

Notification of the TAIFEX after-hour session

※Notice to all clients:

1. If you haven't signed the "Checklist for Futures Traders Participating in the TAIFEX after-hour session"(hereinafter the "Checklist"), you may not participate in the trading of designated products not exempted from liquidation on behalf of a principal by the Taiwan Futures Exchange (TAIFEX), in both regular and after-hour sessions.
2. If you have engaged trading in EUR/USD FX Futures and USD/JPY FX Futures trading and haven't signed the Checklist, you may not place a new order from the launch date of the after-hour session. For the open positions established prior to the launch date, after the launch date, you may only place liquidation orders in the regular session or hold the open positions until settlement upon expiration. During the holding period of open positions, the Company will neither issue any high-risk-account notices nor execute liquidation on your behalf in the after-hour session, and you may be exposed to the risk of inability to liquidate as prices change.

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Keydescriptions	<p>The purpose of the liquidation on the principal's behalf in the agreement is to protect traders from unaffordable losses caused by their accounts' equity balances being too low and the open positions being unable to be liquidated in time during the trading hours.</p> <p>The risk indicator as a standard for liquidation on behalf of a principal in a regular session includes the total market price of all the positions; when the risk indicator is lower than designated value, all open positions are liquidated on the trader's behalf. In the after-hour session, in order to minimize the impact on clients who do not participate in the after-hour session, TAIFEX has designated some products, such as TX and TXO, etc., exempted from liquidation on a principal's behalf. Under such principles and logic, ideally, it is necessary to separate out the equity balances and margin requirements of products required to be liquidated on a principal's behalf and calculate risk indicator individually. When the standard is reached, the liquidation process will be initiated to rule out the impact of products exempted from liquidation on behalf of a principal.</p> <p>However, in practice, it is impossible to separate the equity balances with respect to product types in an account. Therefore, in the calculation</p>

	<p>of risk indicators, a fixed settlement price is used for products exempted from liquidation on a principal's behalf, so the gains or losses will not influence the standard for liquidation to products required to be liquidated on the principal's behalf. So, providing no new positions being added, if the risk indicator reaches the standard for liquidation, it can be deemed as having been caused by the losses on products required liquidation on behalf of a principal. Then, the liquidation process will be initiated depending on whether the account's equity is higher than maintenance margin at the same time. This calculation method shall not cause any inconvenience to clients not participating in the after-hour session whereas any newly established positions in products exempted from liquidation on behalf of a principal will still reduce the risk indicator due to a margin increase for the open positions.</p>						
Applicable products and trading hours	<table border="1"> <thead> <tr> <th>Product name</th> <th>Trading Hours (Regular/After-hour)</th> </tr> </thead> <tbody> <tr> <td>TAIEX Futures, TAIEX Options, Mini TAIEX Futures, DJIA Futures and S&P500 Futures</td> <td>8:45–13:45 / 15:00–5:00 the next day</td> </tr> <tr> <td>USD/CNT FX Futures, USD/CNH FX Futures, USD/CNT FX Options, Mini USD/CNH FX Options, EUR/USD FX Futures, and USD/JPY FX Futures.</td> <td>8:45–16:15 / 17:25 – 5:00 the next day</td> </tr> </tbody> </table>	Product name	Trading Hours (Regular/After-hour)	TAIEX Futures, TAIEX Options, Mini TAIEX Futures, DJIA Futures and S&P500 Futures	8:45–13:45 / 15:00–5:00 the next day	USD/CNT FX Futures, USD/CNH FX Futures, USD/CNT FX Options, Mini USD/CNH FX Options, EUR/USD FX Futures, and USD/JPY FX Futures.	8:45–16:15 / 17:25 – 5:00 the next day
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<p>※ Information above may vary subject to TAIEX' announcement.</p>							
Products exempted from liquidation on behalf of a principal in the after-hour session	<p>Products, designated by TAIEX, that the Company is exempted from executing liquidation on behalf of a principal. (Including: TAIEX Futures, TAIEX Options, Mini TAIEX Futures, USD/CNT FX Futures, USD/CNH FX Futures, USD/CNH FX Options, Mini USD/CNH FX Options and any other products designated by TAIEX in the future as being exempted from liquidation on behalf of a principal.)</p> <p>※ Products may vary subject to TAIEX' announcement</p>						
Products not exempted from liquidation on behalf of a principal in	<p>Products that the Company should execute liquidation on behalf of a principal in both regular and after-hour sessions. (Taking into account that the respective markets are in their regular trading hours during the after-hour session, including: EUR/USD FX Futures, USD/JPY FX Futures, DJIA Futures, and S&P500 Futures)</p> <p>※ Products may vary subject to TAIEX' announcement</p>						

the after-hour session.	
Floating gains or losses on open positions	<p>Principles for calculating floating gains or losses on open positions in an equity balances</p> <ol style="list-style-type: none"> 1. Market price is used in both regular and after-hour sessions. 2. Following the close of the after-hour session and prior to market open of the next regular session, products exempted from liquidation on behalf of a principal in the after-hour session shall use the settlement price, and all other products in the after-hour session shall use the closing price.
Margin requirements	<p>The margin requirements for the Company to execute a trade are the same in both regular and after-hour sessions.</p> <ol style="list-style-type: none"> 1. Futures contracts: Based on TAIFEX' announced margin (the reduced-margin for day-trading rule does not apply in the after-hour session.) 2. Options contracts: Market price orders use the most recent transaction price for the calculation; limit orders use the limit price.
High-risk-account notification	<ol style="list-style-type: none"> 1. If a client's equity falls below the maintenance margin of the client's open positions during the after-hour session, the Company will issue a high-risk-account notification. However, the Company will not issue a high-risk-account notification if the open positions are only in products exempted from liquidation on a principal's behalf. 2. Following the close of the regular trading session, the Company will issue another high-risk account notification to accounts that have already received a post-session margin call, whose equity is less than their required maintenance margin during the after-hour session, and which retain open positions in products that must be liquidated on behalf of the principal. This notification will be effective until the end of the after-hour session. After the open of the regular session the next day, the after-hour margin calls should be initiated.
After-hour margin calls:	<p>After-hour margin calls are notifications from the Company if the account's equity balance falls below the maintenance margin required by a client's open positions after the close of regular session. Such margin calls are only calculated on regular trading session positions. After-hour transactions are incorporated into the next business day's calculations. Therefore, even if the client's equity rises above the maintenance margin required by the client's open positions due to after-hour session market movements, client offsets of a portion of the client's open positions, or other factors, the Company will still issue an after-hour margin call for</p>

	that day. Clients should resolve the margin call by meeting certain conditions once receiving the call.
After-hour margin call resolution:	<p>What is the margin call resolution?</p> <ol style="list-style-type: none"> 1. Deposit required margin. 2. The client's equity must be greater than or equal to the initial margin by the designated time. 3. Liquidate open positions from the previous regular trading session prior to deadline for covering shortfall.
Risk indicator	<ol style="list-style-type: none"> 1. Clients should understand that the Company's calculations of risk indicator are different between after-hour and regular sessions. Of products exempted from liquidation on behalf of a principal in the after-hour session, the settlement price is used, and floating gains or losses on open positions are excluded. Of products not exempted from liquidation on behalf of a principal, the market price is used and floating gains or losses on open positions should be included. 2. Margin required by open positions is correlated to the risk indicator as a standard for liquidation on behalf of a principal. Clients should understand that the calculations of margin required by open positions in the after-hour session are as follows: <ol style="list-style-type: none"> (1) Futures contracts: Based on TAIFEX' announced margin. (2) Options contracts: In the calculation of margin requirements, the market price of options contracts is different from that in regular sessions, the settlement price is used for products exempted from liquidation on behalf of a principal, and the market price is used for non-exempt products.
Liquidation on behalf of a principal	<ol style="list-style-type: none"> 1. In any trading session, if a client's risk indicator drops below the Company's standard for executing liquidation on behalf of a principal, the Company may initiate such a liquidation process. The principles for liquidation on behalf of a principal are as follows: <ol style="list-style-type: none"> (1) Open positions in products that are still trading are completely liquidated, except for products that have entered the after-hour session and are designated as exempted from liquidation on behalf of a principal. (2) If an account retains open positions in products designated as exempted from liquidation on behalf of a principal which have entered the after-hour session, and the account's equity is not less than the maintenance margin required by its open positions, the FCM will not execute liquidation on behalf of the principal. 2. In the after-hour session, floating gains on open positions in products

exempted from liquidation on behalf of a principal may not be used to offset losses on other products or raise the risk indicator. When losses on positions in other products reach the standard for liquidation on behalf of a principal given in the agreement, those other products will be completely liquidated. Conversely, floating losses on open positions in products exempted from liquidation on behalf of a principal will not affect other products.

3. Clients should note that if they open new positions or close existing positions in the after-hour session, they may increase the amount of initial margin or maintenance margin required by the open positions in their account, and cause their risk indicator to fall, regardless of whether the newly opened or closed positions are exempted from liquidation on behalf of a principal.
4. The Company may, in either the regular or after-hour sessions, completely liquidate open positions built in the regular session in products not designated by TAIFEX as exempted from liquidation on behalf of a principal (e.g. EUR/USD FX Futures , USD/JPY FX Futures , DJIA futures, and S&P 500 futures). Clients need to be aware of changes to their equities in both trading sessions.