

SUMMARY OF TERMS AND CONDITIONS OF CONTRACTS

The Customer is required to read and get himself well-informed and advised about the terms and conditions of any Contract (as explained in this Summary) before entering into any transaction with Tokiwa Investments Inc. (“**Tokiwa**”) on such Contract. For the purpose of this Summary, a Contract means one standard unit of a currency pair with standard size amounts as described in the Contract Specifications.

Tokiwa is registered with the Financial Services Agency of Japan (Registration Number 156) as a financial futures firm dealing in financial futures and, in particular, as a provider of over-the-counter foreign exchange transactions. In the provision of over-the-counter foreign exchange transactions, Tokiwa acts as a market maker and a trading principal, buying and selling currencies at currency exchange rates quoted by Tokiwa for dealing as the counterparty to its customers.

If the Customer wants to obtain further information concerning Tokiwa and how we conduct our business as a financial futures firm, please refer to the company brochure that is provided together with the “**Company Information Package**” for customers.

For each transaction in any currency pairs under a Contract (the terms and conditions of which are explained in this Summary), Tokiwa shall enter into transaction with the Customer and the Parties (the Customer and Tokiwa) shall act as the counterparty to each other. That means for each transaction, the Customer shall buy from Tokiwa (and Tokiwa shall sell to the Customer), or the Customer shall sell to Tokiwa (and Tokiwa shall buy from the Customer), currencies transacted for the account and risks for the respective Party (either the Customer or Tokiwa).

(A) Contract Specifications:

The following table provides the list of the major currency pairs that are currently available to the Customer for entering into transaction with Tokiwa:

Product Code	Description
USD vs JPY	United States dollar versus Japanese yen Standard Size: USD 200,000 (vs an equivalent amount of JPY) Quote: by exchange rate in number of JPY in exchange for 1 USD Example: 112.80 meaning 112.80 JPY in exchange for 1 USD Minimum change in exchange rates quote: 0.01 JPY per USD Margin: JPY 200,000 per Standard Size Contract
EUR vs JPY	Euro versus Japanese yen Standard Size: EUR 200,000 (vs an equivalent amount of JPY) Quote: by exchange rate in number of JPY in exchange for 1 EUR Example: 144.38 meaning 144.38 JPY in exchange for 1 EUR Minimum change in exchange rates quote: 0.01 JPY per EUR Margin: JPY 200,000 per Standard Size Contract
GBP vs JPY	British Pound versus Japanese yen Standard Size: GBP 200,000 (vs an equivalent amount of JPY) Quote: by exchange rate in number of JPY in exchange for 1 GBP Example: 210.48 meaning 210.48 JPY in exchange for 1 GBP Minimum change in exchange rates quote: 0.01 JPY per GBP Margin: JPY 200,000 per Standard Size Contract

AUD vs JPY	Australian dollar versus Japanese yen Standard Size: AUD 200,000 (vs an equivalent amount of JPY) Quoted by: a rate in number of JPY in exchange per one AUD Example: 84.21 meaning 84.21 JPY in exchange for 1 AUD Minimum change in exchange rates quote: 0.01 JPY per AUD Margin: JPY 200,000 per Standard Size Contract
EUR vs USD	Euro versus United States dollar Standard Size: EUR 200,000 (vs an equivalent amount of USD) Quoted by: a rate in number of USD in exchange per one EUR Example: 1.2813 meaning 1.2813 USD in exchange for 1 EUR Minimum change in exchange rates quote: 0.0001 USD per EUR Margin: JPY 200,000 per Standard Size Contract
GBP vs USD	British Pound versus United States dollar Standard Size: GBP 200,000 (vs an equivalent amount of USD) Quoted by: a rate in number of USD in exchange per one GBP Example: 1.8660 meaning 1.8660 USD in exchange for 1 GBP Minimum change in exchange rates quote: 0.0001 USD per GBP Margin: JPY 200,000 per Standard Size Contract
USD vs CHF	United States dollar versus Swiss Franc Standard Size: USD 200,000 (vs an equivalent amount of CHF) Quoted by: a rate in number of CHF in exchange per one USD Example: 1.2201 meaning 1.2201 CHF in exchange for 1 USD Minimum change in exchange rates quote: 0.0001 CHF per USD Margin: JPY 200,000 per Standard Size Contract
AUD vs USD	Australian dollar versus United States dollar Standard Size: USD 200,000 (vs an equivalent amount of AUD) Quoted by: a rate in number of USD in exchange per one AUD Example: 0.7467 meaning 0.7467 USD in exchange for 1 AUD Minimum change in exchange rates quote: 0.0001 USD per AUD Margin: JPY 200,000 per Standard Size Contract

(B) Trading Hours (Tokyo Time):

Tokiwa will provide market making operations on a continuous basis, by maintaining two-way bid and ask quotes on exchange rates good for entering into transaction by customers during trading hours as described below:

Summer Time – Monday 9:00 am to Saturday 4:00 am

Winter Time – Monday 9:00 am to Saturday 5:00 am

Changes in trading hours may be subject to amendments notified to the Customer on short notices.

Such real-time exchange rate quotes good for dealing by the Customer are posted on the E-trading System during the trading hours. An example of the format of the exchange rates quoted is provided in paragraph (C) below.

(C) Exchange rate quotations for real-time trading by Customer will be made by Tokiwa on a continual basis:

Product Code	Bid (example)	Ask (example)	Minimum spread
USD vs JPY	112.80	112.90	0.10 JPY per USD
EUR vs JPY	144.28	144.38	0.10 JPY per USD
GBP vs JPY	210.38	210.48	0.10 JPY per GBP
AUD vs JPY	84.21	84.31	0.10 JPY per AUD
EUR vs USD	1.2810	1.2820	0.0010 USD per EUR
GBP vs USD	1.8655	1.8665	0.0010 USD per GBP
USD vs CHF	1.2196	1.2206	0.0010 CHF per USD
AUD vs USD	0.7463	0.7473	0.0010 USD per AUD

(D) Commission charges:

Product Code	For Accounts the currency of denomination is JPY	For Accounts the currency of denomination is USD
USD vs JPY	15,000 JPY per Contract R/T*	120 USD per Contract R/T*
EUR vs JPY	15,000 JPY per Contract R/T*	120 USD per Contract R/T*
GBP vs JPY	15,000 JPY per Contract R/T*	120 USD per Contract R/T*
AUD vs JPY	15,000 JPY per Contract R/T*	120 USD per Contract R/T*
EUR vs USD	15,000 JPY per Contract R/T*	120 USD per Contract R/T*
GBP vs JPY	15,000 JPY per Contract R/T*	120 USD per Contract R/T*
USD vs CHF	15,000 JPY per Contract R/T*	120 USD per Contract R/T*
AUD vs USD	15,000 JPY per Contract R/T*	120 USD per Contract R/T*

Notes:

- (a) R/T means round turn, i.e., commission charges are payable on a closing-out of open position.
- (b) Commission charges are directly debited from the Customer's Account upon a closing-out of position and notified to the Customer by an Account Statement.

(E) The E-trading System:

Tokiwa operates its trading in Contracts through an electronic trading platform called the E-trading System. It is accessible by Customer through the internet. The Customer may first logon to the internet website of Tokiwa (at url: www.tokiwainvest.com) where he can find a hyperlink access to the dedicated server of the E-trading System. Any internet user may have access to a “DEMO” presentation of how the E-trading System can be operated for the purpose of entering trading instructions (if the user is given a Customer ID and access Password).

The Sales Representative designated to provide an explanation of this Summary shall take the responsibility of helping the Customer to walk through the “DEMO” of the E-trading System.

(F) Types or orders for entering Trade Requests on the E-trading System:

Limit (buy or sell) Orders:

Limit orders to buy must be set at an exchange rate level for the respective currency pairs that is not higher than the exchange rate for “ask” then quoted for that currency pair. Otherwise, such limit orders will be executed at the “ask” rate then quoted. Limit orders to sell must be set an exchange rate level for the respective currency pairs that are not lower than the exchange rate for “bid” then quoted for that currency pair. Otherwise, such limit orders will be executed at the “bid” rate then quoted.

Market (buy or sell) Orders:

Market orders to buy will be executed at the “ask” rate then quoted as the exchange rate quoted on a currency pair. Market orders to sell will be executed at the “bid” rate then quoted as the exchange rate quoted on a currency pair.

Stop-loss Orders:

Stop-loss orders to buy must be set at an exchange rate level for the respective currency pairs that is higher than the exchange rate for “ask” then quoted for that currency pair. Subsequently, if the market rates move up to a level at which the “ask” rate is equal or higher than the rate set out as the buy level of the stop-loss order, the stop-loss order will immediately become a market order to buy at the “ask” rate quoted at the time.

Stop-loss orders to sell must be set at an exchange rate level for the respective currency pairs that is lower than the exchange rate for “bid” then quoted for that currency pair. Subsequently, if the market rates move down to a level at which the “bid” rate is equal or lower than the rate set out as the sell level of the stop-loss order, the stop-loss order will immediately become a market order to sell at the “bid” rate quoted at the time.

All orders are deemed to be good for the day only and will be cancelled automatically at 5 a.m. on each Business Day (Tokyo time). Tokiwa does not accept instructions for GTC orders or orders the effectiveness of which are meant to cross over 4 a.m. (for Summer Time) or 5 a.m. (for Winter Time) from one Business Day to the next subsequent Business Day.

For the purpose of this Summary, the cutting-off point in time from one Business Day to the next succeeding Business Day is 4 a.m. during the Summer Time and 5 a.m. during the Winter Time.

(G) Carrying Costs (also known as Swap Points):

Carrying Costs or Swap Points shall apply to each and every Contract held as an open position by the Customer overnight and such Carrying Costs shall start to accrue continuously on a daily basis commencing from the respective Value Dates specified for each and every one of such Contracts (such Value Dates as stated in the Contract Notes in respect of each and every one of such Contracts), and the accrual shall end on the day that is two (2) Business Days after the day such Contracts are being close-out by an Off-setting Contract.

Swap Points for each Contract of different currency pairs are subject to change from day to day, as may be affected by changes in the interest rates and the spread between the borrowing and lending rates in the respective money markets for each currency pairs.

Tokiwa shall post the respective Carrying Costs (Swap Points) either in JPY or USD (depending on the currency of denomination designated for the Account of the Customer) for each and every Contract than remain outstanding in the Account of the Customer. Swap Points or Carry Costs are quoted as a fixed amount per day (of JPY or USD) accruing on a daily basis on each open position and such fixed amounts shall be subject to vary on a weekly basis and updated on every Saturday for new Swap Points that will become applicable for open positions carried by the Customer in the week immediately following next (after the market close).

For positions carried as an open position within a week, the weekly accrued Carrying Cost would be as follows:

Accrual Amount for the week = Swap Points (quoted on Saturday of the week before) multiplied by the number of days during which the respective Contract is carried as an open position in the subsequent week.

The Customer may seek, and obtain from Tokiwa, the records of all such Swap Points that are applicable to such Contracts for each day that any Contract should remain outstanding.

Depending on the position of the Customer in respect of each Contract, the Customer may receive the daily accrual amount (if the Customer is carrying a long position in a currency of relatively higher interest rate), or have to pay the daily accrual amount (if the Customer is carrying a long position in a currency of relatively lower interest rate).

Tokiwa does not offer a service, and makes no commitment, to the Customer to fix the amount for a period beyond one week the Swap Points or Carrying Costs of any of the Contracts that the Parties may enter into transaction. The Customer is hereby expressly informed that in carrying any position on any Contract, the Carrying Costs (or Swap Points) shall become applicable, shall accrue on a daily basis commencing from the Value Date and such Carrying Costs are subject to change, and the result of such changes may or may not operate to the benefit or disadvantage of the Customer. The Customer acknowledges that the level of Carrying Costs (or Swap Points) is subject to such changes that are due to market forces and such market forces are beyond the ability of Tokiwa to exercise control, or otherwise influence either to the advantage or disadvantage of either Party.

(H) Margin call procedures:

For purpose of this part, the following terms shall have the meaning as specified below:

“**Cash Balance**” means the amount of cash held in the Account of the Customer for the time being;

“**Equity Balance**” means the equity amount that would have remained in the Account of the Customer if all the positions on Contracts were to be closed-out, for whatever reason or cause, at the Reference Price;

“**Reference Price**” in reference to any Contract that remain as an open position in the Account of the Customer means the reference rate of foreign exchange taken by Tokiwa at any time as the reference price for the calculation of Equity Balance;

Margin calls will be effected by Tokiwa on the Customer:

- (a) at any time, when the amount of Equity Balance as compared to the total amount of Margin required in the Account for holding open positions in Contracts, is less than 50% of the total amount of Margin required for holding such open positions in Contracts; or
- (b) when the Customer adds to his position Contracts that as such arises, would reduce the amount of Equity Balance as compared to the total amount of Margin required in the Account for holding additional open positions in Contracts, is less than 50% of the total amount of additional Margin required for holding such open positions in Contracts; then
- (c) by a notice sent out to the Customer in the form of an e-mail message notifying the Customer or his Authorised Agent the warning of a Margin call sent out to the e-mail address currently recorded in Tokiwa’s database on the relevant Customer (or the respective Authorised Agent as the case may be); and
- (d) Cash Balances that remain in the Account, though by the amount of them may be sufficient for covering the total Margin requirements, will not be taken as the factor for comparison due to the fact that Cash Balances reflect only the amount of unrealized profits or losses.

(I) Liquidation procedures:

Prior to a forced liquidation as described under this part of the Summary, Tokiwa will send to the Customer a Margin call notice as described in the Margin call procedures.

Upon sending out the Margin call notice as prescribed in the Margin call procedure, Tokiwa shall have no further obligation to notify the Customer if and when the Equity Balance should fall to a level, when compared with the total Margin required, is equal or less than 30% of the total Margin required for maintaining open positions in the Contracts established. Tokiwa shall forthwith, when the Equity Balance drops below the 30% threshold, take action to liquidate positions for the Customer according to the following procedures without waiting for any further instruction from the Customer:

- (a) buy or sell in the markets for such amounts of currencies that Off-set the amounts remain outstanding in Contracts, to such extents that the resulting Equity Balances would, when compared to the then reduced total Margin required, be of an amount not less than 50% of the reduced total Margin required;

- (b) send a Contract Note to the Customer in the form of an e-mail message sent to the e-mail address currently known to Tokiwa confirming the Off-set transaction and treat such Off-setting as an authority to exercise the rights given to Tokiwa under the provisions of Clause 10, save that Tokiwa may at its sole discretion, allow the Customer to maintain positions if the Equity Balance then remaining is sufficient to cover the reduced total Margin required;
- (c) like a normal course of business after the exercise of a liquidation, Tokiwa shall send the relevant Account Statements to the Customer notifying the Customer the details of transaction carried out as a liquidation, the amount of currencies bought and sold, the rate of exchange rate at which the liquidation is effected, the amount of commissions, fees, costs and charges appropriated as a result of the liquidation, and the Cash Balance remaining in the Account of the Customer; and
- (d) notwithstanding the provision of the terms given in (a) and (b) above, Tokiwa's right to close out all positions outstanding in the Account of the Customer shall not be prejudiced for so long as the Equity Balance falls short of 30% of the total Margin required on the open positions remaining.

The Customer shall deposit such amounts of additional Margins as required within such prescribed time when a Margin call notice is made by Tokiwa. If the Customer should fail to pay such amounts as may be required by Tokiwa for additional Margin and when the 30% threshold is triggered, notwithstanding the Customer's notice of intention to pay additional Margin, Tokiwa may still exercise a liquidation of position as prescribed in this liquidation procedure and Tokiwa shall not be liable to the Customer for any loss resulting from such liquidations.

(J) Closing-out positions on Contracts (under normal course):

In the normal course of business, the Customer may close out outstanding positions on any Contracts by:

- (a) Entering a Trade Request by the types of orders for buy or sell, close out an existing position on a Contract established for Deferred Delivery.
- (b) Delivering the full Adjusted Contract Price amount of the Base Currency, under a Contract calling for physical delivery of currencies, to the Designated Bank for the account of Tokiwa. The Customer shall also have the obligation to send to Tokiwa, on and before a certain prescribed time prior to the Delivery Day, the notice of his intention to make physical delivery stating the following: (i) amount of any outstanding Contracts for which delivery in full is intended; (ii) documents evidencing that the deliverable amount of Base Currency is readily available and in a form with good title for delivery to the Designated Bank for the account of Tokiwa.

(K) Netting Contract:

Any Contract (whether transacted for physical delivery of the underlying currencies or for Deferred Delivery) established for the day that is cancelled by a Contract transacted on the same day that off-sets the obligations of the Parties (the Customer and Tokiwa), then such off-setting Contracts will be netted against each other by a method known as Netting (according to the provisions made under Clause 6 of the Customer Agreement).

In the case of all Netting Contracts, the Customer and Tokiwa will only have to settle the difference of values in the Contract Amounts versus the Contract Prices in relation

to these Netting Contracts.

(L) Netting of Residual Profits or Losses resulting from a closed-out Contract

For any Contract that is liquidated, closed-out, or netted by Netting Contract whether under the procedures prescribed in paragraph (I), (J), or (K) above, the residual profits or losses arising from such a closing-out will be netted automatically by a “**Netting Reference Price**” to be quoted and updated by Tokiwa every week (on Saturday) for the positions to be closed out in the subsequent week. Such Netting Reference Prices shall reflect the latest closing prices for the relevant exchange rates for the conversion of currencies outstanding as profits or losses resulting from a closing-out of Contracts. Such profits or losses will be converted to the currencies (JPY or USD) designated by the Customer as the currency of denomination for their respective Accounts.

(M) Deferred Delivery:

Any Contract established as a Deferred Delivery can be carried by the Customer as an open position onward pass the Value Date without making or taking delivery of the underlying currencies. Any open position carried over under a Deferred Delivery shall be subject to Carrying Costs (also known as “Swap Points”), as explained in Part G in this Summary.

(N) Physical Delivery:

Any Contract entered by the Customer seeking delivery of the underlying currencies are known as Contracts for Physical Delivery. In this case, the Customer and Tokiwa’s relative obligations are prescribed under the provisions of Clause 4 and 5 of the Customer Agreement for the delivery of the Base Currency and Contract Currency, in respect of such Contracts.

(O) Out-of-pocket expenses on delivery and payment for Contracts:

The Customer acknowledges that payment of Margin under the provision of Clause 3, delivery of currencies under the provisions of Clause 4 and Clause 7, that he carries the obligations to pay the banking charges as the case may be. The Customer may, if he so wishes, request Tokiwa to effect payment or delivery on behalf of the Customer on the condition that all such out-of-pocket expenses are reimbursed on demand, and debited directly to the Customer Account by a notice given by Tokiwa to the Customer.

On making a request for the purpose provided above, the Customer is required to sign a form of such Notice (Standing Authority, and Standing Payment Instruction) and by returning to Tokiwa a signed copy of the Notice, agrees to be bound by such terms and conditions for effecting such payment and delivery.

(P) Market situations that may result in a profit or loss arising from a Contract:

A description of the market situations that may result in a profit or loss to the Account of the Customer is provided in the booklet attached with the Customer Information Package. Please refer to the Brochure on Market Risk Illustration Booklet.

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I/We understand that the information provided to me/us by Tokiwa in this Schedule 2.12(B) shall form a part of, and become supplemental to the Customer Agreement (when it is subsequently entered into between me/us and Tokiwa), and that the terms and conditions of the Customer Agreement shall become effective and binding upon me/us as the Customer.

I/We confirm that I/we have read, been explained to by Tokiwa in a language that we are conversant and understand, on the contents provided in this Schedule 2.12(B).

Contract specifications, terms and conditions. I/We confirm that I/we understand the detail specifications of the Contracts in respect of the major currency pairs that are made available to me/us, the standard sizes of the currency pairs, the levels of Margin required for such currency pairs, the commission rates, fees, costs and charges that are applicable, for entering into transaction on such Contracts.

Major currency pairs. I am/We are informed about the major currency pairs that are made available as standard contracts by Tokiwa, and the meaning of the rates at which one currency is exchanged for the other of the major currency pairs that are quoted for trading.

Standard sizes for Contracts. I am/We are informed about the standard sizes of each of the major currency pairs that are made available for trading as standard contracts by Tokiwa, and the methods for calculating the Contract Amounts versus the Contract Prices according to such standard sizes.

Margin requirements. I am/We are informed about the amounts that are required from me/us as Margin for having an open position in any of the respective Contracts.

Leverage of Contracts. I am/We are informed about the fact that the Contract Amounts or the Contract Prices the parties are having contingent obligations to pay or receive under a Contract are much greater than the Margin, or other money that I am/we are required to deposit as a guarantee of performance of my/our contingent obligations.

Margin and marking to market. I/We understand the methods and procedures that are applied by Tokiwa to the level of required Margin and that situations may arise, leading to Margin call notifications. I/We are fully explained about the methods in which my/our open positions are marked constantly in value to the market prices of currencies in exchange for each other then prevailing in the market and that when the Equity Balances in my/our accounts should fall below a certain level as compared to the total Margin amount required for maintaining the open positions in Contracts, Margin call notices will be made.

Forced liquidation of open positions. I am/We are fully aware that, when a Margin call notice is issued by Tokiwa, I/we shall have the obligation to meet additional Margin payments on or before a certain prescribe time limit. If I/we should fail to meet such Margin calls on or before the prescribed time limit, Tokiwa shall have the right to liquidate open positions in my/our account. In particular, when the Equity Balance in my/our account is less than 30% of the amount required as total Margin for maintaining the open positions in my/our account, Tokiwa may exercise a “forced liquidation” (i.e., a liquidation of position whether it is against my/our will to do so) of my/our open positions without further notice to me/us.

System for operation in trading. I am/We are informed about the E-trading System, which Tokiwa operates for the purpose of accepting instructions given by me/us for entering into transactions with Tokiwa for Contracts. A demonstration is given and explained to me/us through a “DEMO” presentation delivered over the internet.

Hours of trading operation. I am/We are informed about the hours during which Tokiwa will maintain its trading operation.

Types of orders. I am/We are informed about the methods and types of orders that are accepted by Tokiwa for establishing positions and closing out positions on Contracts.

Carrying Costs (also known as “Swap Points”). I/We understand that by carrying open position in Contracts that are not settled by delivery of the underlying currencies, a method of financing such open position by the payment or receipt of a Carrying Costs or Swap Points, of which either me/us or Tokiwa may be the recipient of such Carrying Costs or Swap Points under a Contract, is applicable. I/We understand that the cost of financing any open position in Contracts is a variable market factor subject to many unknown factors that are beyond the control of Tokiwa, and that the Carrying Costs may work to my/our benefits as well as to my/our disadvantage. Tokiwa has made it clear to me/us that it is not in a position to ensure me/us whether the Carrying Costs or Swap Points in respect of any Contract pursuant to any transaction is, or can be predicted to be, beneficial or disadvantageous to me/us, or to Tokiwa.

Closing out of an open position. I am/We are informed about, and understand the methods and procedures for closing out an open position, whether as an open position in a Contract for physical delivery of the underlying currencies, or as an open position in a Contract for Deferred Delivery.

Netting of Contracts and Netting Reference Price. I am/We are informed about the methods and conditions under which a Netting of Contracts may be effected and how profits or losses arising from a close-out Contract may be converted to the currency of denomination of my/our Account.

Physical Delivery. I am/We are informed about the methods, conditions under, and the costs that may be involved with, which a settlement of the obligations Contracts may be effected by physical delivery of the underlying currencies.

Deferred Delivery. I am/We are informed about the methods, conditions under, and the costs that may be involved with, which a Deferred Delivery may be effected.

I/we agree to the terms and conditions of the Customer Agreement (upon its execution) shall become applicable and binding upon us. I/We hereby represent and warrant that the information I/we have been provided in this Schedule is explained to me/us, and that Tokiwa may rely on the consent given by me/us for the purpose of establishing and maintaining an account for me/us to transact in currency contracts.

Signed below by the person who is explained to about the Summary of Terms and Conditions of Contracts:

PRINT NAME OF INFORMED PERSON

Date: _____

Signed by the Sales Representative who is designated the responsibility to explain the Summary of Terms and Conditions of Contracts:

PRINT NAME OF EXPLAINING PERSON

Date: _____