Options Trading Risk Disclosure Statement and Customer Acknowledgement (Cum Opt-In Form for Option Strategy Level 3 and 4)

To: UOB Kay Hian Private Limited ("**UOBKH**")

Customer Name: ____
(Name(s) as in trading account)

Account Number: ____

Important Notice

Options trading involves significant risks and is not suitable for all customers. The risks of options trading vary depending on the strategy employed. Customers should carefully consider their investment objectives, financial resources, investment experience, risk tolerance, and ability to withstand losses before entering into any options transaction.

This disclosure is intended to explain, in general terms, the principal risks associated with four broad types of options strategies. It is not a complete description of every possible risk, and it does not replace the applicable options disclosure document, product terms, account agreements, or applicable laws and regulations.

Customers should seek independent financial, tax, and legal advice where appropriate.

Option Strategies

I/We acknowledge that the list of options available for trading with or through UOBKH have strategies broadly categorized into four (4) levels, based on complexity of features and risks, ranging from the least risky level 1 to the riskiest level 4, as illustrated below:

Level	**Summary**
1	Basic strategies such as covered calls
2	Includes Level 1, plus directional strategies such as long calls/puts, long straddles/strangles, and protective positions.
3	Includes Levels 1-2, plus strategies with defined (limited) maximum loss, such as short puts and butterfly strategies.
4	Full access to all strategies, including higher-risk and uncovered (naked) positions.
Levels 1-2 are available by default. Levels 3-4 are only available to Accredited Investors as defined in Section 4A of the Securities and Futures Act 2001 of Singapore. Combination strategies can be complex, and the potential loss, margin requirement, and assignment exposure depend on the specific strategy and market conditions.	

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General Options Trading Risks

Regardless of strategy, I/we acknowledge that:

1. Options are leveraged instruments and can involve substantial risk.
2. Market conditions can change rapidly, and losses may occur quickly.
3. Past performance does not guarantee future results.
4. Option prices may be affected by factors other than the price of the underlying security, including time decay and implied volatility.
5. Liquidity may vary and may be insufficient to allow a position to be closed at a favorable price.
6. Short options may be assigned, including potentially before expiration where permitted.
7. Corporate actions, trading halts, market disruptions, and changes in contract terms may affect an option position.
8. Margin requirements may change and may require the customer to provide additional funds.
9. The customer may lose some or all of the amount invested and, for certain strategies, may incur losses substantially greater than the initial amount invested.
10. The customer is responsible for understanding the characteristics, risks, costs, and obligations associated with each option strategy before entering into a transaction.

OCC Risk Disclosure

I/We acknowledge that:

1. I/We have received and carefully read each section of, and the supplements to, the Options Clearing Corporation ("**OCC**") document "Characteristics and Risks of Standardized Options" (the "**OCC Risk Disclosure Document**"), accessible via https://www.theocc.com/getcontentasset/a151a9ae-d784-4a15-bdeb-23a029f50b70/dfc3d011-8f63-43f6-9ed8-4b444333a1d0/riskstoc.pdf

2. I/We have received and carefully read the "**Special Statement for Uncovered Option Writers**" (set forth below);

3. I/We understand the OCC Risk Disclosure Document and the "Special Statement for Uncovered Option Writers", each of which is in a language I/we fully understand; and

4. If there is any aspect of the OCC Risk Disclosure Document, the "Special Statement for Uncovered Option Writers" and any other information or material that I/we may receive time to time from UOBKH on options that I/we do not understand, I/we shall consult my/our independent adviser and obtain a full understanding of such term(s).

Customer Opt-In and Acknowledgement

By signing below, I/we acknowledge and confirm that:

- I/we have read and understood this Options Trading Risk Disclosure Statement and Customer Acknowledgement cum Opt-In form for Option Strategy Level 3 and 4.
- I/we understand that options trading involves substantial risk and may result in the loss of some or all of my/our investment.
- I/we understand that different options strategies have different risk profiles and that certain strategies may result in losses substantially greater than the initial amount invested.
- I/we understand the possibility of option assignment and the obligations that may arise from an assigned option.
- I/we understand that margin may be required for certain or all options strategies.
- I/we understand that the examples and descriptions in this disclosure are general and that the actual risks depend on the specific option, strategy, transaction, and market conditions.
- I/we have had the opportunity to ask questions and seek appropriate professional advice before entering into options transactions.
- I/we understand that this acknowledgement does not constitute investment, legal, accounting, or tax advice.
- I/we agree to read and comply with the applicable account terms, options disclosure documents, trading rules, and other applicable documentation before trading options and agree and confirm that the terms and conditions set out in the Master Trading Agreement previously executed by me/us, including but not limited to the Account Application form, shall continue to apply without limitation or modification to me/us in relation to my/our dealings with UOBKH.

I/We acknowledge that I/we have been informed of the risks associated with options trading and voluntarily accept the risks applicable to the options strategies I/we choose to employ.

Option Strategy Level Opted-In (valid until UOBKH receives written notice of change from me/us): Level 3 and 4

Customer Signature

Dated this ___________ day of ____________ 20___________.

For Individual/Joint Customer

____
Signature of Individual Customer
Customer Name:

____
Signature of Joint/Additional Customer (if applicable)
Customer Name:

For Corporate Customer

For and on behalf of Customer Name:

____
Name of Authorised Signatory:

____

Name of Authorised Signatory:

Please affix the company's stamp (if applicable)

Special Statement for Uncovered Option Writers

Uncovered option writing is permitted for customers with Options Level 3 and Options Level 4 trading permissions. There are special risks associated with uncovered option writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be appropriate for all customers approved for options transactions.

1. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.
2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
3. Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's margin agreement.
4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
6. The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

NOTE: It is expected that customer will read the booklet entitled CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS. In particular, customer’s attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

Risks of Trading Equity Options and Terms and Conditions for Trading Equity Options

Customers trading equity options understand and agree to the following:

1. Customer understands that trading equity options are highly speculative in nature and involve a high degree of risk.

2. Customer acknowledges that customer has read and fully understands (a) the current Options Clearing Corporation ("**OCC**") disclosure document "Characteristics and Risks of Standardized Options" (the "**OCC Document**") and (b) the "Special Statement for Uncovered Option Writers". Customer agrees to seek clarification of any term, condition or risk contained in either of these documents prior to making such acknowledgment to UOBKH.

3. Customer is financially able to undertake the risks associated with trading equity options and withstand any losses incurred in connection with such trading (including the total loss of premiums paid by customer for long put and call options, margin requirements for short put and call options, and transaction costs).

4. Among the risks customer acknowledges are: (a) option contracts are traded for a specified period of time and have no value after expiration; (b) trading halts in the underlying security, or other trading conditions (for example, volatility, liquidity, systems failures) may cause the trading market for an option (or all options) to be unavailable, in which case, the holder or writer of an option would not be able to engage in a closing transaction and an option writer would remain obligated until expiration or assignment.

5. The system which UOBKH makes available to customer for trading in options ("**UOBKH System**") is an electronic system and is, therefore, subject to unavailability. Customer represents that it has alternate trading arrangements for the placement of customer's orders and shall use such arrangements in the event that the UOBKH System becomes unavailable. Although the UOBKH System is designed to perform certain automatic functions, UOBKH does not warrant that the UOBKH System will perform as it is designed to, and UOBKH will not have any liability to customer for losses or damages which result from such failures of performance or unavailability. Subject to the foregoing, customer acknowledges that the UOBKH System is designed to automatically liquidate customer positions if customer's account equity is not sufficient to meet margin requirements.

6. Customer has reviewed and understands the applicable margin requirements for trading equity options.

7. Each equity option transaction entered into is subject to the rules and regulations of the Securities & Exchange Commission ("**SEC**"), the Financial Industry Regulatory Authority ("**FINRA**"), the OCC, the self-regulatory organizations that regulate UOBKH and/or the relevant service provider to UOBKH in respect of options and, the relevant options exchanges. Customer is aware of and agrees to be bound by the rules applicable to the trading of options contracts promulgated by the SEC, FINRA, the OCC and the self-regulatory organizations that regulate UOBKH and/or the relevant service provider to UOBKH in respect of options and the relevant options exchanges.

8. Equity options traded in the US are issued by the OCC.

9. Customer is aware of and agrees not to, alone or in concert with others, exceed the position and exercise limits imposed by FINRA or by other exchange rules and regulations, including but not limited to FINRA Rules 2360(b)(3) and (4).

10. With certain exceptions, UOBKH will not execute or allow a customer order to purchase an equity option if customer does not have equity in its account at least equal to the full purchase price of a put or call option (equity options may not be purchased on margin).

11. Customer shall comply with UOBKH's margin requirements in connection with customer's sale of put and call options.

12. Customers who wish to exercise an option on a particular trading day acknowledge that they must do

so using the Options by UOB Kay Hian trading platform/mobile application before the close-out-deadline specified. Customer further acknowledges that, absent action of such exercise by the customer, UOBKH has no obligation to exercise customer's option on any given trading day or prior to the expiration of the option. Customer acknowledges that OCC will automatically exercise any long equity option held by a customer that is in-the-money by US$.01 or more at expiration if the customer did not exercise the option before the expiration of the option.

13. Customer understands that OCC assigns exercises to clearing firms and customer acknowledges that it has read and understands the description of the OCC assignment procedures available on request from the OCC as set forth in Chapter VIII of the OCC Document. Customer acknowledges that, upon assignment, customer shall be required: (1) in the case of an equity option, to deliver or accept the required number of shares of the underlying security, or (2) in the case of an equity index option, to pay or receive the settlement price, in cash. Customer understands that it may not receive notice of such an assignment until one or more days following the date of the initial assignment by OCC to a clearing firm and that the lack of such notice creates a special risk for uncovered writers of physical delivery call stock options. Customer acknowledges that it has read and understands this risk as described in Chapters VIII and X of the OCC Document.

14. Customer is responsible for entering an offsetting transaction to close out the customer’s position, or to exercise an equity option using the Options by UOB Kay Hian trading platform/mobile application prior to the expiration date, and customer's failure to do so may result in the equity option expiring worthless, regardless of the monetary value of the equity option on its expiration date.

15. If, prior to expiration of an option contract, customer does not have sufficient equity to meet the initial margin requirement for the purchase or sale of the underlying security (the higher of UOBKH's "house" margin requirements or margin requirements mandated by exchanges or regulators), then UOBKH shall have the option, at its discretion, to: (1) decline to purchase or sell such underlying security for the customer's behalf, OR (2) exercise the option and liquidate the underlying security position which results from the exercise of the option contract. If customer fails to close out an open option position prior to expiration, which creates a margin deficiency (e.g. upon exercise or automatic exercise of the option), then customer shall be liable for resulting losses and costs and shall not be entitled to any profits or gains.

16. In connection with the exercise of a long put option that results in a short position in the underlying stock, customer acknowledges that: (1) short sales may only be effected in a margin account and are subject to initial and maintenance margin requirements; and (2) if UOBKH is unable to borrow such stock on customer's behalf or if a lender subsequently issues a recall notice for such stock, then UOBKH, without notice to customer, is authorized by customer to cover customer's short position by purchasing stock on the open market at the then current market price and customer agrees that it shall be liable for any resulting losses and all associated costs incurred by UOBKH. As noted above, the market value of short stock is treated as a debit item to customer's margin account with UOBKH.