

**OCBC SECURITIES PRIVATE LIMITED**  
**TERMS AND CONDITIONS GOVERNING FUTURES MARGIN AND OPTIONS TRADING**  
**AND OTC TRANSACTIONS**

These terms and conditions shall apply to all futures margin and options trading accounts and where applicable OTC trading accounts opened and maintained with OSPL. If any futures and options margin trading account or OTC trading account is opened or maintained subject to some other terms, then these terms are in addition to those other terms.

All terms and references used in these terms and conditions and which are defined or construed in the OSPL Standard Terms and Conditions but are not defined or construed in these terms and conditions shall have the same meaning and construction in these terms and conditions.

These terms and conditions are to be read together with the OSPL Standard Terms and Conditions. In the event of any conflict or inconsistency between these terms and conditions and the OSPL Standard Terms and Conditions, these terms and conditions shall prevail.

1. Definitions

The following definitions are applicable in these terms and conditions:-

"Applicable Laws" means all relevant or applicable statutes, laws, rules, regulations, bye-laws, directives, circulars, guidelines and codes of conduct whether issued by any governmental, legislative, quasi-governmental, regulatory, self-regulatory or similar or other body in Singapore or elsewhere, including without limitation, the Securities and Futures Act and the Securities and Futures Regulations;

"Commodity" or "Commodities" means, as the context requires, financial instruments, currencies, base and precious metals (including gold), energy products and such other items, goods, articles, services, rights and items which may constitute the subject matter of futures contracts, Options contracts, leveraged foreign exchange contracts, foreign exchange contracts, swaps and other derivative contracts, and shall also include futures contracts, Options contracts, leveraged foreign exchange contracts and foreign exchange contracts including OTC Transactions, swaps and other derivative contracts;

"Loss" means any and all loss, damage, costs, charges and/or expenses of whatsoever nature and howsoever arising, including legal fees on a full indemnity basis, cost of funding and loss or cost incurred as a result of the terminating, liquidating or re-establishing of any hedge or related trading position;

"Margin" means any currencies, cash, and at OSPL's sole discretion, securities or other properties deposited with or held by OSPL or its nominees as security or credit support for any Transaction under these terms and conditions;

"Market" means any place whether domestic or foreign, at which Commodities are regularly traded including any exchange or market (and their respective clearing houses if any). "Markets" shall refer to any combination of the above;

"OTC Transactions" means all over-the-counter Transactions, including leveraged, spot, forward, deferred and conversion Transactions and Transactions in Commodities;

"Options" means options for the purchase or sale of Commodities and for the avoidance of doubt shall include options on futures contracts;

"Order" means any offer to enter into a Transaction, or any instruction, request, application or order (in whatever form and howsoever sent, given or transmitted) to OSPL or which OSPL reasonably believes to be your instruction, request, application or order and includes any instruction, request or order to revoke, ignore or vary any previous request or order;

"SGX-DC" means the Singapore Exchange Derivatives Clearing Limited;

"SGX-DT" means the Singapore Exchange Derivatives Trading Limited; and

"Transaction" includes futures contracts or such other transactions as OSPL may from time to time permit to be carried out under the Account.

2. General

- (a) OSPL shall open an Account or Accounts in your name upon which you may effect the Transactions.
- (b) The acceptance and/or execution by the Customer of the Risk Disclosure Statement, the Notification on SGX-DT Rule 100, the Disclaimer Statement for MSCI Contracts and the Disclaimers for Internet Services, Statement of Position Accountability, Position Limits and Report of Position Statements and Request for Information Pursuant to SGX-DT Circular No. CCM-2 of 1997 (as provided in the Schedules to these terms and conditions) shall be conditions precedent to OSPL's performance of its obligations under these terms and conditions provided that OSPL may in its sole and absolute discretion specify any other documents which you are required to accept and execute under this Clause.
- (c) All Transactions on any Account are entered into in reliance on the fact that these terms and conditions, all outstanding Transactions (and to the extent recorded in a Confirmation, and each such Confirmation) shall form a single agreement between OSPL and you and OSPL would not otherwise enter into such Transactions. However, a Transaction which is duly settled or liquidated in accordance with its terms will not form part of such single agreement.
- (d) OSPL may engage or appoint any person (who is not an officer or related to OSPL) to carry out any Order or to exercise any authority granted to OSPL by you (whether under these terms or otherwise) and, provided OSPL has

engaged or appointed such person in good faith, OSPL shall not be liable to you for any and all Loss suffered or incurred by you as a result of any act or omission of such person or entity.

- (e) You may, at your own risk, appoint an agent (including without limitation an account executive or registered representative) to act on your behalf in relation to the Account(s). Accordingly, you shall be solely responsible for all actions and purported actions of any such agent giving Orders on your behalf. Such agent shall not be construed to be OSPL's agent or employee. OSPL is authorised and entitled to act on all such Orders from or purported to be from your agent. In the event of any conflict or inconsistency between your Orders and those from such agent, your Orders will prevail except where the Orders of such agent have already been carried out. In addition, notwithstanding any other provision of these terms and conditions, OSPL reserves the right not to recognise or accept any Orders from any agent appointed by you if OSPL is of the bona fide opinion that:-
- (i) the agent is or may be a professional agent or trader who may require licensing by the authorities and you fail to demonstrate to the satisfaction of OSPL that the agent is so licensed; or
- (ii) recognition or acceptance of Orders from the agent may prejudice OSPL's interests.

OSPL may exercise the right not to recognise or accept any Orders from any agent at any time. In particular, OSPL may exercise such rights even if OSPL had previously recognised or accepted Orders from such agent.

- (f) Notwithstanding sub-Clause (e), OSPL may reject the appointment of any agent by you and in so doing shall promptly inform you of such rejection.
- (g) You shall not without the prior written consent of OSPL assign, charge or encumber any Account or the Customer's rights therein, or create or permit to create, in favour of any person (other than OSPL) any interest in any Account (by way of trust or otherwise).
- (h) Unless otherwise agreed in writing, you acknowledge that OSPL shall be under no obligation to inform you of the outcome of any Order given by you regardless of whether OSPL acts as agent or principal to you. You further agree that where OSPL chooses to provide such information to you, so long as OSPL acts in good faith, it shall not be liable for any Loss suffered by you resulting from the information being inaccurate.
- (i) You shall be responsible for monitoring the position and/or activities of its Account(s) at all times (including but not limited to the Margin levels) and acknowledges that OSPL shall be under no duty to do the same.
- (j) OSPL shall be entitled (but not obliged) to record (by any means) any communications (through any medium) between OSPL and you or any servant or agent of the Customer using any recording apparatus, without prior warning to you. Any such recording may be used as evidence against you.
- (k) Your relationship with OSPL, the operation of all Accounts, the provision of all services and facilities, and the implementation of all Orders shall be subject at all times to the Applicable Laws. OSPL may take or refrain from taking any action whatsoever, and you shall do all things required by OSPL in order to procure or ensure compliance with the Applicable Laws.
- (l) You hereby ratify all Transactions effected by OSPL on its behalf prior to the date of agreement to these terms and conditions and agree that such Transactions shall also be governed by these terms and conditions.

### 3. Applicable Rules

- (a) All Transactions shall be subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the relevant Market(s) (including but not limited to those of SGX-DT) where the Transactions are executed by OSPL or OSPL's agents. All Transactions shall where applicable also be subject to all applicable statutes, including but not limited to the Securities and Futures Act, Financial Advisor's Act or any other successor legislation and the respective rules and regulations thereunder, and all rules, regulations and practices of all applicable governmental and regulatory bodies and agencies.
- (b) You warrant and represent that you are familiar with, understand and will keep yourself updated on all the relevant laws, regulations, constitution, rules, customs, usages, rulings and interpretations of all relevant Market(s) where the Transactions are executed and that in any event you have been separately advised on such matters and do not and will not rely on OSPL in relation to the same.

### 4. Orders

- (a) You may instruct OSPL to execute any Transaction by placing an Order with OSPL.
- (b) Where the Electronic Trading Service is made available to you by OSPL, you may place Orders through the use of such facilities provided that any such Orders placed shall also be subject to the terms and conditions of the Electronic Trading Service (contained in OSPL Standard Terms and Conditions).
- (c) Nothing in these terms and conditions obliges OSPL to enter into any Transaction with you, and OSPL may refuse to enter into any Transaction or otherwise act on any Order without giving any reason.
- (d) OSPL shall be entitled (but not obliged) to verify and be satisfied with respect to the identity of the person purporting to give such Order or the source and origin of such Order and OSPL may rely or act upon any such Order unless and until OSPL is satisfied as to the matters on which OSPL sought verification.

- (e) In the event that OSPL decides to act on any Order or is otherwise under an obligation to act on any Order, OSPL shall be allowed such amount of time to act and implement any Order as may be reasonable having regard to the systems and operations of OSPL and the other circumstances then prevailing and shall not be liable for any Loss arising from any delay on the part of OSPL in acting on any such Order. Accordingly, you shall bear the sole responsibility of giving OSPL adequate and timely Orders as to the exercise or abandonment of any options purchased by OSPL on your behalf.
- (f) Where any Order is ambiguous or inconsistent with any other Order, OSPL shall be entitled to rely and act upon any Order in accordance with any reasonable interpretation thereof which any officer of OSPL, or any person who has been engaged or appointed by OSPL pursuant to Clause 2(d), believes in good faith to be the correct interpretation.
- (g) Without prejudice to the other provisions of this Clause, once an Order is received by OSPL, such Order is binding on you. Provided that, subject to sub-Clause (h), you may give OSPL an Order to withdraw, cancel, revoke or vary a previous Order.
- (h) Where you give OSPL an Order to withdraw, cancel, revoke or vary a previous Order, OSPL shall not be obliged to execute such Order until after you confirm with OSPL both that the previous Order has not been executed, and that the withdrawal, cancellation, revocation or variation as the case may be, will not prejudice OSPL's position with a counterparty broker.
- (i) In executing the Orders, OSPL may allocate open contracts to your Orders in accordance with its general operating procedures.
- (j) OSPL shall not be liable to you for any and all Loss incurred by you arising from any loss or delay in the transmission or wrongful interception of any Order through any equipment or system, including any equipment or system owned and/or operated by or for OSPL.

5. Transaction Limits and Restrictions

- (a) OSPL may, in its sole and absolute discretion at any time, impose upon you any position or Transaction limits, or any trading or Transaction restrictions. Such limits may include minimum sizes for Transactions, specified times or procedures for communicating Instructions to OSPL or otherwise. You acknowledge that such Limits or restrictions may exceed those imposed by any governmental or self-regulatory organisation in any jurisdiction (including any exchange).
- (b) OSPL may, at any time, in its sole and absolute discretion, vary the position or Transaction limits, or any trading or Transaction restrictions. No previous limit or restriction shall set a precedent or bind OSPL.
- (c) You shall not exceed any position or Transaction limits, or breach any trading or Transaction restrictions whether imposed by OSPL or under the Applicable Laws.
- (d) You shall promptly inform OSPL in writing if you are required to file reports of your positions with any governmental or self-regulatory organisation in any jurisdiction (including any exchange).

6. Margin

- (a) You shall deposit, maintain in each Account and/or otherwise provide OSPL with Margin in such form and amounts, at such times and in respect of such Account as OSPL may from time to time in its sole and absolute discretion require, whether or not such requirement of OSPL is identical to or reflects or is greater than any applicable Margin requirements of any governmental or self-regulatory organisation in any jurisdiction (including any exchange) which is required to be maintained by OSPL and/or you.
- (b) The value of any Margin shall be as determined by OSPL in its sole and absolute discretion.
- (c) OSPL may, in its sole and absolute discretion, with or without notice to you, vary the Margin requirements for any Account at any time and by any level, and may also stipulate that such Margin requirements shall apply to existing positions as well as new positions in the Transactions affected by such change. You acknowledge that OSPL may, in certain market conditions, effect an immediate change in Margin limits or levels and/or require additional Margin to be deposited immediately or within a specified period of time which may be less than 24 hours, and waives any right to object on the grounds that such requirement is unreasonable. No previous Margin requirements shall set a precedent or bind OSPL.
- (d) If OSPL determines that additional Margin is required, you shall deposit with OSPL such additional Margin immediately upon demand (and in any case, not later than 1 hour after such demand), provided that, notwithstanding any such demand for additional Margin, OSPL may at any time exercise its rights set out in Clause 11.
- (e) You acknowledge that the Margin may be held and used to secure the performance of your obligations as well as for such other purposes as the Applicable Laws may permit or stipulate for the Transactions traded.
- (f) All Margin shall be held by OSPL, notwithstanding any provision or instructions to the contrary, as continuing security and shall be subject to a general lien and right of set off in favour of OSPL for any and all of your Liabilities to OSPL (whether contingent or actual) under these terms and conditions or otherwise, and OSPL may realise any of your Margin as provided for in these terms and conditions.
- (g) OSPL shall be entitled to deposit, pledge, repledge or loan any Margin in whatever form provided to OSPL or otherwise, and shall not be under any obligation to account to you for any interest, income or benefit that may be

derived therefrom. No interest shall be paid on any type of Margin deposited by you with OSPL and you acknowledge and consent that interest earned on the Margin deposited under these terms and conditions may be retained by OSPL for its own account and benefit. OSPL shall at no time be required to deliver to you the identical property delivered to or purchased by OSPL as Margin for the Account(s) but only property of substantially the same kind and amount, subject to adjustments for quantity and quality variations at the market price prevailing at the time of such delivery.

- (h) You shall at your own cost and at OSPL's request, execute and do all such deeds, acts and things (including without limitation, the performance of such further acts or the execution and delivery of any additional instruments or documents) as OSPL may require for the purposes of these terms and conditions, including but not limited to perfecting OSPL's rights to the Margin provided by you.
- (i) OSPL may deposit in any trust account, any of your Margin and may co-mingle such Margin with the cash and properties of OSPL or of some other person(s).
- (j) All Margin shall be held subject to OSPL's general rights in respect of your monies and property.
- (k) Unless otherwise directed by OSPL, you agree to place the required Initial Margin (as defined below) set by OSPL (from time to time) before entering into any Transaction and agree at all times to maintain sufficient Maintenance Margin (as defined below) as set by OSPL from time to time for the outstanding Transactions. If the Equity (as defined below) falls below the required Maintenance Margin, you agree to transfer additional margin to OSPL whether or not a margin call has been made by OSPL to restore the Equity to the required Initial Margin for the outstanding Transactions. **You acknowledge that if the Equity falls below Liquidation Level (as defined below), OSPL may close out some or all the Transactions immediately whether or not a margin call has been made.** It is your principal responsibility to monitor the Equity in your account, the required Initial Margin and Maintenance Margin for your account. All open positions of your account will be marked-to-market daily or at more frequent intervals as determined by OSPL in its sole discretion. Any margin call made by OSPL must be met on the same day by telegraphic transfer of funds to OSPL's bank account or by delivery of a bank guarantee issued by a Singapore-incorporated bank in the form required by OSPL.

"Equity" means the sum of the value of all margin held for the account and the unrealised profits of the outstanding Transactions less the unrealised losses of outstanding Transactions. The determination of the unrealised profits and losses of Transactions shall be made by reference to the prevailing bid, offer or last transacted price of the relevant contract but such determination shall be made by OSPL in its sole discretion and the determination of the Equity by OSPL is binding on you (in the absence of manifest error).

Unless otherwise specified by OSPL, the "Initial Margin" in respect of each Transaction shall be an amount equal to such percentage of the notional amount of the Transaction as OSPL may from time to time determine, and the "Maintenance Margin" in respect of each Transaction is equal to such other percentage as OSPL may from time to time determine of the aggregate Initial Margin (and not based on the amount placed by the Client to satisfy the Initial Margin requirement for establishing a new Transaction) required for all outstanding Transactions as if all the outstanding Transactions were established then.

The "Liquidation Level" is equal to 30% (or such other percentage as OSPL may from time to time determine) of the aggregate Initial Margin (and not based on the amount placed by you to satisfy the Initial Margin requirement for establishing a new Transaction) required for all the outstanding Transactions as if all the outstanding Transactions were established then.

- (l) Notwithstanding any other provisions herein to the contrary, you agree that if (a) by buying or selling any Commodity, your margin will become insufficient to margin all of your positions, or (b) you buy or sell a Commodity without having any margin with OSPL, OSPL shall be entitled to immediately and without notice to you liquidate such transaction. You further acknowledge that you would be liable for all commission and transaction costs relating to the aforesaid transaction and that you would be liable for any losses resulting from the liquidation of such transaction. You agree that OSPL shall not be liable for any losses resulting from the liquidation of such transactions if OSPL shall exercise its rights under this Clause.

#### 7. OSPL entitled to Interest

OSPL shall be entitled to all interest earned on all monies belonging to you and deposited with OSPL and/or received by OSPL for or on your account and kept by OSPL in a separate trust account(s) provided that OSPL may, in its sole and absolute discretion, pay to you such interest on any such monies at such rates as OSPL deems fit.

#### 8. Consent to Take the Other Side of an Order

For the purposes of the Transactions, by accepting and signing the Account application form, you hereby give your prior written consent to OSPL to assume the opposite side of an order from you for any SGX-DT contract. For the avoidance of doubt, if an order for the house account of OSPL happens to be on the other side of an order from you, you hereby consent to the trade execution.

#### 9. Delivery and Options

- (a) If you desire to make or take delivery of any Commodity, you shall notify OSPL in writing of such intent at least five (5) business days prior to the date you intend to take or make such delivery and if OSPL shall agree to make or take delivery, you shall provide OSPL with such funds, information or documents as OSPL shall require to be satisfied that you are able to make or take delivery of such Commodity provided always that OSPL shall be under no obligation to make or take delivery. However, OSPL reserves the right to liquidate any Commodity Transaction, without reference to you, prior to the delivery month or period of the Transaction.

- (b) In the event that the rules or regulations of the applicable Market shall require a longer period of notice, you shall notify OSPL of such intent so that OSPL shall have at least five (5) days prior to the last date on which OSPL may give notice to make or take delivery to the relevant Market.
- (c) If you fail to deliver documents, information or funds or give further instructions within the time specified, OSPL may, without notice, either liquidate your position, or make or receive delivery on your behalf upon such terms and by such methods which OSPL deems to be feasible. You will be responsible for fines, penalties, late charges and all consequential losses and damages which may be assessed against you or OSPL pursuant to the rules and regulations of the relevant Market.
- (d) Without limiting any other right which OSPL may have under these terms and conditions, if at any time, you shall be unable to deliver to OSPL any Commodity or other property previously sold by OSPL on your behalf or to OSPL as principal, you authorize OSPL, in OSPL's sole discretion and on such terms and conditions as OSPL shall consider fit, to borrow or buy and deliver the same, and you shall immediately pay and indemnify OSPL (i) for any costs, losses and damages (including consequential costs, losses, damages and legal fees on a full indemnity basis), together with any premiums or other charges which OSPL may be required to pay, or which OSPL may sustain, in making such delivery or borrowing, and (ii) for any costs, losses, and damages (including consequential costs, losses, damages and legal fees on a full indemnity basis) which OSPL may sustain from OSPL's or your inability to borrow or buy any such Commodity or other property. If OSPL takes delivery of any Commodity or property for your account, you agree to indemnify and hold OSPL harmless against and from any loss OSPL may suffer resulting, directly or indirectly, from a decline in value of the said Commodity or property and to reimburse OSPL for all other costs and expenses related to the delivery and storage of the Commodity (if any).

Notwithstanding any of the foregoing, OSPL reserves the right to reject any instruction from you to make or take delivery of any Commodity and such right may be exercised by OSPL in its sole and absolute discretion.

- (e) You shall be solely responsible to ensure that OSPL obtains adequate and timely instructions as to the exercise or abandonment of any Options purchased by OSPL on your behalf.
- (f) You understand that the purchase and granting of Options involves a high degree of risks. You further understand that you are solely responsible to make yourself understand and appreciate the nature and extent of your rights and obligations and of the risks involved in such options transactions which you may instruct or request OSPL to enter and you are solely responsible for the risks attending such transactions.
- (g) You understand and accept that (except in respect of cash settled Options) the exercise of an Option will create a cash or futures position subjecting yourself to additional charges and margin requirements and you acknowledged have agreed to undertake and comply with such additional obligations as and when they arise.
- (h) Subject to all rules and regulations prescribed by the Market on which the Option is traded, instructions to exercise or close an Option position shall be given by yourself to OSPL on any business day on which the Option is traded and at the latest twelve (12) hours before the Option is due to expire together with a copy of the Option exercise notice duly completed and signed (in the case of an instruction to exercise an option), additional margin (if applicable) and all other costs incurred or to be incurred by OSPL in exercising or closing the Option position on behalf of yourself.

#### 10. Foreign Currency Transactions

- (a) If you direct OSPL to enter into a Transaction and such Transaction is effected in a foreign currency:-
  - (i) any profit or Loss resulting from exchange rate fluctuations of such currency will be at your sole risk;
  - (ii) all initial and subsequent deposits for Margin purposes shall, unless OSPL otherwise stipulates, be made in such currency (the "Relevant Currency") and in such amounts as OSPL may, in its sole and absolute discretion require; and
  - (iii) OSPL may debit or credit the Account in the Relevant Currency when such Transaction is liquidated, and the rate of exchange of any foreign currency required to be converted to the Relevant Currency shall be determined by OSPL in its sole and absolute discretion on the basis of the rates of exchange prevailing at the time of the debit or credit.
- (b) OSPL may, at any time in its sole and absolute discretion, convert any amounts in your Account or standing to your credit in any other Currency for the purposes of carrying out your Instructions or exercising any of OSPL's rights under these terms and conditions or under any Account. Exchange rate losses and the costs of conversion shall be borne by you.

#### 11. Foreign Exchange and other OTC Transactions

- (a) Unless otherwise notified by OSPL to you, OSPL shall be your counterparty in all OTC Transactions. OSPL shall however not be entitled to execute any OTC Transaction if it is unable to establish a similar hedge or related position with its hedging and trading counterparty.
- (b) The value date of the OTC Transaction shall be the date payment is due from you to OSPL or vice versa and as stated in the Confirmation. Such value date may be extended by OSPL at OSPL's sole and absolute discretion and on such terms as OSPL deems fit.
- (c) You must notify OSPL at least 1 Market Day (or such other time as may be prescribed by OSPL) before the value date of any OTC Transaction if you wish to:-
  - (i) square such OTC Transaction;

- (ii) otherwise settle such OTC Transaction; or
  - (iii) extend the value date of such OTC Transaction (hereinafter also referred to as a "roll-over").
- (d) You hereby agree that the value date of all OTC Transactions shall be automatically rolled-over at the start of each Market Day (or such other time as may be prescribed by OSPL) such that the value date will be the second following Market Day, until you give OSPL Instructions to square or otherwise settle such Transaction. Such OTC Transaction shall be rolled-over on the same terms and conditions as the maturing OTC Transaction. Upon the roll-over of such OTC Transaction, all losses (or gains) as determined by OSPL in its sole and absolute discretion shall be debited (or credited) to the Account.
- (e) If you notify OSPL that you wish to square an OTC Transaction or extend the value date thereof, OSPL shall have the absolute discretion to decide whether or not to implement such Instructions. If OSPL decides to implement such Instructions, the OTC Transaction shall be squared or extended at such exchange rate as may be agreed between you and OSPL, and you agree to provide such funds as OSPL may require to square or extend such OTC Transaction.
- (f) OSPL's advice to you in respect of the amount of funds required to be provided by you to square such OTC Transaction or extend the value date thereof shall in the absence of manifest error be conclusive.
- (g) In this Clause, to "square" an OTC Transaction means the execution of an OTC Transaction, on the same terms and conditions as an existing OTC Transaction and on the same pair of currencies, meaning that OSPL will sell to you the currency which you bought under the existing OTC Transaction and the notional value of one of the currencies (as determined by OSPL in its sole and absolute discretion) under the second OTC Transaction shall be the same as the notional value of that currency in the existing OTC Transaction. In the event that you enter into an OTC Transaction which bears the foregoing relation to an existing OTC Transaction between you and OSPL and for the same value date as the existing OTC Transaction, it will be presumed (unless you otherwise notify OSPL) that you intend to square the existing OTC Transaction with the new OTC Transaction and you shall be deemed to have so instructed OSPL. OTC Transactions shall be squared in the order agreed between you and OSPL, failing which the OTC Transaction shall be squared on a last in first out basis.
- (h) Settlement of an OTC Transaction (other than through squaring) may be effected by way of net settlement or gross settlement on the value date as follows:-
- (i) in "net settlement" of an OTC Transaction, the obligation of one of the parties to deliver currency on the value date under the Transaction shall be cancelled and replaced by an obligation to deliver the equivalent amount of the other currency of the currency pair of that Transaction (such other currency which shall be selected by OSPL from the currency pair at its sole and absolute discretion (the "Reference Currency")), at such exchange rate as may be determined by OSPL. The resultant obligation of such party to deliver the Reference Currency will be set-off against the other party's obligation to deliver currency of the Reference Currency on the value date under that 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. Where you have entered into 2 or more OTC Transactions on the same currency pair (with the same Reference Currency) and with the same value date, and you have elected that net settlement is to take place for such OTC Transaction, OSPL may at its sole and absolute discretion set-off your obligations to deliver the Reference Currency to OSPL under one or more such Transactions against OSPL's obligation to deliver the Reference Currency to you against one or more such Transactions, and vice versa, such that a single net amount is payable by you to OSPL (or vice versa) under all of the relevant Transactions; and
  - (ii) in "gross settlement" of an OTC Transaction, each party will make delivery of the respective currencies under the OTC Transaction on the value date. You must give OSPL notice of intention to effect gross settlement at least 2 Market Days before the value date (failing which OSPL shall be entitled to reject such request). If such notice has been given, then you shall proceed to make payment of the relevant currency at least 2 Market Days before the value date to an account specified by OSPL and OSPL shall upon receipt of confirmation of the receipt of such currency in the specified account deliver the currency bought by you by crediting the Account(s).
- (i) Notwithstanding the foregoing, if you fail to make payment to settle any OTC Transaction, OSPL may, without prejudice to its rights hereunder, roll-over such OTC Transaction.
- (j) Without prejudice to any other provision of this Part D, whenever an OTC Transaction is entered into between the parties which creates an obligation ("Currency Obligation") to deliver or receive currency in the same currency and for the same value date as an existing Currency Obligation between the parties, such Currency Obligations (collectively, the "Cancelled Currency Obligations") may at the election of OSPL be automatically and without further action cancelled and simultaneously replaced by a new Currency Obligation (the "New Currency Obligation") for such settlement date determined as follows:-
- (i) if the Cancelled Currency Obligations evidenced an undertaking by one party to deliver the currency, the New Currency Obligation shall equal the aggregate of the Cancelled Currency Obligations; and
  - (ii) if the Cancelled Currency Obligations evidenced undertakings by each party to deliver the currency, the amount of the currency to be delivered by each party under the Cancelled Currency Obligations shall be compared, and the New Currency Obligation shall equal the amount by which the Cancelled Currency Obligations of the party having the greater obligation with respect to the currency exceeds the Cancelled Currency Obligations of the party having the lesser obligation with respect to such currency.
- (k) You acknowledge that foreign exchange Transactions may be subject to measures which affect their convertibility and/or liquidity and hereby agrees that OSPL is not obliged to provide quotes for any foreign exchange Transaction

but if OSPL chooses to do so, it shall not be obliged to ensure that such quote is in line with the market as then prevailing.

- (l) In providing a liquid market and prices for OTC Transactions, you hereby acknowledge and agree that OSPL (or any person authorised by OSPL to accept OTC Orders) may quote OTC prices from other regulated financial institutions to its customers or act as market-makers to customers in providing bids and offers to be traded under OSPL's market-making accounts.

## 12. Liquidation Instructions

- (a) You shall for any open position of any Transaction which involves physical settlement: -
  - (i) give OSPL instruction to liquidate such open position; or
  - (ii) provide OSPL with sufficient funds in respect of the Account to which such open position relates, and with the necessary delivery documents to take or make delivery of the underlying subject matter of the Transaction, not later than 5 Market Days prior to the first delivery day for long positions, and not later than 5 Market Days prior to the last trading day for short positions. Provided that where you give OSPL Instructions to exercise an option, OSPL shall be at liberty to revise the aforesaid time period. Notwithstanding any of your Instructions to take or make delivery, OSPL shall not be under any obligation to do so.
- (b) Notwithstanding that you may have given OSPL instruction to take or make delivery of the underlying subject matter of any outstanding Transaction, OSPL may liquidate such Transaction without notice to you, prior to the delivery month or period of the Transaction.
- (c) If you fail to comply with sub-clause (a),
  - (i) OSPL may:-
    - (1) liquidate such open position (whether by entering into an off-setting Transaction or otherwise);
    - (2) make or receive delivery of the underlying subject matter of the Transaction on your behalf upon such terms and by such methods which OSPL deems fit; and/or
    - (3) take any of the actions described in clause 10 below; and
  - (ii) (in respect of option Transactions) the unexercised option will become worthless notwithstanding that the expiration time fixed by OSPL is shorter than the expiration time fixed by the relevant governmental or self-regulatory organisation (including any exchange).
- (d) If you fail to deliver to OSPL by the stipulated delivery date any Commodity which you have instructed OSPL to sell, OSPL shall, in its sole and absolute discretion, without giving notice to you, borrow or buy any such Commodity necessary to make such delivery on your behalf, and you shall indemnify OSPL against any Loss which OSPL may sustain in effecting such delivery or from OSPL's inability to borrow or buy any such Commodity.
- (e) Where OSPL takes delivery of any Commodity or futures contract for your Account, you shall indemnify OSPL and hold OSPL harmless from and against any Loss OSPL may suffer resulting, directly or indirectly, from a decline in value of the said Commodity or futures contract.

## 13. Default

Without prejudice to any other right of OSPL hereunder or otherwise at law, upon the occurrence of any Event of Default, OSPL may (but is not obliged to) immediately or at any time thereafter, without notice to you, do any one or more of the following:-

- (a) suspend (indefinitely or otherwise) or terminate any Account, or OSPL's relationship with you and accelerate any and all of your liabilities to OSPL so that they shall become immediately due and payable;
- (b) hedge, close out and/or perform any outstanding Transaction (including any Transaction which has yet to be settled on the date on which OSPL terminates such Transaction) by determining its value in good faith as of the date of the close-out as soon as practicable after the close-out;
- (c) liquidate the Margin or part thereof at a price which OSPL deems appropriate in the circumstances; and
- (d) call upon any collateral or security including but not limited to any guarantees and letters of credit which may have been issued to or in favour of OSPL as security for the Account.

## 14. Automated Trading Systems

- (a) When OSPL transacts on any automated trading system (such as GLOBEX) on your behalf, you agree that such trading involves inherent risks, including, but not limited to, interruption of service, system failure or communications failure and you accept such risks and agree not to hold OSPL liable for any losses suffered by you howsoever arising as a result of such trading. You also represent that you are aware of the differences between the open out-cry trading systems and automated trading systems.
- (b) You understand that using and entering transactions via the automated trading systems involves inherent risks. In particular, you understand that orders or instructions transmitted via automated trading systems may not be executed immediately or according to time priority or may fail to be transmitted at all. You may similarly fail to

receive information or confirmations from OSPL or any service provider and there may be errors or delays in information made available to you through the automated trading systems, notwithstanding that such information appears to be in "real time". OSPL shall be entitled in its discretion to reject or refrain from executing any order or instruction received from you where OSPL has reason to believe that the price in the relevant Market has changed from the price indicated to you through the automated trading systems when your order or instruction is placed. In any event, in the case of market orders you acknowledge that you will receive the price at which your order is executed in the relevant Market, which may be substantially different from the price indicated through the automated trading systems when your order or instruction is placed. You accept the foregoing risks and shall in no event make any claim against OSPL in respect of any losses, damages, expenses, costs or other liabilities arising therefrom.

15. Extraordinary Event

If there occurs in relation to any Transaction effected otherwise than on an exchange, or otherwise in relation to an Account an Extraordinary Event (as defined below), OSPL shall have the sole discretion to determine any adjustments or action necessary in relation to such Transaction or any or all Transactions or otherwise to an Account or Accounts in view of the Extraordinary Event. Such adjustments or actions may include altering or varying the quantities of currencies or financial instruments or the exchange rates or specifications of currencies or instruments bought or sold in respect of such Transaction or some or all Transactions, or terminating the Transaction in question or some or all Transactions, or an Account or otherwise. Provided OSPL undertakes such action in good faith, any such adjustment or action shall be binding on you and you shall be liable for any additional Loss incurred by OSPL on your account or which you are consequently liable for as a result of such adjustment or action.

An "Extraordinary Event" shall mean any event which OSPL in good faith believes to have a material adverse effect on any Transaction and shall include without limitation any form of exchange control restriction or requirement of whatsoever nature affecting availability, convertibility, credit or transfers of currencies, financial instruments or funds, any form of debt or other moratorium on jurisdictions, individuals or entities, any devaluation, redenomination or demonetisation of the underlying currencies or financial instruments of any Transaction and/or any form of restriction or requirement which in OSPL's good faith opinion adversely alters or changes the rights or obligations which OSPL in good faith undertook upon the establishment of such Transaction.

16. Schedules to these Terms and Conditions

Schedules 1, 2, 3, 4 and 5 to these terms and conditions hereto forms part of these terms and conditions.

**OCBC SECURITIES PRIVATE LIMITED**  
**SCHEDULE 1 TO THE**  
**TERMS AND CONDITIONS GOVERNING FUTURES MARGIN TRADING**

**RISK DISCLOSURE STATEMENT**

1. This statement is provided to you in accordance with section 128(1) of the Securities and Futures Act 2001.
2. This statement does not disclose all of the risks and other significant aspects of trading in futures, options and leveraged foreign exchange. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures, options and leveraged foreign exchange may not be suitable for many members of the public. You should carefully consider whether such trading is appropriate for you in the light of your experience, objectives, financial resources and other relevant circumstances. In considering whether to trade, you should be aware of the following:-

**(a) Futures and Leveraged Foreign Exchange Trading**

*(i) Effect of "Leverage" or "Gearing"*

Transactions in futures and leveraged foreign exchange carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract or leveraged foreign exchange transaction so that the transaction is highly "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice in order to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.

*(ii) Risk-Reducing Orders or Strategies*

The placing of certain orders (e.g. "stop-loss" orders, where permitted under local law, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. At times, it is also difficult or impossible to liquidate a position without incurring substantial losses. Strategies using combinations of positions such as "spread" and "straddle" positions, may be as risky as taking simple "long" or "short" positions.

**(b) Options**

*Variable Degree of Risk*

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options would have to increase for your position to become profitable, taking into account the premium paid and all transaction costs.

The purchaser of options may offset its position by trading in the market or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract or leveraged foreign exchange transaction, the purchaser will have to acquire a futures or a leveraged foreign exchange position, as the case may be, with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium paid plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that, ordinarily, the chance of such options becoming profitable is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of the amount of premium received. The seller will be liable to deposit additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract or a leveraged foreign exchange transaction, the seller will acquire a futures or a leveraged foreign exchange position, as the case may be, with associated liabilities for margin. If the option is "covered" by the seller holding a corresponding position in the underlying futures contract, leveraged foreign exchange transaction or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, limiting the liability of the purchaser to margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

**(c) Additional Risks Common to Futures, Options and Leveraged Foreign Exchange Trading**

*(i) Terms and Conditions of Contracts*

You should ask the firm with which you conduct your transactions, the terms and conditions of the specific futures contract, option or leveraged foreign exchange transaction which you are trading and the associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract or a leveraged foreign exchange transaction and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

(ii) *Suspension or Restriction of Trading and Pricing Relationships*

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the futures contract, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

(iii) *Deposited Cash and Property*

You should familiarise yourself with the protection accorded to any money or other property which you deposit for domestic and foreign transactions, particularly in the event of a firm's insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

**(d) Commission and Other Charges**

Before you begin to trade you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

**(e) Transactions in Other Jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you conduct your transactions for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

**(f) Currency Risks**

The profit or loss in transactions in foreign currency-denominated futures and options contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

**(g) Trading Facilities**

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary: you should ask the firm with which you conduct your transactions for details in this respect.

**(h) Electronic Trading**

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

**(i) Off-Exchange Transactions**

In some jurisdictions, firms are permitted to effect off-exchange transactions. The firm with which you conduct your transactions may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions you should familiarise yourself with applicable rules and attendant risks.

**ACKNOWLEDGEMENT OF RECEIPT OF THIS RISK DISCLOSURE STATEMENT**

This acknowledges that I/we have received a copy of the RISK DISCLOSURE STATEMENT and understand, accept and agree to its contents.

Signature of customer : \_\_\_\_\_

Name of customer : \_\_\_\_\_

Designation\* : \_\_\_\_\_

Company name\* : \_\_\_\_\_

Signature of witness : \_\_\_\_\_

Name of witness : \_\_\_\_\_

Date : \_\_\_\_\_

\* For corporations only

*Note:*

"Margin" means an amount of money, securities, property or other collateral, representing a part of the value of the contract or agreement to be entered into, which is deposited by the buyer or the seller of a futures contract or in a leveraged foreign exchange transaction to ensure performance of the terms of the futures contract or leveraged foreign exchange transaction.

**OCBC SECURITIES PRIVATE LIMITED  
SCHEDULE 2 TO THE  
TERMS AND CONDITIONS GOVERNING FUTURES MARGIN TRADING**

**NOTIFICATION ON SGX-DT RULE 100**

In line with practices in other established futures exchanges including those in the USA, the SGX-DT requires that this notification on **RULE 100 OF THE SGX-DT DERIVATIVES TRADING RULES – EXCLUSION OF LIABILITY** be provided for your acknowledgement that it is acceptable and accepted by you:-

1. The SGX-DT maintains a futures market subject to the provisions of the Securities and Futures Act, the Securities and Futures Regulations and its business rules and on the basis that unless it (whether directly or through its board or its authorised officer or officers) otherwise expressly agrees with or expressly commits itself to any party (hereafter referred to as a "Third Party"), its liability to any Third Party affected or aggrieved by any alleged action or non-action of the SGX-DT, the SGX-DC or any of the directors or officers of the SGX-DT or the SGX-DC is restricted to only such remedy or remedies as is expressly conferred on a Third Party by the provisions of the Securities and Futures Act and the Securities and Futures Regulations.
2. Any and every Third Party who effects or purports to effect any transaction:-
  - (a) on the SGX-DT;
  - (b) referable to any Contract; or
  - (c) referable to any information promulgated or provided by, via or on the SGX-DT,

will be assumed and deemed to do so by the SGX-DT, its directors and officers on the basis that unless the SGX-DT otherwise (whether directly or through its board or authorised officer or officers) expressly agrees with or expressly commits itself to such Third Party, the right of action conferred by or under the provisions of the Securities and Futures Act and the Securities and Futures Regulations shall be the sole and exclusive remedy available to such Third Party who suffers loss as a result of any alleged failure of the SGX-DT or the SGX-DC or any of its directors or employees to take any action or any alleged taking of any action. Each of the SGX-DT, the SGX-DC and its directors and employees will not and do not accept (subject to the proviso stated in the preceding sentence and in this Schedule) any responsibility to any Third Party the breach of which will give rise to any liability in addition to the exclusive remedy mentioned in the preceding sentence.

3. Without prejudice to any of the above provisions and in addition to them each and every Third Party should and must note that in connection with any index listed or to be listed by the SGX-DT for trading in or in connection or by reference therewith, none of:-
  - (a) the SGX-DT;
  - (b) its directors or officers; or
  - (c) any relevant party that the SGX-DT 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 trading 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 trading of any contract linked or referable to the said index, provided that nothing herein shall affect either the obligations of the SGX-DT (or the SGX-DC) or its Members as parties trading 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, AND INTRA-DAY PROXY RELATED OR REFERABLE THERETO OR ANY INFORMATION OR DATA INCLUDED IN OR REFERABLE TO IT IN CONNECTION WITH ANY TRADING 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, ANY INTRA-DAY PROXY RELATED OR REFERABLE THERETO OR ANY INFORMATION OR DATA INCLUDED IN OR REFERABLE TO ANY SUCH INDEX.

4. All Members are to note the foregoing and ensure that they are taking on membership in and/or will carry on as a Member of the Exchange, transact and will transact by reference to the Exchange or any Contract or information or action referable to the Exchange, 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 commodity account for any person unless such person has been notified of the foregoing provisions and has satisfied himself or itself that the same is acceptable and is accepted.

**OCBC SECURITIES PRIVATE LIMITED  
SCHEDULE 3 TO THE  
TERMS AND CONDITIONS GOVERNING FUTURES MARGIN TRADING**

**DISCLAIMER FOR MSCI CONTRACTS**

This statement is provided to you as required by the SGX-DT and is in addition to and not in derogation of any other disclosure statement. The SGX-DT has entered into a licence agreement with Morgan Stanley & Co. Incorporated to be permitted to use certain stock indexes to which Morgan Stanley & Co. Incorporated owns rights in and to (the "MSCI Indexes") and the proprietary data contained therein in connection with the listing, trading, marketing and clearing of derivative securities linked to such indexes.

In relation to the Transactions based on the MSCI Indexes, please note:-

Morgan Stanley & Co. Incorporated and Capital International Perspective, S.A. assume no liability or obligations in connection with the trading of any contract based on the MSCI Indexes. Neither Morgan Stanley & Co. Incorporated nor Capital International Perspective, S.A. shall be responsible for any losses, expenses or damages arising in connection with the trading of any contract linked to the MSCI Indexes, provided that nothing herein shall affect either party's obligations as a party trading in any contract linked to the MSCI Indexes. The SGX-DT, Morgan Stanley & Co. Incorporated and Capital International Perspective, S.A. does not guarantee the accuracy or completeness of any of the MSCI Indexes or any data included therein.

THE SGX-DT, MORGAN STANLEY & CO. INCORPORATED AND CAPITAL INTERNATIONAL PERSPECTIVE, S.A. MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF, OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF, THE MSCI INDEXES, ANY INTRA-DAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE. THE EXCHANGE, MORGAN STANLEY & CO. INCORPORATED AND CAPITAL INTERNATIONAL PERSPECTIVE, S.A. MAKE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE MSCI INDEXES, ANY INTRA-DAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN.

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**ACKNOWLEDGEMENT OF RECEIPT OF THIS DISCLAIMER FOR MSCI CONTRACTS**

This acknowledges that I/we have received a copy of the **DISCLAIMER FOR MSCI CONTRACTS** and understand, accept and agree to its contents.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Signature of customer : \_\_\_\_\_

Name of customer : \_\_\_\_\_

Designation\* : \_\_\_\_\_

Company name\* : \_\_\_\_\_

\* For companies only

**OCBC SECURITIES PRIVATE LIMITED**  
**SCHEDULE 4 TO THE**  
**TERMS AND CONDITIONS GOVERNING FUTURES MARGIN TRADING**

**POSITION ACCOUNTABILITY, POSITION LIMITS AND REPORT OF POSITIONS STATEMENT**

This statement is to provide you with the following policies of Position Accountability Position Limits and Report of Positions determined by SGX-DT and approved by the Monetary Authority of Singapore (MAS).

**Position Accountability**

Eurodollar (Futures & Options)	-	No Position Limit
Euroyen Tibor (Futures & Options)	-	No Position Limit
Euroyen Libor (Futures & Options)	-	No Position Limit

A person owning or controlling a combination of options and underlying futures contracts that exceeds 10,000 futures equivalent contracts net on the same side of the market in all contract months combined, or such position as the Board may prescribe from time to time with prior notification, shall provide, in a timely fashion, upon request by the Exchange, information regarding the nature of the position, trading strategy, and hedging information if applicable. For this purpose, the futures equivalent of an option contract is 1 times the previous business day's SGX-DT risk factor for the options series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

The positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated. The Exchange may impose position limits for any such account or accounts as it deems appropriate.

**Position Limits**

SGX-DT determined that no individual or entity may have an ownership in or exercise trading control over more than a certain number of positions in a single commodity. The limit applies to the net, that is, the excess of long over short positions or short over long positions for all months combined. The limits are as follows:-

**Indexes**

Nikkei 225 (NK)	10,000
Nikkei 300 (N3)	5,000
MSCI Taiwan Index (TW)	5,000
MSCI Hongkong Index (HK)	5,000
MSCI Singapore Index (SG)	5,000
MSCI Japan Index (JP)	10,000
Straits Times (ST)	10,000
SGX S&P CNX Nifty Index (IN)	5,000

**Interest Rates**

10-year Japanese Govt Bond (JG)	2,500
10 year Mini-Japanese Govt Bond (JB)	25,000
5-year Singapore Govt Bond (SB)	5,000
Singapore Dollar Interest Rate (SD)	3,000

**Energy**

SGX Middle East Crude Oil (ME)	5,000
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**SGX Stocks**

SGX Single Stock Futures	5,000 each
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The position of all accounts owned or controlled by a person or persons acting in concert or in which such person or persons have a proprietary or beneficial interest shall be cumulated.

An example of computation of positions for the purpose of complying with position limits is as follows:-

	<u>Long</u>	<u>Short</u>
December Nikkei	500	
March Nikkei		1,000
June Nikkei	1,000	

Net position (excess of longs over shorts in all months combined) is 500.

If the positions held in your accounts represent hedge or arbitrage positions against positions held in the cash markets, you may apply for an exemption for position limits through us to SGX-DT. However, the position limits may not be exceeded until after such approval has been granted by SGX-DT.

#### Report of Positions

We are required to report to SGX-DT each day the account numbers and open positions of any accounts on our books.

All reports of positions and account identification forms will be held in strictest confidence.

**OCBC SECURITIES PRIVATE LIMITED**  
**SCHEDULE 5 TO THE**  
**TERMS AND CONDITIONS GOVERNING FUTURES MARGIN TRADING**

**REQUEST FOR INFORMATION PURSUANT TO SGX-DT CIRCULAR NO. CCM-2 OF 1997**

With effect from 5 May 1997, SGX-DT has implemented a revised policy on the above. A copy of their circular no. CCM-2 of 1997 is attached for your information.

Please note that pursuant to paragraph 4(iii) of the above circular, a customer's ultimate parent corporation or holding company may be required to provide a letter of awareness (Appendix 1 of the circular) when the aggregate maintenance margins of all your accounts exceed the proposed limit of USD70 million or 5% of your net worth, whichever is higher.

To ensure compliance with SGX-DT's requirements, you hereby agree to provide us with your latest available audited annual accounts and such other details as we may require prior to the commencement of your trading activities. The information provided will be kept strictly confidential, and would only be provided to the relevant authorities upon request.

**SGX-DT CIRCULAR NO.: CCM - 2 OF 1997**

To: All Clearing Members

1. **POSITION LIMITS**

Currently, the Exchange prescribes initial position limits for each contract which is listed for trading as a means of risk management. Members would apply to the Exchange for higher position limits on behalf of their customers who need to establish positions which are greater than the initial position limits.

2. Based on feedback received from Members, the Exchange conducted a review of its existing policy and objectives of position limits. As a result, the Exchange will be implementing a revision of the policy so as to simplify requirements on Members and facilitate customer participation in our market. Consequently, Rule 532 regarding Limits on Positions will be amended (please refer to Attachment A) to take effect from *Monday, 5 May 1997* for the implementation of the revised policy. A detailed write-up on the revised requirements and procedures for compliance is attached for Members' reference (Attachment B).

3. In summary, the following changes will be made:-

- (i) position accountability will be introduced for the 3-month Eurodollar and 3-month Euroyen futures and options contracts;
- (ii) the initial position limit for the Nikkei 225 Stock Average Index futures and options contract will be raised to 10,000 contracts; and
- (iii) the initial position limit for all other contracts will be raised to 5,000 contracts.

4. In terms of monitoring for compliance with the revised requirements. Members should note the following:-

- (i) the revised concept is based on the total maintenance margin requirement and futures equivalent positions of a customer and all its related corporations in all direct accounts and omnibus sub-accounts (where disclosed) carried by a Clearing Member (i.e. the "Collective Customer" or "Collective House Related Accounts" mentioned in Rule 532);
- (ii) the maintenance margin requirement of a Collective Customer or Collective House Related Accounts may not exceed 10 times the Adjusted Net Capital (ANC) of a Clearing Member at any time. In addition, the following actions need to be taken by a Clearing Member when the total maintenance margins of a Collective Customer or Collective House Related Accounts reach the following levels:-

Multiple of ANC	Action required
Between 2 to 4 times the Clearing Member's ANC	Letter of awareness from the chief executive officer of the Clearing Member
Between 4 to 7 times the Clearing Member's ANC	Letter of awareness from the selected parent/related corporation of the Clearing Member
Between 7 to 10 times the Clearing Member's ANC	Letter of guarantee from the selected parent/related corporation of the Clearing Member

Letters of awareness and guarantee must be in the respective formats specified by the Exchange. A letter of awareness is valid for a period of one year from the date of issue, while a letter of guarantee is valid until revoked by the issuer.

- (iii) a letter of awareness of the prescribed format (Appendix 1 of the write-up) to be provided by the customer (from the ultimate parent corporation or holding company) to the Exchange where the total maintenance margins required to be deposited by the Collective Customer or Collective House Related Accounts exceeds:-

- (a) US\$70 million, or

(b) 5% of the net worth of the customer,

whichever is higher.

The letter of awareness is valid for a period of one year from the date of issue.

- (iv) In addition to the requirements set out in (ii) and (iii) above, for all contracts other than the 3-month Eurodollar and 3-month Euroyen, a Clearing Member must monitor the aggregate gross long or gross short position for each Collective Customer or Collective House Related Accounts. The aggregate gross long and gross short position of the Collective Customer or Collective House Related Accounts is determined by adding all the gross long and gross short positions in all direct accounts, undisclosed omnibus accounts, and omnibus sub-accounts which are in the name of the Collective Customer or Collective House Related Accounts. The aggregate gross long or aggregate gross short position of a Collective Customer or Collective House Related Accounts may not exceed 10,000 contracts for the Nikkei 225 contract and 5,000 contracts for other contracts, in futures equivalent terms, unless a higher position limit has been granted by the Exchange.

**ANG SWEE TIAN**

**PRESIDENT**

## Rule 532

## LIMITS ON POSITIONS

The Board may from time to time establish limits on the positions owned or controlled by any person or persons acting in concert with respect to any Commodity including the Designated Futures Contracts and Options.

Any person may request for an increase in initial position limit or previously approved position limit by making an application to the Exchange on forms provided by the Exchange through his/its Clearing Member carrying such positions for the commodity account on the books of the Clearing Member carried for such person.

In conjunction with the foregoing, a Clearing Member shall ensure at all times that:-

- (a) each of its customers and their related corporations for whom such Clearing Member also maintains accounts as customers of the Clearing Member (each such customer and its related corporations to be hereafter referred to as the "Collective Customer"); and
- (b) each House Related Account carried on its books (collectively the "Collective House Related Accounts").

shall comply with the respective position limits as may be applicable to them individually or collectively as may be prescribed by the Board from time to time.

In the event that the aggregate maintenance margins required to be deposited by a Collective Customer and/or the Collective House Related Accounts with a Clearing Member exceeds such relevant amount(s) (whether the amount(s) are stated as a sum or sums of money and/or calculated in accordance with a formula or formulae) as may be prescribed by the Board from time to time, the Clearing Member shall, unless the Board otherwise decides, forthwith procure:-

- (i) from the chief executive officer of the Clearing Member a letter of awareness;
  - (ii) from such related corporation of the Clearing Member as the Board may require a letter of awareness; or
  - (iii) from such related corporation of the Clearing Member as the Board may require a letter of guarantee; and
- in addition, where relevant, to forthwith procure
- (iv) from such related corporation of the Collective Customer as the Board may require a letter of awareness

as may be required by the Exchange, in each case, in such form and content as may be prescribed or otherwise acceptable to the Exchange.

[Letterhead of Ultimate Parent Corporation of Collective Customer]

[Date]

President  
Singapore Exchange Derivatives Trading Limited  
[Address]

Dear Sir

LETTER OF AWARENESS - [SGX-DT Clearing Member's Customer's Name]

We write to confirm that we, [name of ultimate parent corporation of collective customer], have allowed, [name of SGX-DT Clearing Member's customer] and the following entries:-

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_

each of which is related corporation to each other (collectively referred to as the "Collective Customer") to open and maintain trading accounts with [name of SGX-DT Clearing Member] for the purposes of, inter alia, trading in futures contracts on the SGX-DT.

We are aware that the Collective Customer has, as at [date] established in the aggregate through [name of SGX-DT Clearing Member] on the SGX-DT, positions whose aggregate maintenance margins requirements in respect thereof exceed a relevant amount as notified by the Board of Directors of the SGX-DT thereby triggering the requirement for a letter of awareness under Rule 532 of the Rules of the SGX-DT to be issued by us in favour of the SGX-DT.

Notwithstanding the foregoing, we are not aware of any reason for any concern that any default to the SGX-DT attributable to the positions of the Collective Customer may or will result (and we will monitor the situation to ensure that this will remain so).

Yours faithfully

\_\_\_\_\_  
[Name, signature and designation of  
officer authorised to sign for and on  
behalf of the ultimate parent corporation  
of the Collective Customer]