



DERIVATIVE TRADING ACCOUNT OPENING AGREEMENT
(Promulgated under the Decision No. 74-2018/QD/FPTS-FHR dated September 21, 2018)

No.: GDCKPS/ ...../20...../FPTS

This Agreement is made in Hanoi on day ..... month ..... year ... between

Full name:.....

ID/Passport/Business Registration Certificate No.....

Date of issue: ..... Issuing authority:.....

Contact address: .....

Telephone No.: .....Fax: .....

Mobile phone No.:.....Email: .....

For institution:

Legal representative: .....

Position: ..... Mobile phone No.: .....

ID/Passport No.: .....

Date of issue: ..... Issuing authority: .....

Securities transaction account number:

Table with 10 empty cells for account number

Hereinafter referred to as "Customer"

And

FPT SECURITIES JOINT STOCK COMPANY (FPTS)

Address: No. 52, Lac Long Quan Road, Bui Ward, Tay Ho District, Hanoi

Telephone No.: 84.24. 3773 7070 Fax: 84.24. 3773 9058

Legal representative: Mr. Nguyen Diep Tung Position: General Director

Authorized representative: Position:

Power of attorney No.: dated:

Hereinafter referred to as "FPTS"

The two Parties agree to sign the Derivative Trading Account Opening Agreement with the terms stated on the next page.

CUSTOMER
(Signature, full name)

FPT SECURITIES JOINT STOCK COMPANY
(Signature, full name, seal)

## **Article 1: AGREEMENT CONTENT**

1. The Customer submits an official request and FPTS agrees to open a derivative trading account in the name of the Customer to perform derivative trading under the Terms and Conditions of Derivative Trading at FPTS (Hereinafter referred to as Terms and Conditions of Derivative Trading).
2. FPTS reserves the right to amend and supplement the contents of the Terms and Conditions of Derivative Trading by notifying such amendments and supplements at FPTS physical transaction floors, on the FPTS website and to the email address registered by the Customer at FPTS. The latest update of Terms and Conditions of Derivative Trading issued and announced by the General Director of FPTS is an effective replacement for its previous versions. The two parties pledge to comply with the latest Terms and Conditions of Derivative Trading.
3. The latest update of Terms and Conditions of Derivative Trading is an integral part of this Agreement. The Terms and Conditions of Derivative Trading is listed at FPTS physical transaction floors and on the FPTS website or sent to the Customer if he/she requests.

## **Article 2: RIGHTS AND OBLIGATIONS OF THE CUSTOMER**

### **2.1 RIGHTS**

- Have the legal ownership of entire money, securities and derivative positions in his/her Derivative Trading Account; and be entitled rights and benefits in connection with margin assets in line with the law of Vietnam and the regulations of FPTS.
- Other rights as stipulated by the law and terms of this Agreement.

### **2.2 OBLIGATIONS**

- When performing derivative trading, maintain the margin level and comply with the guidance and regulations on derivative trading stipulated by the law and by FPTS.
- Bear every responsibility and obligation arising from derivative trading positions and margin assets and pay fees and taxes according to regulations provided by FPTS and the law.
- Protect the confidentiality of information relating to the Derivative Trading Account and timely notify FPTS in the event that details on the Derivative Trading Account are revealed, and/or erred and mistaken or the Derivative Trading Account is misused or unusual occurrences are found.

## **Article 3: RIGHTS AND OBLIGATIONS OF FPTS**

### **3.1 RIGHTS**

- Collect fees from the Customer and change the Service Tariff.
- Use the Customer's collateral assets in margin account to perform deposit obligations with the Vietnam Securities Depository (VSD) and pay compensation for any losses on open positions of the Customer.
- In the event that the Customer fails to fulfil his/her payment obligations to FPTS, FPTS shall have the right to handle margin assets and positions on the Derivative Trading Account to make the payment for such obligations. In the event that the amount of money on his/her Derivative Trading Account is not enough to perform such obligations, FPTS shall have the right to handle assets on his/her ordinary Securities Transaction Account or request him/her to use other assets to fulfil his/her obligations.

### **3.2 OBLIGATIONS**

- Provide derivative trading services for the Customer as per the contents of this Agreement in accordance with the law;
- Protect the confidentiality of information and data of the Derivative Trading Account of the Customer. FPTS shall only disclose such information and data to the third party upon the consent of the Customer or upon the request of the law.

## **Article 4: VALIDITY OF THE AGREEMENT**

1. This Agreement shall take effect from the date of signing.
2. This Agreement may be prematurely terminated upon the following conditions:
  - The Customer submits a request for termination of this Agreement after he/she fulfils all payment obligations to FPTS.
  - The individual Customer is dead, loses civil capacity, or is prosecuted by the law; the institutional Customer is dissolved/bankrupt.
  - The Agreement cannot be continued as a result of a force majeure event that cannot be overcome.
  - FPTS shall have the right to unilaterally terminate the Agreement if the Customer violates any terms and conditions of this Agreement, or performs any act prohibited by the law.
  - FPTS is dissolved, bankrupt, has operations suspended, or has operation licences revoked, or stops providing derivative trading services.

## **Article 5: DISPUTE SETTLEMENT**

Any dispute, if any, arising from this Agreement shall be settled by negotiation. In the event that negotiation fails, such dispute shall be settled at the law court of Vietnam according to the law and the verdict of the Court is final and obligatory to both Parties.

## **Article 6: IMPLEMENTATION PROVISIONS**

1. The Customer hereby certifies that he/she has read and comprehended the entire contents of the Agreement, the Terms and Conditions of Derivative Trading and has understood, and will accept, all risks that may occur from derivative trading.
2. This Agreement shall be made in two (02) original copies of equal legal validity. The FPTS shall keep one (01) copy and the Customer shall keep one (01) copy with the same legality.

**TERMS AND CONDITIONS OF DERIVATIVE TRADING**  
**(Promulgated with the Decision No. 74 -2018/QĐ/FPTS-FHR dated September 21, 2018)**

The Customer and FPT Securities Joint Stock Company (FPTS) agree, and commit, to comply with the terms and conditions of derivative trading at FPTS hereinafter:

**ARTICLE 1: DEFINITIONS**

- 1.1. **Derivative** is a security, including futures contract, option, forward contract and other derivatives defined by Vietnamese laws and instructed by the Ministry of Finance.
- 1.2. **Position** of a derivative within a specific time period refers to the trading status and volume of unexpired derivatives that the customer is holding till that period. When a customer buys or sells a derivative security, he/she is said to be opening a long position or a short position.
- 1.3. **Position limit** for a derivative refers to the maximum net position in that derivative, or in that derivative and others on the basis of the same underlying asset that the customer has the right to hold in a given period. Position limit is defined by regulations of the Vietnam Securities Depository (VSD).
- 1.4. **Margin** refers to the customer having obligations deposits or assets accepted as guarantee of settlement of obligations for derivative trading of such customer.
- 1.5. **Margin assets include:**
  - a) Cash
  - b) Securities accepted as guarantee by FPTS
  - c) Other assets defined by the law and decided by FPTS from time to time.
- 1.6. **Minimum margin in cash** refers to the rate of margins in cash is the rate between the value of margins in cash and total value of required margins.
- 1.7. **Securities collateral haircut rate** refers to the haircut ratio applied in evaluating securities collateral.
- 1.8. **Initial Margin (IM)** refers to the margin the Customer makes before the derivative trading is executed.
- 1.9. **Initial Margin Requirement Ratio** refers to the ratio of margin decided by FPTS and used to calculate IM based on the formula provided by the VSD.
- 1.10. **Variation Margin (VM)** is the value determined by the VSD regulations and accounted into the margin requirement value in case of position profit/loss of the investor's portfolio in the loss status.
- 1.11. **Delivery Margin (DM)** is the margin value that the Customer must deposit after the final trading date of government bond futures and maintain until the final settlement date to assure the contract settlement obligations.
- 1.12. **Margin Requirement (MR)** is the total margin value that the Customer pays to maintain positions held under the name of such Customer and calculated during trading session for the position portfolio in each customer's trading account, including Initial Margin (IM), Variation Margin (VM) and Delivery Margin (DM) for government bonds futures.
- 1.13. **Collateral Usage Rate (Rate)** is the ratio rate between the Margin Requirement (MR) with the total value of eligible collateral assets of the Customer.
- 1.14. **Handling Rate** decided by FPTS is 100%. In case Collateral Usage Rate (Rate) is equal or greater than the Handling Rate (100%), FPTS shall hold the right to handle derivative trading account as per Article 4 hereafter.
- 1.15. **Total outstanding loan of derivative account** is the total value of cash advanced and paid by FPTS to the Customer, including payment for daily position loss, compensatory payment for delivery margin for government bond futures, fee and tax payment, etc.

**ARTICLE 2: MARGIN, ADDITIONAL MARGIN**

- 2.1. Rates and ratios: Initial margin, minimum margin in cash, and securities collateral haircut rate are regulated and announced by FPTS from time to time in accordance with the law of Vietnam without having to have any opinion of the Customer. The Customer agrees on margin terms provided by FPTS.
- 2.2. The Customer is committed to complying with FPTS' margin regulations:
  - a) If the Collateral Usage Rate is equal to or greater than 90%, the Customer must add to his/her margin. When this case occurs, the FPTS system will send a notification to the Customer via email and/or SMS to the mobile phone number registered by FPTS. However, FPTS shall not be liable in

the event that the Customer's means of communication do not receive the notification for any reason.

- b) If the Collateral Usage Rate is equal to or greater than the Handling Rate (100%), FPTs will have the right to handle the Derivative Trading Account as per Article 4 hereafter.

### **ARTICLE 3: DERIVATIVE TRADING**

- 3.1 FPTs only opens the derivative trading account and provides derivative trading services for the Customer who has already opened the securities transaction account at FPTs. The Customer agrees that the contracts signed with FPTs, including Securities Transaction Account Opening Agreement and Terms and Conditions of Securities Transaction Account Opening Agreement; Contract for Provision and Use of Securities Transaction Services and Terms and Conditions of Using Securities Transaction Services, and Risk Statement, shall be automatically applied to the Derivative Trading Account.
- 3.2 The Customer undertakes that he/she places derivative trading orders in accordance regulations of with FPTs, the Stock Exchanges, the Vietnam Securities Depository and other competent authorities.
- 3.3 FPTs may refuse to perform the Customer's requests or orders of derivative trading if such derivative trading requests violate, or potentially violate, the Vietnamese law, regulations of competent authorities and/or relevant regulations of FPTs
- 3.4 In the event that the Customer's Derivative Trading Account at FPTs does not have enough balance to fulfill his/her obligations, including but not limited to payment for daily position loss, compensatory payment for delivery margin for government bond futures, fee and tax payment, FPTs will pay an advance for the Customer without having to send a notification to him/her or have his/her consent. The Customer is responsible for repaying the outstanding loan paid in advance by FPTs and the interest on such outstanding loan. The interest rate hereto used to calculate the interest is announced by FPTs on the website <http://www.fpts.com.vn>. FPTs is fully entitled to automatically collect principal and interest from the Customer's Derivative Trading Account.

### **ARTICLE 4: CLOSING POSITION, HANDLING DERIVATIVE TRADING ACCOUNT**

- 4.1. The Customer agrees that, if any of the following events occurs, FPTs shall have the full right to handle the Customer's Derivative Trading Account to recover his/her loans and fulfill his/her obligations without having to have his/her consent and be subject to any testament or commitment of the Customer to any other third party:
  - a) As soon as the Collateral Usage Rate is equal to or greater than the Handling Rate (100%)
  - b) The Customer violates his/her obligations under the Derivative Trading Account signed with FPTs.
  - c) The Customer dies or is no longer capable of conducting civil acts under the Vietnamese law.
  - d) The Customer is legally prohibited from conducting derivative trading.
  - e) The Customer's assets are subject to coercive measures to fulfill legal obligations under the Vietnamese law.
- 4.2. In case FPTs handles the Customer's Derivative Trading Account, FPTs shall have the full right to decide:
  - a) The number of positions closed and the prices placed for the positions closed.
  - b) To temporarily suspend the trading activity of the Customer's Derivative Trading Account
  - c) To use, sell and transfer collateral assets of the Customer.
  - d) To transfer money and securities between Derivative Trading Account and the Underlying Securities Trading Account to ensure payment obligations of the Customer.
  - e) To sell or retrieve any other assets of the Customer available on the Derivative Trading Account and/or on the Underlying Securities Trading Account.
- 4.3. In case the handling process as per Clause 4.2 hereof is not enough to repay the Customer's obligations in full, the short value shall be classified as overdue debts of the Customer and the Customer shall be responsible for repaying the remaining short value to FPTs.
- 4.4. In the event that FPTs handles the Securities Trading Account, the Customer will still be responsible for fulfilling obligations in connection with the securities such as mandatory information disclosure to customers and other regulatory obligations.

## **ARTICLE 5: FEE, TAX**

- 5.1. The Customer is obliged to pay fees, interests thereof and other expenses in connection to his/her derivative transaction to FPTS regardless of whether such transaction is derived from the request of the Customer or conducted by FPTS under the Derivative Trading Account Opening Agreement and as per these Terms and Conditions of Derivative Trading.
- 5.2. The Customer is obliged to pay all taxes in accordance with the laws of Vietnam on derivative trading on the Customer's account.

## **ARTICLE 6: GENERAL COMMITMENTS**

- 6.1 The Customer agrees to authorize FPTS, on his/her behalf, to perform the transfer, withdrawal, blockade and release of assets in the Derivative Trading Account to make deposit, clearing payment, position loss payment, maturity payment, repayment to cash advance given by FPTS, interest, fee, tax and other financial obligations of the Customer to FPTS and/or to competent authorities.
- 6.2 The Customer confirms that he/she has been consulted and clearly explained by FPTS about risks that may arise from performing derivative trading and agrees to accept such risks. The customer also confirms that he/she has been explained and comprehended regulations and methods of derivative trading announced by FPTS.
- 6.3 The Customer assures FPTS that all information provided to FPTS is true and accurate in all aspects. The Customer is obliged to provide FPTS with his/her latest personal information and/or contact information. FPTS bears no responsibility if the Customer does not provide FPTS with any changes to his/her personal information and/or contact information in a timely manner.
- 6.4 The Customer agrees to allow FPTS to provide his/her personal information and transaction information to any competent authority in accordance with the Vietnamese law.