

## SECTION G: TERMS AND CONDITIONS GOVERNING EXTENDED SETTLEMENT CONTRACTS

The terms and conditions in this Section G shall apply to all extended settlement contracts (“ES Contracts”) entered with OSPL. If any ES contract entered with OSPL is subject to some other terms, then these terms are in addition to those other terms. In the event of any conflict or inconsistency between the terms and conditions in this Section G and the General Terms and Conditions in Section A, the terms and conditions in this Section G shall prevail.

### 1. Definitions

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

“Customer Asset Value” refers to the moneys and market value of assets in your ES Contract Trading Account, subject to such hair-cut(s) as specified by OSPL in accordance with the SGX-ST Rules;

“ES Contract” means a contract offered for trading by SGX-ST, and is a contract between two parties to buy or sell (a) a specific quantity of (b) a specific security at (c) a specific price for final settlement at (d) a specific future date when the contract matures or expires;

“ES Contract Trading Account” means the Account opened by you with OSPL pursuant to these terms and conditions;

“Last Trading Day” means the last day on which an ES Contract may be traded prior to its expiration;

“Margin Collateral” means Collateral that is acceptable to OSPL in accordance with the SGX-ST Rules;

“Settlement Day” means three (3) Market Days after the Last Trading Day; and

“Underlying Security” means any stock or index whose price movement determines the value of the ES Contract.

### 2. The Account and Purpose

- (a) OSPL may, from time to time and at your request, provide you with an ES Contract Trading Account for the purposes of allowing you to trade in ES Contracts.
- (b) Notwithstanding any other provisions of these terms and conditions, the ES Contract Trading Account may be closed by OSPL and all sums and monies outstanding or owing by you to OSPL under or in connection with your trading in ES Contracts shall become due and payable immediately upon demand. Upon such demand, you shall immediately repay all such sums and monies outstanding or owing by you to OSPL.
- (c) The acceptance and/or execution by the Customer of the Risk Disclosure Statement (Securities and Futures (Licensing and Conduct of Business) Regulations Form 13), as required under the Securities and Futures Act (Cap. 289) shall be a condition 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.

### 3. Trading in ES Contracts

- (a) If you buy or long an ES Contract, you enter into a contract to purchase the Underlying Security, and if you sell or short an ES Contract, you enter into a contract to sell the Underlying Security. Having bought or sold an ES Contract, you are not required to hold the position to maturity (or expiration), but you may choose to liquidate the position

through an offsetting trade in the same ES Contract. At expiration, if the position has not been offset, the ES Contract shall be settled by physical delivery at the original traded price, as opposed to being cash-settled.

- (b) Trading in ES Contracts shall at all times be subject to, and be governed by, the provisions of all relevant SGX Rules, SGX-ST Rules, The Central Depository Clearing Rules, and such other laws, rules and regulations as may be prescribed by the Monetary Authority of Singapore, SGX, SGX-ST, and CDP from time to time as well as these terms and conditions. You are deemed to be familiar with all relevant rules and regulations when applying for the ES Contract Trading Account from OSPL, and you agree to comply with all such relevant laws, rules and regulations.
- (c) OSPL shall have the sole and absolute discretion not to allow you to enter into any ES Contract, if OSPL is of the opinion that the entering of such ES Contract would cause you, OSPL or its staff to engage in any prohibited trading practice, market misconduct activity, or in breach of any law, rule or regulation as mentioned in Clause 3(a) above.

#### 4. Charge over Margin Collateral

- (a) You are required to furnish Margin Collateral to OSPL from time to time to secure your obligations under the ES Contract Trading Account.
- (b) You shall complete and execute any and all documentation required to ensure that OSPL shall have a first and paramount charge and/or security interest over any and all your Margin Collateral with OSPL or otherwise subject to the control of OSPL whether deposited with and/or received by OSPL as margin or not.
- (c) Upon the demand of OSPL, you shall substitute any of the Margin Collateral with cash or another form of security or Collateral in such form that is acceptable to OSPL. Upon such substitution, any cash or another form of security or Collateral which is substituted for any part of the Margin Collateral shall be subject to these terms and conditions as if it were charged from the date the ES Contract Trading Account first commenced, and any Margin Collateral which are substituted by cash or another form of security shall be released from the security interests created hereunder and redelivered and reassigned to you.
- (d) Withdrawal of cash balances or cash amounts representing excess over margin shall be subject to the approval of OSPL and OSPL may refuse to approve any such withdrawal in order to preserve the margin at such levels as OSPL deems fit (whether or not in excess of regulatory requirements).

#### 5. ES Contract Trading Account Agreement

Without prejudice to the generality of these terms and conditions, and in accordance with the requirements specified by OSPL in accordance with the SGX Rules and/or SGX-ST Rules, you:

- (a) authorise OSPL to mortgage, pledge or hypothecate your Margin Collateral or property for a sum not exceeding the debit balance in your ES Contract Trading Account without OSPL having any obligation to retain in its possession or control the Margin Collateral of like character;
- (b) give OSPL the discretion, with or without prior notice to sell or dispose of any or all of the Margin Collateral in any manner in order to meet the margin requirements prescribed or imposed and/or varied by OSPL from time to time;
- (c) undertake that all margin deposited by you shall be in the form of cash, Margin Collateral and/or such other instruments as the relevant regulatory body may from time to time prescribe; and insofar as they comprise some other securities or property they will not be taken into account in calculating the value of the margin you are obliged to maintain pursuant to the SGX-ST Rules;

- (d) undertake and will ensure that you will at all times comply with all margin deposit and/or maintenance requirements prescribed under the SGX-ST Rules or otherwise imposed and/or varied by OSPL with or without notice to you (and you also acknowledge that this is reasonable in view of its obligations and/or exposure which OSPL undertakes in respect of your ES Contract Trading Account). Such requirements may be of such nature as OSPL deems fit, including sub-limits for single securities or different valuations for different securities;
- (e) ensure that all Margin Collateral in your ES Contract Trading Account are on a ready basis; and
- (f) ensure that you will at all times comply with such position and/or financial exposure limits which OSPL may notify you from time to time with respect to any single security that you may transact in with respect to your ES Contract Trading Account.

## 6. Margin Requirements

You must place an Initial Margin (defined below) with OSPL for both long and short positions in any ES Contract before you begin trading in such ES Contract, and you are required to comply with the Required Margins (defined below) for the purpose of meeting margin requirements of ES Contracts at all times.

- (a) Initial Margin: In respect of each ES Contract, this refers to the minimum amount required to be deposited by you with OSPL, as prescribed by OSPL, prior to you trading in the ES Contract. This minimum amount is distinct from and in addition to the Variation Margin requirements (defined below) which will also apply to the ES Contract.
- (b) Required Margin: In respect of each ES Contract, this is equivalent to the sum of Maintenance Margin (defined below) and the Variation Margin. You are required to comply with the Required Margin at all times.
- (c) Variation Margin: In respect of each ES Contract, this refers to the component of Required Margin comprising the mark-to-market gains and losses, in relation to the price at which the ES Contract was bought or sold, arising from the daily valuation of the ES Contract position, except that Variation Margins are not required if OSPL permits you to realize a gain or loss pursuant to executing a trade to offset an existing position.
  - (i) The Variation Margin shall be computed daily based on the outstanding contract and the Valuation Price as determined by the SGX-ST up to and including the intra-day cycle on the Settlement Day of the ES Contract..
  - (ii) A profit in the ES Contract will reduce the amount of Variation Margins while a loss will increase the amount of Variation Margins. A mark-to-market gain from an ES Contract may be used to offset other margin requirements of your other ES Contracts.
- (d) Maintenance Margin: In respect of each ES Contract, this refers to the component of Required Margin as determined by CDP, which must be maintained in your Account subsequent to the deposit of the Initial Margin for your position in the ES Contracts.
- (e) Valuation Price: In respect of each ES Contract, this refers to the official price of the ES Contract prescribed by SGX-ST for the purpose of determining the Variation Margin.

Notwithstanding the foregoing, OSPL may at any time vary any of the above margin requirements, whether to accommodate the applicable laws, regulations or rules, or otherwise, and you are required to provide such additional Collateral as OSPL may demand immediately.

7. Margin Call

- (a) If the Customer Asset Value falls below the Required Margin, OSPL shall call for additional Margin Collateral from you to bring the Customer Asset Value to no less than the sum of Initials Margin and Variation Margin within two (2) Market Days from the date the Customer Asset Value falls below the Required Margin.
- (b) Margin calls shall be made within one (1) Market Day after the occurrence of the event giving rise to the margin call. Where OSPL is unable to contact you to call for additional Margin Collateral, a written notice sent to your last known address furnished by you to OSPL shall be deemed sufficient notice.
- (c) If you are subject to a margin call, unless OSPL agrees otherwise, you shall not be permitted to incur a new trade unless additional Margin Collaterals\ have been placed with OSPL or are forthcoming within two (2) Market Days from the trade date or the date the Current Asset Value falls below the Required Margin. .
- (d) If OSPL, after it calls for margins from you, fails to obtain the necessary margins by the close of the second Market Day from the date the Current Asset Value falls below the Required Margin, OSPL:-
  - (i) shall not accept orders for new trades from you. However, orders which would result in your Required Margins being reduced may be accepted by OSPL; and
  - (ii) may take such actions as OSPL deems appropriate, without giving notice to you, to reduce its exposure. Such actions may include liquidating all or such part of your Margin Collateral deposited with OSPL, or taking action to offset all or such part of your positions.
- (e) Notwithstanding the foregoing, OSPL may as it sees fit impose stricter conditions, including but not limited to the following: -
  - (i) if the Customer Asset Value falls below 60% of the Required Margin or such percentage as OSPL may in its sole and absolute discretion think fit, make an immediate call for additional Margin Collateral;
  - (ii) impose stricter Initial Margins and Maintenance Margins requirements;
  - (iii) higher hair-cut rates for Margin Collateral;
  - (iv) perform more frequent valuations of positions and Margin Collateral, and
  - (v) make calls for additional Margin Collateral.

8. Liquidation of Margin Collaterals, Closing Out and Offsetting of Positions in ES Contracts

- (a) Without prejudice to any other right or remedy that OSPL may have under these terms and conditions, OSPL shall have the right (but not the obligation) to sell any or all the Margin Collateral or take action to offset all or such part of your positions in ES Contracts forthwith without giving any notice to you upon the happening of any of the following events:
  - (i) the occurrence of an Event of Default, as specified in Section A; or
  - (ii) the right for OSPL to liquidate the Margin Collateral or offset your position has arisen under Clause 7 above; or
  - (iii) irrespective of whether or not a margin call has been made if the Customer Asset Value falls below such percentage as OSPL may determine from time to time of the aggregate of the Variation Margins and any losses incurred as a result of positions in ES Contracts that you have closed out; or

- (iv) if required to do so by SGX-ST, or any regulatory body, wherever situated, having jurisdiction over OSPL, or over the Margin Collateral.
- (b) Without prejudice to its rights under these terms and conditions, in exercising its power of sale or offsetting of positions, OSPL shall be entitled to sell all or any of the Margin Collateral or offset all or such part of your positions in such manner and upon such terms and conditions as OSPL may at its sole and absolute discretion think fit. OSPL shall apply the net proceeds of such sale or offsetting of positions towards satisfaction of the Liabilities under these terms and conditions and other Liabilities (if any) but, for the avoidance of doubt, you shall remain liable for any difference still remaining.
- (c) A written statement made by any of OSPL's officer that the power of sale or offset of position has become enforceable shall be conclusive evidence against you and of the fact in favour of any purchaser or other person to whom any or all the Margin Collateral may be transferred under such sale, and you shall indemnify OSPL against any claim which may be made against OSPL by such purchaser or person by reason of any defect in your title to such securities.

9. Excess Margins

- (a) "Excess Margin": This refers to the amount of the Customer Asset Value which is in excess of the sum of the Initial Margins and Variation Margins.
- (b) OSPL may allow you to withdraw the sum equivalent to the Excess Margin provided such withdrawal will not cause the deposited Collateral or Customer Asset Value to be less than zero.

10. Interest on ES Contract Trading Account

- (a) You shall pay OSPL interest on any and all debit amount(s) in your ES Contract Trading Account (remaining unpaid for a period as OSPL may notify you from time to time) until full payment at such rate of interest as may be notified to you from time to time.
- (b) You shall also pay OSPL a monthly administrative and service fee with respect to any and all debit balances remaining unpaid.

11. Buying-In and Force-Selling; No Re-Novation of ES Contracts

- (a) In the event you hold a short ES Contract position to expiration, you shall be obligated to physically deliver the Underlying Security on the Settlement Day. If you do not have the required Underlying Security in your ES Contract Trading Account on the Settlement Day, The Central Depository will buy-in the security on the market to satisfy the delivery obligation for you. Buying-in starts the day after the Settlement Day and you shall be liable for any losses as a result thereof.
- (b) In the event you hold a long ES Contract position to expiration, you shall be obligated to pay for the Underlying Security which have been delivered on the Settlement Day. If you fail to pay for the Underlying Security on the Settlement Day, OSPL may without written notice, force sell any or all of these securities. OSPL may (without prejudice to its rights under these terms and conditions) but need not exercise this right on any day after the day on which the right to force sell first arose. OSPL will not be liable to you for any losses suffered by you as a result of any fall in the market price of the security between the first day the right to force sell arose and the day it actually sells the securities.
- (c) In the event of broker default, the Central Depository will not step into the shoes of the broker to settle its obligations under your ES Contracts with the broker. This is different from current ready market trades which are re-novated to The Central Depository.

12. Right to Return of Security

- (a) Notwithstanding any contrary provision elsewhere in these terms and conditions, and at the sole discretion of OSPL, you have a right to the return of your Margin Collateral (if any) or their respective equivalent **only** when you have discharged all your existing obligations to OSPL **and** properly terminated your ES Contract Trading Account with OSPL by the giving of the required notice for termination of the same.
- (b) For the avoidance of doubt, OSPL shall not be obliged with respect to any of your Margin Collateral or other property to retain the same in the possession or control of OSPL (being entitled to treat all of the same as fungibles) or to retain for the duration of your ES Contract Trading Account with OSPL like Margin Collateral or property of equivalent amount.
- (c) Subject to your having discharged all your existing obligations and properly terminated your ES Contract Trading Account with OSPL and subject otherwise to the rights of OSPL under these terms and conditions (including any right of liquidation or sale of your Margin Collateral), you may demand OSPL to return to you like Margin Collateral (as relevant) of equivalent amount.
- (d) You also agree that notwithstanding any contrary provision elsewhere in these terms and conditions that in the event of your insolvency, OSPL may at its option:-
  - (i) convert any obligation OSPL may otherwise have to return you Margin Collateral and/or property (other than cash) into an obligation instead to pay the aggregate market value for the same, and
  - (ii) exercise its general right of set-off (in addition to any other rights of set-off and/or consolidation of accounts or obligations OSPL may have at law or in contract).

13. Omnibus Trust Account

- (a) For any and all cash placed with OSPL as margin or collateral, you acknowledge that OSPL may place the same in an omnibus customer trust account together with cash that OSPL may hold for its other customers with a custodian located outside Singapore.. You further acknowledge that it would be administratively and operationally difficult, if not impossible to account separately for each customer the interest due to their cash in the omnibus account as interest will be received on a lump sum basis. In any event it is also acknowledged and accepted that such an exercise would likely cost more than any interest earned. In the circumstances, it is a condition that you waive and relinquish in OSPL's favour all claims for interest that might otherwise accrue with respect to your cash placed with OSPL as margin or collateral.
- (b) Notwithstanding the foregoing, OSPL may pay to you such part of the interest received by OSPL with respect to the omnibus customer trust account as OSPL deems appropriate, in its absolute discretion.. Such interest shall be paid at such rate and in such currency as OSPL may from time to time decide in its absolute discretion. Interest shall be credited at such intervals as determined solely by OSPL from time to time.

14. Establishment of a new position

- (a) You further acknowledge that in no event is OSPL obliged to accept any order you may give for the establishment of a new position.
- (b) If OSPL in good faith inadvertently accepts any order from you which would cause OSPL to be in breach of any of its obligations whether under the law, SGX Rules, SGX-ST Rules, CDP Rules, you acknowledge that OSPL is permitted to liquidate the position through an offsetting trade in the same ES Contract, and you shall be liable for all losses (if any) as a result thereof.