

SCHEDULE 3 TERMS AND CONDITIONS APPLICABLE TO OTC TRANSACTIONS

1. APPLICATION OF THIS SCHEDULE

- 1.1 The clauses in this Schedule shall apply (in addition to all other terms and conditions under the General Terms and Conditions) to OTC Transactions Services.
- 1.2 For the avoidance of doubt, the clauses in this Schedule shall not apply:
- (a) to any CFD; or
 - (b) to any Transaction in Spot FX Contracts or FX Options (as respectively defined in Schedule 2) but shall apply to contracts for the sale and purchase of Currencies on a “forward” or “deferred settlement” basis.
- 1.3 The Client shall also comply with all OTC Transaction Terms (together with the clauses in this Schedule).
- 1.4 In the event of any conflict or inconsistency between:
- (a) the clauses in this Schedule and the OTC Transactions Terms, the clauses in this Schedule shall prevail to the extent of such conflict or inconsistency;
 - (b) the clauses in this Schedule and the terms of any Confirmation, the terms of that Confirmation shall prevail with respect to the OTC Transaction to which that Confirmation relates.
- 1.5 Unless otherwise stated, references to numbered clauses in this Schedule are references to the clauses of this Schedule.

2. DEFINITIONS FOR THIS SCHEDULE

- 2.1 All terms used in this Schedule which are defined in the General Terms and Conditions shall, unless otherwise defined here, have the same meanings ascribed to them in the General Terms and Conditions.
- 2.2 In this Schedule, unless the context otherwise requires:

“**Agreed Clearing System**” means the Clearing House and/or clearing facilities as Orient Futures and the Client may agree from time to time through which the OTC Clearing Transactions may be cleared;

“**CFD**” means an OTC Derivatives Contract which is traded on a margin basis, the purpose of which or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in:

- (a) the value or amount of one or more CFD Underlying Instruments; and
- (b) the value or price of any group of CFD Underlying Instruments,

which does not involve the actual taking or physical delivery of any of the CFD Underlying Instruments and which is branded by Orient Futures under the name “contracts for differences”

or “CFDs“, and includes (for the avoidance of doubt), FX CFDs;

“**CFD Underlying Instrument**” means the underlying reference instrument that forms the subject of the CFD and includes Currency, Securities, Commodities and an index of one or more of such things;

“**Market Day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open in Singapore and (for the purposes of making payments) the principal financial centre of the country of each relevant Currency;

“**Market Disruption Event**” has the meaning ascribed to it in Clause 7.2;

“**OTC**” means over-the-counter;

“**OTC Clearing Rules**” means the relevant rules of each Agreed Clearing System and, in particular, the specific rules relating to clearing of transactions eligible to be cleared through such Agreed Clearing System, including:

- (a) in the case of OTC Clearing Services for transactions eligible to be cleared through the Agreed Clearing System of the SGX-DC, the Clearing Rules of SGX-DC and, in particular, Chapter 7 of the Clearing Rules of SGX-DC; and
- (b) in the case of OTC Clearing Services for transactions eligible to be cleared through the Agreed Clearing System of APEX Clear, the Clearing Rulebook of APEX Clear and, in particular, Chapter 4 of the Clearing Rulebook of APEX Clear;

“**OTC Derivatives Contract**” means a Derivatives Contract that is concluded over-the-counter and not on or through an exchange under its business rules, whether or not cleared and/or settled through an exchange or Clearing House;

“**OTC Transaction**” means any transaction in an OTC Derivatives Contract as Orient Futures may from time to time permit to be carried out under the Account;

“**FX NDF**” and “**FX Non-Deliverable Forward**” means a contract for the purchase by one party of an agreed amount in one Currency against the sale by it to the other party of an agreed amount in another Currency, on a “forward” or “deferred settlement” basis, where the obligations to deliver both such amounts are settled by the parties as follows:

- (a) the obligations of both parties to deliver the respective Currencies on the Value Date shall be cancelled and replaced by obligations to deliver the equivalent amount of USD at such exchange rate as may be determined by Orient Futures; and
- (b) the resultant obligation of each party to deliver USD on the Value Date will be set-off against the other party’s obligation, with the party having the obligation to deliver the greater amount of USD being obliged to pay the difference to the party having the obligation to deliver the smaller amount.

“**Master Contract**” means an International Swaps and Derivatives Association, Inc. Master Agreement, Foreign Exchange and Options Master Agreement, International Foreign Exchange Master Agreement or any other contract (including but not limited to confirmations) between the parties, apart from this Agreement, the effect of which is to close out or accelerate transactions or obligations upon the occurrence of an event of default and cause that only a net sum is payable in respect of them by one party to the other;

“Master Transaction” means an OTC Transaction subject to the terms of a Master Contract;

“OTC Clearing Services” means clearing services provided by Orient Futures to the Client for clearing of OTC Transactions which are eligible to be cleared through an Agreed Clearing System(s), whether directly through Orient Futures as a clearing member with respect to the relevant Agreed Clearing System or indirectly through an Intermediary, in either case via such approved trade registration system(s) as may be established or approved with respect to the relevant Agreed Clearing System;

“OTC Clearing Transaction” means an OTC Transaction for which Orient Futures provides OTC Clearing Services;

“OTC Transactions Services” mean OTC Transactions to the trading services, OTC Clearing Services and other services in connection with OTC Transactions provided by Orient Futures to the Client.;

“OTC Transactions Terms” means all rules, guidelines, notices and documents of Orient Futures pertaining to OTC Transactions as Orient Futures may issue from time to time;

“Square”, with respect to an OTC Transaction, means to enter into a Transaction opposite to the outstanding OTC Transaction, as the case may be, having the same Value Date and otherwise matching such outstanding OTC Transaction or matching such OTC Transaction and any other OTC Transaction(s) having the same Value Date, as the case may be; and

“USD” means the lawful currency of the United States of America.

3. OTC SERVICES

3.1 Without prejudice to any provision of this Agreement (including, without limitation, Clauses 4.3, 4.4 and 4.5 of the General Terms and Conditions), where Orient Futures acts as principal to the Client in respect of OTC Transactions, the Client hereby acknowledges and agrees that in providing prices for OTC Transactions, Orient Futures (or any person authorised by Orient Futures to accept OTC Orders) may quote prices to the Client by reference to prices from other regulated financial institutions (for example, but not limited to, market-makers) and the prices quoted by Orient Futures may not be the same as the prices which Orient Futures secures from such financial institutions for its own contracts with such financial institutions, or which Orient Futures provides to other customers of Orient Futures.

Cash settlement only

3.2 All OTC Transactions (regardless of whether the underlying subject matter is traded on an Exchange or whose specifications mirror the referenced Commodity traded on an Exchange) are entered into on the basis that they shall be cash settled and not physically settled.

3.3 Notwithstanding anything in this Schedule, Orient Futures will not arrange delivery of Currency unless Orient Futures deems it necessary or if otherwise agreed in writing with the Client and, accordingly, unless such arrangements have been made by Orient Futures with the Client any currency positions that settle shall do so by credit or debit to the Account.

Calculation agent

- 3.4 Orient Futures shall with respect to any and all OTC Transactions be the calculation agent for all underlying reference pricings of the Transaction and all relevant settlement and other pricing for the purposes of determining the respective rights and obligations of the parties thereto by reference to such pricing.
- 3.5 Any determinations and calculations by Orient Futures shall (in the absence of Manifest Error) be final and binding on the Client, provided that Orient Futures has acted in good faith and in a commercially reasonable manner.

4. SETTLEMENT

- 4.1 The Value Date of an OTC Transaction shall be the date payment or delivery is due from the Client to Orient Futures or *vice versa* and as stated in the Confirmation relating to such OTC Transaction. Such Value Date may be extended by Orient Futures at Orient Futures' sole and absolute discretion and on such terms as Orient Futures deems fit.
- 4.2 Without prejudice to any other notification obligation of the Client, the Client must notify Orient Futures at least 2 Business Days (or such other time as may be prescribed by Orient Futures or otherwise agreed in writing with the Client by Orient Futures) before the Value Date of any OTC Transaction if the Client intends to:
- (a) square (as defined below) such OTC Transaction;
 - (b) otherwise settle such OTC Transaction; or
 - (c) roll-over such OTC Transaction.
- 4.3 The Client hereby agrees that:
- (a) unless the Client has given Orient Futures Instructions to square or otherwise settle an OTC Transaction, the Value Date of such OTC Transaction (save for FX NDFs) shall be automatically rolled-over at the start of each Market Day (or such other time as may be prescribed by Orient Futures) such that the Value Date will be the second following Market Day;
 - (b) such OTC Transaction shall be rolled-over on the same terms and conditions as the maturing OTC Transaction; and
 - (c) upon the roll-over of such OTC Transaction, all losses (or gains) as determined by Orient Futures in its sole and absolute discretion shall be debited (or credited) to the relevant Account.
- 4.4 If the Client notifies Orient Futures pursuant to Clause 4.2 of its intention to square an OTC Transaction or to extend its Value Date:
- (a) Orient Futures shall in its sole and absolute discretion decide whether or not to accept or reject such Instructions; and
 - (b) if Orient Futures accepts such Instructions referred to in Clause 4.4:

- (i) the relevant OTC Transaction shall be squared or extended at such exchange rate as may be agreed between the Client and Orient Futures;
- (ii) the Client shall provide such funds as Orient Futures may require to square such OTC Transaction or to extend its Value Date; and
- (iii) Orient Futures' notification to the Client in respect of the amount of funds required to be provided by the Client pursuant to Clause 4.4(b)(ii) shall, in the absence of Manifest Error, be conclusive and binding on the Client.

4.5 Orient Futures shall in its sole and absolute discretion determine the order and manner in which an OTC Transaction shall be squared. Where only a part of a Transaction is squared, the remaining part will be considered to be a separate open position having the same Value Date as the original OTC Transaction.

4.6 Settlement (other than through squaring) of an OTC Transaction (other than a Transaction in a FX NDF) may be effected by way of net settlement (as described below) or gross settlement (as described below) on the Value Date as follows:

(a) in a "net settlement" of an OTC Transaction in which the underlying thing is a Commodity or Commodities or Commodity index ("**OTC Commodity Transaction**"), if on any Value Date amounts would otherwise be payable:

- (i) in the same Currency; and
- (ii) in respect of one or more of OTC Commodity Transactions,

by each of the Client and Orient Futures to the other party, then, on such Value Date, each such party's obligation to make payment of any such amount shall be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by which the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount;

(b) in a "net settlement" of an OTC Transaction (other than a Transaction in a FX NDF) in which the underlying thing is a Currency or Currencies or Currency index ("**OTC FX Transaction**"):

- (i) the obligation of one of the parties to deliver Currency on the Value Date under the OTC FX Transaction shall be cancelled and replaced by an obligation to deliver the equivalent amount of one of the Currencies of the Currency pair of that OTC FX Transaction (such Currency which shall be selected by Orient Futures from the Currency pair at its sole and absolute discretion (the "**Reference Currency**")), at such exchange rate as may be determined by Orient Futures;
- (ii) the resultant obligation of such party to deliver the Reference Currency will be set-off against the other party's obligation to deliver the Currency of the Reference Currency on the Value Date under that OTC FX Transaction, with the party having the obligation to deliver the greater amount of the Reference

Currency being obliged to pay the difference to the party having the obligation to deliver the smaller amount;

- (iii) where the Client has entered into two or more OTC FX Transactions on the same Currency pair (with the same Reference Currency) and with the same Value Date, and the Client has elected that net settlement is to take place for such OTC FX Transaction, Orient Futures may at its sole and absolute discretion set-off the Client's obligations to deliver the Reference Currency to Orient Futures under one or more such OTC FX Transactions against Orient Futures' obligation to deliver the Reference Currency to the Client against one or more such OTC FX Transactions, and *vice versa*, such that a single net amount is payable by the Client to Orient Futures (or vice versa) under all of the relevant OTC FX Transactions;
- (c) in a "gross settlement" of an OTC Commodity Transaction, each party will make payment of the respective amounts payable in any Currency, under each relevant OTC Commodity Transaction on the Value Date. The Client must give Orient Futures notice of intention to effect gross settlement at least two Market Days before the Value Date (failing which Orient Futures shall be entitled to reject such request). If such notice has been duly given, then the Client shall proceed to pay the relevant amount at least two Market Days before the Value Date to Orient Futures in the manner and on such terms and conditions as may be agreed between Orient Futures and the Client or, where not so agreed, as specified by Orient Futures; and
- (d) in a "gross settlement" of an OTC FX Transaction (other than a Transaction in a FX NDF), each party will make delivery of the respective Currencies under the relevant OTC FX Transaction on the Value Date. The Client must give Orient Futures notice of intention to effect gross settlement at least two Market Days before the Value Date (failing which Orient Futures shall be entitled to reject such request). If such notice has been given, then the Client shall proceed to make payment of the relevant Currency at least two Market Days before the Value Date to an account specified by Orient Futures and Orient Futures shall following receipt or confirmation of the receipt of such Currency in the specified account deliver the Currency bought by the Client by crediting the relevant Account on the Value Date.

4.7 A FX NDF shall be settled as follows:

- (a) the obligations of the parties to deliver the respective Currencies on the Value Date under the FX NDF shall be cancelled and replaced by obligations to deliver the equivalent amount of USD at such exchange rate as may be determined by Orient Futures; and
- (b) the resultant obligation of each party to deliver USD on the Value Date will be set-off against the other party's obligation, with the party having the obligation to deliver the greater amount of USD being obliged to pay the difference to the party having the obligation to deliver the smaller amount.

4.8 Notwithstanding the foregoing, if the Client fails to make payment to settle an OTC Transaction, Orient Futures may, without prejudice to its rights under this Agreement or otherwise at law, roll-over such OTC Transaction.

5. TITLE TRANSFER IN RELATION TO COLLATERAL, MARGIN AND TRANSACTIONS

- 5.1 The provisions of this Clause 55 of Schedule shall only apply where the Client is an Accredited Investor, Expert Investor or Institutional Investor.
- 5.2 Unless Orient Futures otherwise specifies, all cash or other property provided to Orient Futures as Margin or other Collateral in respect of one or more OTC Transactions shall be provided on a title transfer basis so that all right, title and interest in and to such cash or other property shall vest in Orient Futures free and clear of any liens, claims, charges or encumbrances or any other interest of the Client or of any third party (other than a lien or other security interest routinely imposed on the type of property (other than cash) so provided in a relevant clearing system).
- 5.3 The Client acknowledges and agrees that:
- (a) Orient Futures shall be the sole owner of all such Margin and other Collateral so provided to Orient Futures as aforesaid;
 - (b) Orient Futures shall have the right to transfer, use or apply the same in such manner as Orient Futures may deem fit without notice or accounting to the Client, free and clear of any security interest, lien, encumbrance or other restriction (other than a lien or other security interest routinely imposed on the type of property (other than cash) so provided in a relevant clearing system), including but not limited to, onward transferring or paying such Margin and other Collateral to third parties as margin or other credit support on an absolute title transfer basis in respect of any one or more Hedging Transactions; and
 - (c) such Margin and other Collateral will accordingly not be held on trust nor segregated from Orient Futures' cash or other property notwithstanding anything to the contrary in this Agreement.
- 5.4 Subject to all rights of Orient Futures under this Agreement, and save where Clause 13.11 of the General Terms and Conditions applies, all payments and distributions, whether of cash or other property, received by Orient Futures in respect of any Margin or other Collateral, shall be received by Orient Futures as Margin or other Collateral in accordance with this Agreement (and in particular, the provisions of Clause 13 of the General Terms and Conditions and this Clause 5).
- 5.5 To the extent that the cash or other property so provided to Orient Futures as Margin or other Collateral as aforesaid (or any part thereof) is in excess of all obligations and liabilities of the Client under this Agreement and is not otherwise required by Orient Futures in respect of any OTC Transaction or FX Transaction or the exercise of Orient Futures' rights in respect thereof under this Agreement:
- (a) in the case of cash so provided as Margin or other Collateral, Orient Futures shall pay to the Client, by way of crediting to the Account, an equivalent cash amount in the same Currency or in such other Currency as Orient Futures may determine; and
 - (b) in respect of other property (not being cash) so provided as Margin or other Collateral as aforesaid, Orient Futures shall transfer or deliver to the Client, by way of crediting to the Account, equivalent property of the same type, nominal value, description and amount.

- 5.6 Where Orient Futures is required under any OTC Transaction or any other obligations in this Agreement to pay cash or other property to the Client from a non-segregated Account to a segregated Account, the Client acknowledges and agrees that the transfer of such cash or other property could take up to 24 hours, and agrees to waive any and all responsibility or liability of Orient Futures with respect to the time taken for such transfer.

6. OTC CLEARING SERVICES

- 6.1 The Client agrees and acknowledges that the OTC Clearing Services are provided by Orient Futures subject in all cases to the OTC Clearing Rules.

- 6.2 The Client agrees and undertakes to Orient Futures on a continuing basis:

- (a) that it shall keep itself updated on the OTC Clearing Rules that are relevant for the OTC Transactions eligible to be cleared through the relevant Agreed Clearing System that the Client wishes to be effected;
- (b) that it shall ensure that neither it nor (in a case where it uses an inter-dealer broker) the inter-dealer broker that it has chosen (the “**IDB**”) to register its OTC Clearing Transactions through the relevant approved trade registration system shall do any act or fail to do any act which may cause Orient Futures to be in breach of:
 - (i) the relevant OTC Clearing Rules for the clearing of the OTC Clearing Transactions; and/or
 - (ii) Orient Futures or its Intermediary's obligations as a clearing member of the relevant Agreed Clearing System provider or with respect to the access and use of the relevant approved trade registration system;
- (c) (without prejudice to Clause 22 of the General Terms and Conditions) to keep Orient Futures indemnified from and against any and all claims, Loss, prejudice or damages that Orient Futures may suffer or incur referable to any breach on the Client's part of its obligations in Clauses 6.2(a) and/or 6.2(b);
- (d) to co-operate fully in admitting to and explaining any breach on the Client's part of its obligations in Clause 6.2(a) and/or Clause 6.2(b) forthwith upon Orient Futures' request for same for the purposes of answering any queries, charges or claims against Orient Futures by any relevant Agreed Clearing System provider, regulatory or supervisory authority having jurisdiction over Orient Futures (including the Monetary Authority of Singapore) or any other regulatory or enforcement agency having jurisdiction over the relevant OTC Clearing Transaction or over Orient Futures referable to such breach; and
- (e) to comply with all margin and other limits on the scope or value of its OTC Clearing Transactions permitted to be cleared through Orient Futures, which may be different from and greater than those that may be prescribed by the relevant Agreed Clearing System provider and/or Intermediary.

- 6.3 The Client shall, if it is using Orient Futures and not an IDB for the registration of any OTC

Clearing Transaction, provide Orient Futures with full particulars of such OTC Clearing Transaction, including particulars of:

- (a) the OTC Clearing Transaction; and
- (b) the Client's counterparty and its clearing member (together, where relevant, with all relevant reference codes/numbers of such counterparty and its clearing member)

to enable proper input of the OTC Clearing Transaction for confirmation by the counterparty's clearing member.

7. MARKET DISRUPTION EVENTS

7.1 This Clause 78 shall be without prejudice and in addition to the provisions of this Agreement (including, without limitation, Clauses 14.15 and 14.16 of the General Terms and Conditions). For the avoidance of doubt, any action(s) taken by Orient Futures under this Clause 7 shall not prejudice any other right or remedy which Orient Futures may have under this Agreement or otherwise at law.

7.2 In the event of a determination by Orient Futures in good faith that any material disruption to the price source set out in the terms for any OTC Transaction or in a relevant reference market has occurred (each such event a "**Market Disruption Event**"), Orient Futures may determine, in good faith and in a commercially reasonable manner, the market pricing of the underlying reference instrument for the purposes of the parties' respective rights and obligations under such OTC Transaction and its determination shall be final and binding on the Client.

7.3 Orient Futures may, in its sole and absolute discretion, determine:

- (a) whether a Market Disruption Event has occurred during the life of an OTC Transaction or on its Settlement Date;
- (b) if such Market Disruption Event occurs on the Settlement Date, what price or level the relevant closing level of the underlying reference instrument should be for the purposes of settlement of such OTC Transaction; and
- (c) whether any adjustments to the terms of the OTC Transaction should be made as a result of any event(s) affecting the underlying reference instrument or (if the same is an index) any of its constituent components or combination thereof to which the relevant reference instrument and OTC Transaction relate (including an index adjustment event such as a material change in the formula for or the method of calculating the index or failure to calculate and publish the index).

7.4 Any such discretion exercised by, or any calculation made by, Orient Futures (in the absence of Manifest Error) shall be binding on the Client.

7.5 The Client agrees and acknowledges that Orient Futures, when making any such adjustments or calculations, will not take into account the Client's individual circumstances and/or tax or other consequences of such adjustments or calculations.

8. DEFAULT

8.1 This Clause 89 shall be without prejudice and in addition to Clauses 18 to 20 of the General

Terms and Conditions. For the avoidance of doubt, any action(s) taken by Orient Futures under this Clause 8 shall not prejudice any other right or remedy which Orient Futures may have under this Agreement (including, without limitation, under Clauses 18 to 20 of the General Terms and Conditions) or otherwise at law.

8.2 For the purpose of this Clause 89 and Clauses 19.1 to 19.8 of the General Terms and Conditions, any of the following events shall be considered to be a “**Default**”:

- (a) Orient Futures has reasonable concerns that the Client does not have a sufficient understanding of the nature of, or the risks of, OTC Transactions;
- (b) the Client is in any way disabled from clearing on the relevant Agreed Clearing System;
- (c) the Client fails to meet any Margin requirement in relation to any OTC Clearing Transaction;
- (d) the Client breaches any provision of the Applicable Laws, this Schedule 3, the OTC Transactions Terms and/or any rule of any Agreed Clearing System.

8.3 In the event that Orient Futures determines in its judgement that a Default has occurred, Orient Futures shall be entitled, by oral or written notice to the Client, in Orient Futures’ sole and absolute discretion:

- (a) to do one or more of the following, in relation to the OTC Transactions Services:
 - (i) suspend or cease (whether indefinitely or otherwise) providing to the Client the OTC Transactions Services and/or terminate any Account or Orient Futures’ relationship with the Client;
 - (ii) require the Client to immediately repay or deliver all monies and property under the Account with Orient Futures whereon such repayments and deliveries shall immediately become due, owing, payable and deliverable, interest thereon, commission and other fees or costs payable to the Client;
 - (iii) require the Client to immediately satisfy and perform any and all other liabilities and obligations in respect of any of the Account held by the Client with Orient Futures;
 - (iv) liquidate all OTC Transactions in any of the Account held by the Client with Orient Futures (with all resulting Losses therefrom being borne solely by the Client);
 - (v) hedge and/or offset all or any of the Client’s OTC Transactions at the Client’s sole risk;
 - (vi) sell, dispose or realise in any manner Orient Futures deems fit anything, including all Margin or other Collateral belonging to or deposited by the Client and in Orient Futures’ possession or control or held by Orient Futures in respect of one or more OTC Transaction, and apply the proceeds thereof to extinguish or diminish the Client’s obligations towards Orient Futures including the payment of interest, commission and other costs and expenses; and
 - (vii) take such other action as Orient Futures deems appropriate; and/or

- (b) to exercise one or more of the rights set out in Clause 20.1 of the General Terms and Conditions.

8.4 Where Orient Futures, in its sole and absolute discretion:

decides to take any of the actions or exercise any of Orient Futures' rights referred to in Clause 8.3, the Client shall repay upon demand any deficiency that may thereafter remain in the Account with Orient Futures; and/or

- (a) decides not to take any of the actions or exercise any of Orient Futures' rights referred to in Clause 8.3, Orient Futures shall nevertheless be entitled to demand the immediate payment of all amounts, and the immediate delivery of all property, due to Orient Futures.

9. MASTER CONTRACTS

9.1 Clause 19 of the General Terms and Conditions shall not apply to Master Transactions.

Without prejudice to Clause 19.9 of the General Terms and Conditions, if there is a conflict between the terms of the Master Contract and terms of this Agreement (to the extent this Agreement is applicable) with respect to a Master Transaction, the terms of the Master Contract will prevail.