

## Exchange Rules

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### | Client-Initiated Currency Exchange

#### **Currency Exchange Processing Hours:**

For applications submitted successfully between 08:00 and 13:00 on a business day, the currency exchange will be processed on the same day.

#### **Clients may choose their preferred method of currency exchange from the following options:**

1. Written Application for Currency Exchange
2. Currency Exchange via Telephone Instruction
3. Online Application for Currency Exchange
  - (1) A valid certificate is required to apply for online currency exchange.
  - (2) Please log into the overseas futures trading system with your account and password. After logging in, select "Margin Services" → "Currency Exchange Application" from the top menu, enter the currency and amount you wish to exchange, and after verifying the information, click the "Submit Application" button to send your request.

### | Authorized Currency Settlement

Our company will process the currency settlement for domestic and overseas futures accounts based on the "Currency Settlement Authorization" agreement signed with the client, as detailed below:

#### **Currency Settlement Process Explanation:**

For applications submitted successfully between 08:00 and 13:00 on a business day, the currency exchange will be processed on the same day.

#### 1. Currency Settlement for Overseas Futures Accounts:

Our company will review the excess/deficit margin amounts of each foreign currency in the client's account at the close of business on the previous trading day every two weeks (typically on the following Tuesday, with the right to adjust the currency settlement schedule based on holidays or other factors). If a deficit is found, our company may proceed with a forced currency settlement according to the settlement principles.

#### 2. Currency Settlement for Domestic Futures Accounts:

Currency settlement for domestic futures accounts follows the same schedule as overseas futures accounts. Every two weeks (typically on the following Tuesday, with the right to adjust the currency settlement schedule based on holidays or other factors), our company will review the excess/deficit margin amounts of each foreign currency in the client's account at the close of business on the previous trading day. If a deficit is found, our company may proceed with a forced currency settlement according to the settlement principles.

#### 3. Important Reminders:

When processing the authorized currency settlement for overseas futures accounts (typically every other Tuesday, with the right to adjust the currency settlement schedule based on holidays or other factors), our company will temporarily freeze the equivalent margin amount in the account using the value-added exchange rate during the execution period (approximately 7:30 AM to 12:30 PM, although the actual time may vary based on the number of settlements processed on that day). If clients need to withdraw the frozen margin during this period, please contact our withdrawal hotline at 02-2701-0120 to process the settlement and unfreeze the margin for withdrawal.

#### **Currency Settlement Principles:**

##### 1. Domestic Currency Settlement Explanation:

1. According to the regulations of the Taiwan Futures Exchange, the margin and profit/loss for foreign currency-denominated products are calculated in the currency in which they are denominated. Clients are also reminded to deposit sufficient RMB margin before trading in RMB-denominated products.
2. If clients wish to make foreign currency deposits on their own, they should be aware of the bank transfer or remittance processing times to protect their own interests.

✘According to regulatory requirements, futures brokers are not permitted to convert RMB into other currencies (NTD or USD) on behalf of domestic clients.

✘For non-RMB-denominated products, fees, taxes, and losses should be paid and received in other currencies. Futures brokers are not allowed to convert excess RMB in the account into other currencies to cover these costs on behalf of the client.

##### 2. Domestic and Overseas Currency Settlement Explanation:

1. Overseas futures trading is conducted in foreign currencies. In addition to the profit or loss generated from the actual transactions, clients must also bear the risk of exchange rate fluctuations.
2. Currency settlement will be based on the excess/deficit margin amounts in each foreign currency in the client's account at the close of business on the previous trading day before the settlement date.
3. Any deficit amounts will be settled sequentially according to the following circumstances:
  - a. After the close of the previous trading day, the trader's foreign currency futures account balance for any excess/deficit margin amounts will be settled. If there is a margin shortfall for the entire account that prevents full settlement, the company reserves the

right to adjust the settlement amount.

b. If the trader has T+1 positions that were settled on the previous trading day prior to the currency conversion, the company may review the real-time excess/deficit margin balance and has the right to execute the settlement based on the smaller absolute value of either the real-time excess/deficit margin shortfall or the shortfall from the previous trading day.

c. In the event of foreign currency shortage or other factors, the company may proceed to handle the settlement of the foreign currency excess/deficit margin for the futures account directly.

**Important Notes on Withdrawals and Currency Exchange for KRX (Korea Exchange):**

1. The margin currency for KRX (Korea Exchange) is Korean Won (KRW), which is not a currency handled by domestic banks in Taiwan. According to the regulations of the relevant authorities in Taiwan and the foreign exchange authorization agreement with Capital Futures Corp. (hereinafter referred to as Capital Futures), traders are permitted to trade foreign futures products in New Taiwan Dollars (NTD) first. In the event that the margin balance in KRW in the futures trading margin or premium accounts is insufficient or shows a negative equity balance, Capital Futures may review the KRW shortfall in these accounts after each business day's settlement and apply to the upstream futures broker for the necessary amount of USD to exchange for KRW margin. The exchange will be carried out on the same day. If it is not a business day in Korea, Capital Futures may postpone the exchange. If the USD balance in the trader's account is insufficient, Capital Futures will exchange other currencies for USD to cover the shortfall. To avoid frequent currency exchanges and potential exchange rate differences, traders may proactively apply to Capital Futures for an exchange to ensure sufficient KRW margin.
2. Traders with a negative KRW equity balance have their account balances reviewed daily; therefore, they are excluded from the routine currency exchange operations.
3. If a trader's account has a KRW balance and they wish to withdraw KRW or if the account has a negative KRW balance, they must apply on a business day to exchange KRW for USD or to cover the KRW shortfall with USD before applying to withdraw the USD or to exchange the amount into NTD or another foreign currency. The estimated withdrawal time is T+3 days (for reference only, actual processing time may vary).
4. Applications for KRW withdrawals and currency exchanges are only processed by calling the Capital Futures withdrawal hotline between 8:00 AM and 1:00 PM on business days. If it is not a business day in Korea, the processing will be deferred to the next Korean business day.
5. The amount required for the currency exchange will be settled at the actual exchange rate for that currency and deposited into the trader's foreign currency futures margin or premium account. Any profits, losses, or liabilities resulting from the exchange or other factors shall be borne by the trader.
6. Capital Futures reserves the right to amend the relevant rules due to legal or trading rule changes. Traders agree to comply with the latest rules implemented by Capital Futures.