

**AGREEMENT  
ON  
OPENING OF BROKERAGE ACCOUNTS  
FOR TRADING ON OVERSEAS DERIVATIVES MARKET**

Effective on January 1, 2023

**§1. Purpose of Agreement**

The purpose of this Agreement is to stipulate in advance matters necessary when a member of an overseas derivatives market pursuant to Subparagraph 8 of [§5-30] of the Regulations on Financial Investment Business (hereinafter referred to as the “member of an overseas derivatives market”) or an overseas derivatives broker pursuant to Subparagraph 8 of [§5-30] of the Regulations on Financial Investment Business (hereinafter referred to as the “overseas derivatives broker”) is entrusted with trading on an overseas derivatives market (hereinafter referred to as the “overseas derivatives trading”) by the customer through the brokerage of the *ABC* Financial Company (hereinafter referred to as the “Company”).

**§2. Definition of Terms**

The definitions of the terms used in this Agreement shall be as in the following Subparagraphs:

1. “Brokerage accounts for trading on an overseas derivatives market” refers to the account that is opened under the name and at the discretion of the customer with the member of an overseas derivatives market or an overseas derivatives broker in order for the customer to trade on the overseas derivatives market through the brokerage of the Company.
2. “Member of an overseas derivatives market” refers to a person that is qualified as a member of an overseas derivatives market.
3. “Overseas derivatives broker” refers to a person that can broker the trade of an overseas derivatives market to the member of an overseas derivatives market.
4. “Open interest” refers to the number of newly purchased or sold contracts that are outstanding as they have not been closed out respectively by a short or long position.

**§3. Methods of Entrustment, etc.**

- (1) The customer shall entrust his/her trade based on the methods in the following

Subparagraphs after determining the issue, price and quantity, etc. of the overseas futures trade in accordance with the product details provided by the Company in advance:

1. Document
2. Telephone, telegraph, fax or any other similar method
3. Computer or any other similar electronic communication method

(2) The Company shall, in cases where a customer wishes to entrust his/her trade in methods stipulated in Paragraph (1), make sure that it checks the identity of the customer.

(3) The Company shall keep and maintain materials on the details of the order placed by the customer that can be confirmed through a written document, recording or any other method in accordance with the relevant statutes.

#### **§4. Duty of Explanation, etc.**

(1) The Company shall explain to the customer the risks involving the trading procedure and trading method, etc. of trading on an overseas derivatives market.

(2) The Company shall explain to the customer the risks related to day trading (refers to trading executed with a purpose to obtain profit from price changes that occur in a day by either selling an issue on the same day that it was purchased or by purchasing an issue on the same day that it was sold).

(3) The Company shall, in cases where a customer is a general investor, distribute the prospectus that includes explanation on the investment except for cases where the customer refused to receive the prospectus either by providing his/her signature or sign and seal.

#### **§5. Trading Based on One's Own Judgment and Responsibility**

The customer shall fully recognize the risks that accompany overseas derivatives trading, and shall engage in trading based on his/her own judgment and responsibility.

#### **§6. Appointment of Proxy, etc.**

(1) In cases where the customer intends to trade through a proxy, he/she shall notify the Company, in writing, of matters about the proxy in advance.

(2) In cases where the customer intends to change his/her proxy, he/she shall immediately give a written notice to the Company. When the Company conducts a trade under directions

from the previous proxy before the arrival of such notice, such trade shall be deemed to have been conducted in accordance with the customer's directions. Provided, That this provision shall not apply when the Company knew or could have known that the customer has changed his/her proxy.

## **§7. Refusal of Brokerage**

(1) The Company shall, in cases that fall under any of the following Subparagraphs, refuse to broker the customer's overseas derivatives trading:

1. Cases where the overseas derivatives trading concerned or the brokerage thereof violates domestic/foreign statutes; or
2. Cases where the Company cannot broker such trading in accordance with the directions or orders of the Financial Services Commission (hereinafter referred to as the "FSC").

(2) The Company may, in any of the cases in the following Subparagraphs, refuse to broker the customer's overseas derivatives trading:

1. Cases where the customer has failed to meet his/her obligations to pay the customer margin or settlement amount, etc.; or
2. Cases where a cause for the refusal to receive an order as notified to the customer at the time of the execution of the agreement on opening of an account in view of his/her financial situation, occupation or credit status has occurred.

## **§8. Limit of Brokerage**

(1) In the case the FSC sets a limit on the Company's brokerage of an overseas derivatives trading to maintain market order or protect public interest in overseas derivatives trading, the Company shall refuse the customer's order of an overseas derivatives trade that exceeds the limit concerned.

(2) The Company may, in cases that fall under any of the following Subparagraphs, limit the customer's overseas derivatives trading for a certain period of time or within a certain range pursuant to the FSC's decision.

1. Cases where the customer has untruthfully entered without any justifiable cause, at the time of executing an agreement on opening of an account, matters about whether he/she had opened another overseas derivatives trading account (in the case the customer has such account, the account number and the name of the company), and submitted such matters to the Company;

2. Cases deemed necessary for maintenance of order or protection of public interest in overseas derivatives trading because the scale of the customer's overseas derivatives trading is overly large.

(3) The Company may limit its brokerage of the customer's overseas derivatives trading pursuant to the decision of the applicable member of an overseas derivatives market or the overseas derivatives broker (hereinafter referred to as the "overseas derivatives brokerage company").

#### **§9. Separation of New Deposit Account**

The customer shall open a foreign currency deposit account or a domestic currency deposit account at a foreign exchange bank separately from his/her other deposit accounts in order to transfer or collect the customer margin, settlement amount or fees generated from an overseas derivatives trading, and notify the Company of the details of the opening of the deposit account concerned.

#### **§10. Matters regarding Deposit of Customer Margin or Settlement Amount, etc.**

Matters regarding the deposit/return/additional deposit/handling of nonpayment of the customer margin or payment/handling of non-payment of the settlement amount shall be in compliance with the contract between the customer and the overseas derivatives brokerage company.

#### **§11. Provision of Details of Account Opening, etc.**

The customer shall provide the Company with matters regarding the details of opening an account/trading, details of remittance/collection of funds or details of Company payment of settlement amount or margin shortfall for the customer, etc. related to overseas derivatives trading.

#### **§12. Matters regarding Change in Settlement Terms in Case of Emergency**

In cases where overseas derivatives trading cannot be conducted normally due to a natural disaster, war, incident, or sudden changes or occurrence of a situation equivalent thereto, the customer and the Company shall comply with the settlement terms changed by the overseas derivatives market or the overseas derivatives brokerage company concerned.

#### **§13. Notification of Trading Record, etc.**

(1) The Company shall, when trade of a financial investment product has been executed, notify the customer the details thereof as in the following Subparagraphs:

1. The Company shall notify the customer of the type of trade, issue, item, quantity, price, all costs including fees, and other details of the trade immediately after the trade is executed.
2. The Company shall notify the customer through any of the methods stipulated in the following Items that has been pre-agreed with the customer (only Item a shall apply to trades that are not managed or recorded on the investor's account book). Provided, That in cases where the customer does not wish to be notified, the notification can be replaced by furnishing the details at the branch office for the customer's confirmation, or have it posted on the internet website so that the customer can frequently check the details:
  - a. Distributions through written documents;
  - b. Telephone, telegraph or fax;
  - c. E-mail, or any other similar electronic communication method;
  - d. Distributions of trading confirmation letter through the IT network of the Korea Securities Depository for customers that are the institutional settlement participants of the Depository;
  - e. Frequent check through the internet or mobile system; or
  - f. Text messages sent by an investment trader or an investment broker through a mobile system or other methods similar thereto.

(2) The Company shall, prior to the customer placing a trade, record and maintain the method through which the customer wishes to be notified on the details of the trade execution after confirming with the customer.

#### **§14. Notification of Monthly Trading Details**

The Company shall, through the method stipulated in [§13(1)2], notify the customer of the details on monthly trading and profit & loss, open interest status of end-of-month derivatives contracts, balance of deposited assets and necessary customer margin (hereinafter referred to as the "monthly trading details, etc.") by the twentieth (20th) day of the following month, and balance and outstanding order status of the end of the semi-annual period by the twentieth (20th) day after the end of the semi-annual period for accounts that have no records of trading financial investment products for such period. Provided, That in cases that fall under any of the following Subparagraphs, it shall be deemed that the Company notified the customer of the monthly trading details, etc. or the balance and outstanding order status of the end of the semi-annual period.

1. In cases where the monthly trading details, etc. or balance and outstanding order status of the end of the semi-annual period are furnished at the branch office so that they can be notified immediately to the customer upon his/her request for customer accounts for which

notification of the above-mentioned details has been returned three (3) times or more.

2. In cases where the balance and outstanding order status of the end of the semi-annual period are furnished at the branch office so that they can be notified immediately to the customer upon his/her request for accounts that have no record of trading overseas derivatives or other transactions for the semi-annual period, and the valuation amount of the deposited assets at the end of the semi-annual period does not exceed the amount prescribed by the Governor of the Financial Supervisory Service.
3. In cases where trading is done with a bankbook, etc. so that the trading details can be frequently checked by the customer.

### **§15. Exercise of Option Trading**

In the case the customer earns profits by exercising his/her rights related to open interest of purchased options after reflecting all the costs used for exercising his/her rights, such as the brokerage fees, etc. at the arrival of the deadline for reporting the customer's exercise of the aforementioned rights, the Company shall notify the overseas derivatives market or the foreign futures brokerage company concerned of the customer's intention to exercise such rights even without the customer's order thereof. Provided, That in cases where it is unclear whether such exercise of rights is beneficial to the customer or not, the Company must confirm the customer's intention on the exercise of his/her rights before delivering the notification to the overseas derivatives market or the overseas derivatives brokerage company concerned.

### **§16. Notification of Change in Entered Content**

The customer shall report to the Company, without delay, any change in the content entered in the application for the opening of a brokerage account for trading on an overseas derivatives market, such as his/her contact details including address and telephone number, and in the case he/she has a proxy, the name and contact details such as address and telephone number of the proxy, and the scope of the proxy's rights.

### **§17. Costs including Fees, etc.**

The fees, etc. (including all costs such as the KRX usage fee, etc.) for trading overseas derivatives shall be prescribed by the overseas derivatives brokerage company.

### **§18. Reporting and Protection of Customer Information**

- (1) The Company may, in cases where the customer's overseas derivatives trading volume,

etc. falls under the reporting criteria prescribed by the Financial Services Commission, report on the personal details of the customer and information on the overseas derivatives trading details, etc. to the Governor of the Financial Supervisory Service in accordance with the relevant statutes.

(2) The Company shall, excluding cases where there is a justifiable request in accordance with relevant statutes, protect the confidentiality of the customer information acquired in the course of their duties, including personal, trading order and financial status-related information. Provided, That in cases where the customer disturbed the sound practices in financial transactions, defaulted on a loan, or transactions of his/her bill or check have been suspended, the Company may provide customer information to the Korea Financial Investment Association, etc. or have customer information be used by the Association, etc. with the consent of the customer in accordance with relevant statutes.

### **§19. Release from Indemnification**

The Company shall, unless otherwise attributable thereto, not be responsible for any loss incurred to the customers due to causes falling under any of the following Subparagraphs:

1. Delay or inability to conduct the affairs (execution of a trade, etc.) as a result of a natural disaster, war or incident, or in cases of *force majeure* events corresponding thereto; or
2. Cases attributable to the customer.

### **§20. Amendment of Agreement, etc.**

(1) The Company shall, when intending to amend the Agreement, release the content of such amendment (including whether the amended provisions apply to the existing customers, the comparison table of old and new provisions, etc.) at its branch offices, on its Internet website, on the computer portal for online stock trading, and on other electronic communications media similar thereto <sup>1)</sup> ( ) days before the effective date of the Agreement subject to the amendment. Provided, That in cases where the Agreement is amended due to reasons including regulatory changes following the enactment and/or amendment of relevant Acts such as the Financial Investment Services and Capital Markets Act or Business Regulations of the Korea Exchange and there are urgent and unavoidable circumstances that render the guidance through the methods stipulated in the preceding sentence difficult, the details of the amendment may be posted before the effective date of the Agreement subject to the methods stipulated in the preceding sentence.

(2) If the content of the amendment in Paragraph (1) is unfavorable or critical to customers, the Company shall notify them individually of such fact (including the comparison table

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1) Twenty (20) days or longer as determined by the financial investment company.

of old and new provisions) ( )<sup>2</sup>) days before the effective date of the Agreement subject to the amendment in ways, such as in writing, that were previously agreed with the customers. Provided, That this provision shall not apply to cases where the content of the Agreement prior to the amendment applies to existing customers or a customer has explicitly expressed his/her intention that he/she will not receive such notices.

(3) The Company shall, in cases where it gives the notice in Paragraph (2), deliver the following message: “A customer may cancel the Agreement in cases where he/she does not approve the amendment of the Agreement, and shall be deemed to have approved the Agreement in cases where he/she does not express his/her intention to cancel the Agreement from the date of receiving this notice until the business day before the effective date of the Agreement subject to the amendment.”

(4) A customer shall be deemed to have approved the amendment in cases where he/she does not express his/her intention to cancel the Agreement from the date on which he/she received the notice in Paragraph (3) until the effective date of the Agreement subject to the amendment.

(5) The Company shall release or post the Agreement at its branch offices for delivery to customers upon request, and post it on its Internet website, on the computer portal for online stock trading, and on other electronic communications media similar thereto for search and download (including screen-printing) by customers.

## **§21. Restriction of Transactions**

(1) In cases where an account is used for fraud pursuant to the Special Act on the Prevention of Loss Caused by Telecommunications-Based Financial Fraud and Refund for Loss, the Company may restrict the financial transactions of the account holder concerned, such as the opening of accounts.

(2) In cases where financial transactions, such as the opening of accounts, are restricted pursuant to Paragraph (1), the Company shall notify such fact to the account holder concerned without delay.

## **§22. Compliance with Relevant Statutes, etc.**

The customer and Company shall comply with the Financial Investment Services and Capital Markets Act, the Enforcement Decree and Enforcement Rules of the same Act, Regulations on the Financial Investment Business and the Enforcement Decree of the same Regulations, Regulations on Business Conduct and Services of Financial Investment Companies of the Korea Financial Investment Association, overseas derivatives trading-related laws of the country concerned and the Regulations set forth

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2) Twenty (20) days or longer as determined by the financial investment company.

by the overseas derivatives exchanges, clearing houses, members of overseas derivatives markets and overseas derivatives brokers, etc. (hereinafter referred to as the “relevant statutes, etc.”)

### **§23. Dispute Resolution**

The customer shall, should a dispute arise with the Company, request the resolution thereof to the Company’s grievance body, or apply for resolution to the Financial Supervisory Service or the Korea Financial Investment Association, etc..

### **§23. Competent Court**

In cases where a need for an action between the Company and the customer arises with regard to a dispute that occurred in relation to a trade pursuant to this Agreement, the competent court shall be determined in accordance with the Civil Procedure Act.

### **§25. Miscellaneous**

(1) Any matter not prescribed in this Agreement shall comply with the provisions prescribed in the relevant statutes, etc.; in the case that there are no provisions therein, it shall comply with commercial practices.

(2) The Agreement on Using Electronic Financial Transactions and the Electronic Financial Transactions Act will be given preferential application for any electronic financial transactions that may fall under the purview of this Agreement.