

APPENDIX 5 DISCLOSURES, TERMS AND OTHER MATTERS RELATING TO CLEARING ON SINGAPORE EXCHANGE DERIVATIVES CLEARING LIMITED

This Appendix shall additionally apply to the clearing of transactions on or through the Singapore Exchange Derivatives Clearing Limited (**SGX-DC**) and all other services and arrangements in relation thereto, provided or granted by Orient Futures (or instructed or requested by the Client to be provided or granted by Orient Futures) to the Client.

Words and expressions used in both the Clearing Rules of the SGX-DC (in this Appendix, "**Clearing Rules**") and in this Appendix shall bear the same meanings as construed under the Clearing Rules.

1. Orient Futures is required by the Clearing Rules to notify the Client of the following provisions of the Clearing Rules, reproduced below.

The Client acknowledges that it has been made aware of these provisions and hereby confirms to Orient Futures that the same are acceptable to the Client.

Reproduction of Rules 1.01.1 to 1.01.5 of the Clearing Rules

"1.01.1 This Rules apply to all Clearing Members and operate as a binding contract between the Clearing House and each Clearing Member and between a Clearing Member and any other Clearing Member and for the exclusive benefit only of the parties to such contract(s). Save as otherwise provided in this Rules, a person who is not a party to this Rules has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) to enforce any terms of this Rules.

1.01.2 Except where the Clearing House, SGX RegCo, or any person or entity referred to under Rule 1.01.8 otherwise expressly agree with or expressly commit to any party, the benefit of any performance of obligations under:

1.01.2.1 this Rules, or

1.01.2.2 Directives, Practice Notes or Circulars issued by the Clearing House,

is restricted to only Clearing Members. The Clearing House, its related corporations, SGX RegCo, any person or entity referred to under Rule 1.01.8, and their respective directors, officers, employees, representatives or agents (the "Relevant Persons") shall have no liability to any other party. In particular, the Relevant Persons shall have no liability to any party affected or aggrieved by any alleged action or omission.

1.01.3 Without prejudice to Rule 1.01.2 or the benefit of any exclusion of liability in any contract or undertaking, the Relevant Persons accept no duty to and therefore shall have no liability whatsoever to any Clearing Member or any Third Party in contract, tort, trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Clearing Member or any Third Party, as the case may be, arising out of or in connection with the following, or any thing done or not done as a direct or indirect consequence of the following:

1.01.3.1 any suspension, restriction or closure of any market whose contracts are cleared by or novated to the Clearing House (each a "Relevant Market"), whether for a temporary period or otherwise or as a result of a decision taken on the occurrence of a market emergency;

- 1.01.3.2 any failure by the Clearing House or any Relevant Market to supply each other with data or information in accordance with arrangements from time to time established between and/or amongst any or all such persons;
 - 1.01.3.3 the failure of any systems, communications facilities or technology supplied, operated or used by the Relevant Persons;
 - 1.01.3.4 the failure of any systems, communications facilities or technology supplied, operated or used by any Relevant Market;
 - 1.01.3.5 the inaccuracy of any information supplied to and relied on by the Relevant Persons (including but not limited to any error in the establishment of a settlement price made by a Relevant Market) or a Relevant Market;
 - 1.01.3.6 any event which is outside the reasonable control of the Relevant Persons;
 - 1.01.3.7 the Clearing House's clearing and settlement of Contracts, and all other matters as contemplated in this Rules; and
 - 1.01.3.8 the exercise or non-exercise of any discretion or decision making power under this Rules.
- 1.01.4 Without prejudice to Rule 1.01.2, and in addition to Rule 1.01.3, each Clearing Member should and must note that in connection with any index used or to be used by the Clearing House for clearing and settlement or in connection or by reference therewith, none of the Relevant Persons or any relevant party that the Clearing House may contract with for the supply of the index or information in relation thereto (each of the foregoing, a "Relevant Party") assume any obligation or liability in connection with the clearing or settlement of any contract based on such index. Accordingly, none of the foregoing parties shall be in any way responsible for any losses, expenses or damages (in all cases direct or indirect) arising in connection with or referable to the clearing or settlement of any contract linked or referable to the said index, provided that nothing herein shall affect either obligations of the Clearing House or its Clearing Members as parties clearing or settling in any contract so linked or referable. None of the Relevant Parties guarantee or warrant or undertake in any manner the accuracy or completeness of any such index or any information or data included in or referable to it.
- none of the relevant parties makes any warranty or gives any guarantee or undertaking, express or implied, as to the accuracy or completeness of, or the results to be obtained by any person or entity from the use of any such index, or any information or data included in or referable to it in connection with any clearing or settlement of any contracts or for any other use. none of the relevant parties makes any express or implied warranty of merchantability or fitness for any particular purpose with respect to any such index, or any information or data included in or referable to any such index.
- 1.01.5 All Clearing Members are to note the foregoing and ensure that they are taking on Clearing Membership in and/or will carry on as Clearing Members of the Clearing House, transact and will transact by reference to the Clearing House or any Contract or information or action referable to the Clearing House or any of its directors or officers, only on the foregoing basis and will also ensure that they will not open or allow

the continued operation of any account for any person with respect to any Contract unless such person has been notified of the foregoing provisions and has satisfied him/herself or itself that the same is acceptable and is accepted.”

2. The Client acknowledges that it is aware of Rule 2.19 of the Clearing Rules, reproduced below, and undertakes to comply with such requirements as may be imposed by Orient Futures in connection with an omnibus account for the purpose of ensuring Orient Futures’ compliance with this rule.

“2.19 Omnibus Account

2.19.1 Clearing Requirements

A Clearing Member carrying Omnibus Accounts must maintain with the Clearing House a complete list of all such accounts and shall notify the Clearing House in writing within three (3) Business Days from the time such an account is either opened or closed. Information for each Omnibus Account must include the account holder's name, account number and the account holder's address, and such other information as the Clearing House may require, and classification of the account as either “Customer” or “House”.

2.19.2 Restrictions

The Clearing House is empowered to place restrictions or limitations on each Clearing Member which carries Omnibus Accounts. In making these determinations, the Clearing House may consider:—

2.19.2.1 the number of Omnibus Accounts carried and volume of business of the Clearing Member;

2.19.2.2 the financial condition of the Clearing Member and the Omnibus Account Holder in light of requirements or standards determined by the Clearing House; and

2.19.2.3 the Clearing Member's clearing facilities and capacity.

2.19.3 Responsibility

A Clearing Member that maintains an Omnibus Account shall be responsible to the Clearing House to ensure that the Omnibus Account is operated at all times in accordance with all relevant provisions of this Rules including the relevant rules on position limits and shall, without prejudice to any other liability it may have, indemnify the Clearing House for any loss or damage or prejudice that the Clearing House may suffer referable to a violation of this Rule (including such loss, damage or costs the Clearing House incurs in taking such measures as it deems in good faith necessary to preserve the integrity of the Clearing House and/or the Exchange in relation to any claim referable to such violation).

2.19.4 Disclosure

An Omnibus Account Holder shall at all times disclose to the Clearing Member carrying that account the gross long and short positions held by that Omnibus Account in each Commodity. Such Clearing Member shall immediately notify the Clearing House and shall promptly comply with all orders of the Clearing House if the Omnibus Account Holder fails to make such disclosure.

An Omnibus Account Holder shall, prior to the first delivery day in a Delivery Month or as

otherwise required by the Clearing House, provide the Clearing Member carrying that account with a complete list of the purchase and sale dates of all open positions for that Delivery Month. Such list shall be kept up to date throughout the Delivery Month in order that the delivery procedure of the Clearing House not be impaired.

A Clearing Member that maintains an Omnibus Account shall ensure that its Omnibus Account Holders are aware of this Rule 2.19.”

3. Orient Futures is required by the Clearing Rules to notify the Client of Rule 7.03A.7.3 of the Clearing Rules, reproduced below. The Client acknowledges that it has been made aware of Rule 7.03A.7.3 and hereby confirms to Orient Futures that the same are acceptable to the Client.

Reproduction of Rule 7.03A.7.3

“7.03A.7.3 All Collateral deposited or provided by each Clearing Member to the Clearing House shall be subject to this Rules, the Security Deed, the SFA (each as amended or supplemented from time to time) and any applicable laws. Each Clearing Member shall ensure that all Collateral deposited or provided to the Clearing House are deposited or provided only on the foregoing basis and shall also ensure that, prior to depositing or providing any Collateral to the Clearing House for the account or for the Contracts of any person, such person has been notified of and has accepted the foregoing.”

4. If and provided that Orient Futures offers client clearing to the Client for Non-Relevant Market Transactions (i.e. contracts or transactions that is not listed or quoted for trading on the Exchange or any Relevant Market), the Client may opt for Enhanced Customer Collateral Protection pursuant to Rules 7.30.1 and 7.30.2 of the Clearing Rules.

The Client acknowledges that it has been made aware of the foregoing and the following key benefits of Enhanced Customer Collateral Protection set out in Practice Note 7.30 of the Clearing Rules and reproduced below.

Reproduction of paragraph 4 of Practice Note 7.30

“4. Benefits and Costs

4.1 Clearing Members should advise their Customers of the benefits and costs involved in opting for ECCP in order to facilitate an informed decision by their Customers.

4.2 ECCP provides the following key benefits:

(a) Protection from fellow-customer risk

Non-Applicable Customers are technically exposed to a degree of risk in the default of another non-Applicable Customer. Section 60(1)(b) of the SFA and Regulation 24(1) of the Securities and Futures (Clearing Facilities) Regulations 2013 ("SFR (Clearing Facilities)") provide that the Clearing House may use Customer Collateral of non-Applicable Customers to meet obligations of a Clearing Member that arise from other non-Applicable Customers' contracts where certain conditions are met.

In contrast, Applicable Customers are protected from fellow-customer risk because SFR (Clearing Facilities) Regulation 24(2) provides that in the event of a default of a Clearing Member caused by a Customer, Collateral of a non-

defaulting Applicable Customer will not be used to satisfy the obligations arising from the Contracts of such defaulting Customer. In the event of a default of a Clearing Member caused by an Applicable Customer, only the Collateral of such defaulting Applicable Customer will be used. Other Customers' Collateral will not be used.

(b) Ease of porting

Clear identification of positions and associated Collateral in respect of each Applicable Customer Account enables Clearing House to accurately determine the minimum amount of Collateral each Applicable Customer has to deposit and will potentially expedite the porting of positions and associated Collateral in an event of default.

- 4.3 In consideration of the additional protection against fellow-customer risk that Applicable Customers receive, a margin add-on of 10% will be imposed on positions held in respect of Applicable Customer Accounts as compared to non-Applicable Customer Accounts. The differentiation in margining is required due to an Applicable Customer, as a corollary of obtaining protection from fellow-customer risk, no longer having the benefit of non-defaulting Customers sharing in the fulfilment of its obligations if it defaults. Higher margin is therefore required in respect of each Applicable Customer Account to maintain the existing level of safety in the clearing system.“