mobile

Email Address

Director 3

Surname

First names

Date of Birth

DD/MM/YYYY

Citizenship

Residential Address:

Street No

Street Name

Suburb

Town/City

Country

Postcode

Phone Work

Mobile

Email Address

Shareholder Details (Complete for EVERY shareholder who owns 10% or more of the company)

Shareholder 1: the same as director 1 Yes No (If ticked "yes", you don't need to provide the information below again.)

Surname

First names

Date of Birth

DD/MM/YYYY

Citizenship

Residential Address:

Street No

Street Name

Suburb

Town/City

Country Postcode

Shareholder 2: the same as director 2 Yes No (If ticked "yes", you don't need to provided the information below again.)

Surname First names

Date of Birth Citizenship

Residential Address:

Street No Street Name

Suburb Town/City

Country Postcode

Shareholder 3: the same as director 3 Yes No (If ticked "yes", you don't need to provided the information below again.)

Surname First names

Date of Birth Citizenship

Residential Address:

Street No Street Name

Suburb Town/City

Country Postcode

Authorized Person Details (Complete for any additional person(s) whom you would like to be Authorised Person(s) for the purposes of the Agreement. Note that all Authorised persons must be 18 years or older.)

Authorized Person 1

Surname First names

Date of Birth Citizenship

Relationship to Applicant

Residential Address:

Street No Street Name

Suburb Town/City

Country Postcode

Phone Work Mobile

Email Address

Authorized Person 2

Surname First names

Date of Birth Citizenship

Relationship to Applicant

Residential Address:

Street No Street Name

Suburb Town/City

Country Postcode

Phone Work Mobile

Email Address

Authorized Person 3

Surname First names

Date of Birth Citizenship

Relationship to Applicant

Residential Address:

Street No Street Name

Suburb Town/City

Country Postcode

Phone Work Mobile

Email Address

Instructions for Signing (Mandatory)

- Every person authorized to place orders on the behalf of the company must sign below and indicate the capacity in which they are signing.
- Where the Company constitution allows a single Director signatory, the Director's signature must be witnessed.

Directors' Signature

Name

Signature

Date

Name

Signature

Date

Name

Signature

Date

Authorized Person's Signature

Name

Signature

Date

Name

Signature

Date

Name

Signature

Date

Witness (where only one Director signs on behalf of a Company)

Name of Witness Signature

Occupation

Residential Address:

Street No Street Name

Suburb	<input type="text"/>	Town/City	<input type="text"/>
Country	<input type="text"/>	Postcode	<input type="text"/>

Director's Declaration

I, _____, (INSERT NAME & POSITION), acknowledge that the details provided in this application form are true and correct as at the date of this application. I undertake to inform KVB Trading (Hong Kong) Limited of any changes to those details within 5 business days of the change. I agree that all supporting materials are true and correct, and that the stated purpose for this account is true and correct.

I confirm that I have read, understand, and accept the terms of the Master Agreement which I have the authority and legal capacity to execute.

Full name	Signature	Capacity	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Execution by KVB

Signed for and on behalf of KVB TRADING (HONG KONG) LIMITED by its authorised representative

Name	<input type="text"/>	Title	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>

Checked by Compliance

Name	<input type="text"/>		
Signature	<input type="text"/>	Date	<input type="text"/>