

**AGREEMENT  
ON  
OPENING OF OMNIBUS 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 customer trades in an overseas derivatives market (hereinafter referred to as “the overseas derivatives trading”) through the *ABC* Financial Company (hereinafter referred to as “the Company”) under the name of the Company.

**§2. Definition of Terms**

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

1. The term “omnibus accounts for trading on overseas derivatives market” refers to the account that is opened with a member of an overseas derivatives market or an overseas derivatives broker in order for the Company to trade under the name of the Company at the discretion of a customer on the overseas derivatives market.
2. The term “member of an overseas derivatives market” refers to a person that is qualified as a member of an overseas derivatives market.
3. The term “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. The term “open interest” refers to newly purchased or sold contracts that are outstanding as they have not been closed out respectively by a short or long position.
5. The term “total appraised amount of deposit” refers to the sum of the cash balance of the customer’s account and the appraised value of substitute securities and open interests.

**§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 derivatives in accordance with the product details provided by the Company in

advance:

1. Document;
2. Telephone, telegram, facsimile or any other similar method; or
3. Computer or any other similar electronic communication method.

(2) The Company shall, in the case where a customer wishes to entrust his/her trade through methods prescribed in Paragraph (1), make sure that the method can verify the identity of the customer.

(3) The Company shall keep and maintain materials on the details of the order placed by the Customer through written document, voice recording or any other methods in accordance with the relevant laws and regulations.

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

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

(2) The Company shall explain to the customer the risks related to day trading (refers to trading executed with a purpose of obtaining 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 the case where a customer is a general investor, distribute the prospectus that includes explanation on the investment, with the exception of cases where the customer refused to receive the prospectus either by providing his/her signature or by signing and sealing.

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

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

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

(1) In the case 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 the case where the customer intends to change the proxy, he/she shall immediately give a written notice to the Company. When the Company conducts the trade under directions of 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 to cases where the Company knew or could have known that the customer has changed his/her proxy.

#### **§7. Refusal of Entrustment, etc.**

(1) The Company shall refuse the entrustment of the customer's overseas derivatives trading in any of the following cases:

1. Where the overseas derivatives trading concerned or the entrustment thereof violates domestic and/or foreign laws and regulations; or
2. Where the Company cannot be entrusted with such trading in accordance with the directions or orders of the Financial Services Commission (hereinafter referred to as the "FSC").

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

1. Where the customer has failed to meet his/her obligations to pay margin or settlement, etc.; or
2. Where a cause for refusing the entrustment as notified to the customer in view of his/her financial conditions, occupation or credit status at the time of the execution of the agreement on opening of an account has occurred.

(3) The Company may refuse the entrustment of the customer's overseas derivatives trading in accordance with the regulations or measures of the overseas derivatives exchanges, clearing houses, members of overseas derivatives markets or overseas derivatives brokers concerned.

#### **§8. Limit of Entrustment, etc.**

(1) In the case the FSC sets a limit on the Company's entrustment of an overseas derivatives trading to maintain 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 the cases that fall under any of the following Subparagraphs, limit the entrustment of the customer's overseas derivatives trading for a certain period of time or within a certain range pursuant to the FSC's decision:

1. Where the customer has untruthfully stated, without justifiable cause, the matters

with regard to 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) at the time of executing an agreement on opening of an account and submitted such matters to the Company; or

2. Where it is deemed necessary for the maintenance of order or protection of public interest in overseas derivatives trading because the scale of the customer's overseas derivatives trade is too big.

(3) The Company may limit its entrustment of the customer's overseas derivatives trading pursuant to the decision of the concerned overseas derivatives market, member of the overseas derivatives market or overseas derivatives broker.

### **§9. Deposit of Margin**

The customer shall, in the case he/she entrusts a new order, deposit a margin beforehand. In this case, margin shall be the amount specified in <Attachment>, and the amount demanded by the Company to be deposited in cash shall be deposited in cash.

### **§10. Additional Deposit of Margin**

The customer shall, in the case the total appraised amount of deposit falls short of the maintenance margin level determined by the Company, deposit additional margin that satisfies or exceeds the necessary level of margin before the deadline specified in <Attachment>.

### **§11. Return of Margin**

The Company may, in the case the amount obtained by subtracting losses in valuation from the sum of the cash and substitute securities deposited by the customer exceeds the necessary amount of margin, return such amount.

### **§12. Payment of Settlement Value**

The customer shall, when making a settlement or a final settlement through liquidation, pay the settlement value by the deadline specified in <Attachment>.

### **§13. Devolvement of Proceeds Generated from Trust Cash Balance, etc.**

The Company shall, with regard to the proceeds generated from trust cash balance, etc. it received from the customer and deposited with a separate depository institution, pay such proceeds in accordance with <Attachment>.

#### **§14. Handling of Nonpayment of Margin or Settlement Value**

(1) The Company shall, in the cases falling under any of the following Subparagraphs, liquidate the customer's open interest without a notice or prior approval and dispose of the deposited substitute securities to appropriate the unpaid margin or settlement value:

1. The customer has been notified of the Company's demand for additional deposit of margin or payment of settlement value, but failed to comply with the demand by the designated deadline; or
2. The Company has failed, before the deadline for additional deposit of margin or payment of settlement value, to demand additional deposit or payment from the customer due to causes attributable to the customer or unavoidable causes that are not attributable to the Company.

(2) Notwithstanding Paragraph (1), in the case where the total appraised amount of the customer's deposit falls ( ) below margin due to sudden and significant changes in market price during the regular session, the Company may, instead of demanding additional deposit of margin to the customer, liquidate the customer's open interest and dispose of the deposited substitute securities up to a required amount. In such case, the Company shall notify the customer of such transaction details without delay through a method previously agreed with the customer, such as through telephone or email.

(3) In the cases where the Company makes payment on behalf of the customer for a shortfall in margin or settlement value that occurred notwithstanding the measures taken pursuant to Paragraph (1) and (2) or where the customer fails to pay commissions to the Company, the customer shall pay ( ) of the amount paid by the Company or the commission as an interest to the Company.

#### **§15. Deposit and Management of Substitute Securities**

(1) The customer shall deposit the portion of margin other than the portion deposited in cash in securities recognized as substitutes for cash by an overseas derivatives market, a member of an overseas derivatives market or by an overseas derivatives broker.

(2) The Company may charge the customer the costs required for the management of the substitute securities deposited by the customer. In this case, the Company shall prove to the customer that the charged amount is the cost required for the management of the substitute securities deposited by the customer.

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

In the case where overseas derivatives trading cannot be conducted normally due to a

natural disaster, war, incident, or sudden and significant changes or occurrence of a situation equivalent thereto in the overseas derivative market, the customer and the Company shall comply with the settlement terms changed by the overseas derivatives market, a member of an overseas derivatives market or the overseas derivatives broker concerned.

#### **§17. 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 specified 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 agreed with the customer in advance (only Item 'a' shall apply to trades that are not managed or recorded on the investor's account book). Provided, That in the case where the customer does not wish to be notified, the notification can be replaced by keeping the information at branch offices for the customer's confirmation or posting on the Internet website to enable confirmation at any time:

- a. Delivery of notification in writing;
- b. Telephone, telegram, or facsimile;
- c. E-mail or other electronic communications methods similar thereto;
- d. Delivery of a letter confirming the trading by using the Korea Securities Depository's computer network for customers who are settlement system participants of the Korea Securities Depository;
- e. By internet or a mobile system that enables confirmation at any time; or
- f. By 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 engaging in trading, check the method of notification through which the customer wishes to be notified on the details of the trade execution, keep and maintain a record of such information.

#### **§18. Notification of Monthly Trading Record, etc.**

(1) The Company shall notify the customers of the monthly trading records and monthly profit and loss, the status of open interests for derivatives, balance of deposited assets, amount required as margin, etc. at the end of every month (hereinafter referred to as "monthly trading records and etc.") by the twentieth (20th) day of the following month. The company shall notify its customers of the half-year-end balance both in value and volume by the twentieth (20th) day after the end of such semi-annual period for accounts

that have no records of trading financial investment products for such period, in the manner prescribed in Subparagraph 2 of [§17(1)]. Provided, That in the cases that fall under any of the following Subparagraphs, it shall be deemed that the customers have been notified of the monthly trading records and etc. or the half-year-end balance both in value and volume:

1. Having the content available at its branch offices for on-demand notification for the accounts of customers, to which mail notification, covering monthly trading records and etc. or the half-year-end balance in value and volume have been given but returned more than three (3) times;
2. Having the content on the half-year-balance in value and volume available at its branch offices for on-demand notification for accounts that have no record of trading for the semi-annual period and whose appraised value of deposited assets does not exceed the amount set by the Governor of the Financial Supervisory Service; or
3. Trading through passbook for confirmation of trading records on demand by the customer.

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

In the case the customer earns profits at the arrival of the deadline for the report of the customer's exercise of his/her options on purchased open interest after all costs involved in the exercise of such right, such as brokerage commissions, etc. are accounted for, the Company shall notify an overseas derivatives market or an overseas derivatives brokerage company of the customer's intention to exercise such right even without the customer's order thereof. Provided, That in the case where it is unclear whether such exercise of right is beneficial to the customer or not, the Company must confirm the customer's intention on the exercise of his/her right before delivering the notification to the overseas derivatives market or the overseas derivatives brokerage company concerned.

#### **§20. Notification of Change in Entered Details**

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

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

The fees, etc. (including all costs such as the KRX usage fee, etc.) for trading overseas derivatives shall be determined by the Company as specified in <Attachment>.

## **§22. Exchange**

The Company shall administer matters concerning the exchange of currencies, remittance and receipt of the money necessary for overseas derivatives trading as the following Subparagraphs:

1. The Company shall, after opening the customer account and before receiving the initial transaction order, open a foreign currency deposit account in the name of the customer (and adding the Company name) at the foreign exchange bank designated by the Company. In such case, the customer shall submit the documents necessary for the opening of a foreign currency deposit account at the request of the Company. Provided, That these provisions shall not apply to cases where currencies are exchanged through the foreign currency deposit account in the name of the Company pursuant to Paragraphs (1) and (2) of [§5-36] of the Regulations on Financial Investment Services.
2. The Company shall act for the customer with respect to any currency exchanges between the Korean won and a foreign currency or between different foreign currencies, as well as foreign currency remittance following overseas derivatives trading, and the date of the currency exchange shall be designated by the customer before placing the trading order (limited to the date the order was placed or one business day before the order placement date) and in any other cases, the Company may determine such date, upon consultation with the customer.
3. The exchange rate for the currency exchange shall be a rate decided by the Company and the concerned foreign exchange bank upon consultation or a rate separately decided by the Company based on the spot exchange rate for telegraphic transfer to customers (exchange rate that domestic banks apply in the cases where a customer transfers money to overseas bank account in foreign currency or a customer exchanges foreign currency remittances transferred from overseas) published by such foreign exchange bank that has a foreign currency deposit account in the name of the customer or the Company on the date of the exchange specified in Subparagraph 2.
4. The Company may, after receiving foreign currency of the customer through the foreign currency deposit account in the name of the Company, transfer such foreign currency to the foreign currency deposit account in the name of the customer (the Company's name added) or the resident account.

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

- (1) The Company may, in the cases where the customer's overseas derivatives trading volume, etc. falls under the reporting criteria prescribed by the FSC, 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 the 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. upon the consent of the customer in accordance with relevant statutes.

#### **§24. Release from Responsibility**

The Company shall, when there are no causes 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.

#### **§25. 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 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 the 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 trading, and on other electronic communications media similar thereto for confirmation and download (including screen-printing) by customers.

## **§26. Restriction of Transactions**

(1) In the case 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 the case 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.

## **§27. 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.”)

### **§28. 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..

### **§29. Competent Court**

In the case 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.

### **§30. 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.

(Attachment)

1. The amount “specified in <Attachment>” in [§9] shall be as follows:

(Details are to be specified by companies.)

2. The deadline “specified in <Attachment>” in [§10] shall be as follows:

(Details are to be specified by companies.)

3. The deadline “specified in <Attachment>” in [§12] shall be as follows:

(Details are to be specified by companies.)

4. The criteria for the payment of proceeds “in accordance with <Attachment>” in [§13] shall be as follows:

(Details are to be specified by companies.)

5. The commissions, etc. “specified in <Attachment>” in [§21] shall be as follows:

(Details are to be specified by companies.)

6. Other special arrangements.