

## CUSTOMER TRADING AGREEMENT

Please read this Agreement carefully and seek independent professional advice where you are uncertain of or uncomfortable with any of its provisions. All transactions you enter into with or through Phillip Futures are legally binding and enforceable in accordance with the terms of this Agreement. By signing the Application Form or by electronically submitting your application on Phillip Futures' Website or, if applicable, via a mobile application you confirm that you will accept the terms of the Agreement as applying to all such transactions as a condition of your application. When Phillip Futures accepts your application and opens an Account for you, you will therefore be bound by the terms of this Agreement where relevant to the transactions you do with or through Phillip Futures.

### 1 **DEFINITIONS**

1.1 In this Agreement, unless the context otherwise requires:

**"this Agreement"** means this agreement (as may from time to time be varied or modified in accordance with its provisions) and includes its appendices, schedules and all other documents or instruments made supplemental to it including but not limited to your Application Form(s);

**"Account"** means the account opened and/or maintained with Phillip Futures pursuant to the Customer's application and/or request for such account as accepted by Phillip Futures;

**"Application Form"** means the application form whether in paper or electronic form as prescribed by Phillip Futures by which the Customer applies to Phillip Futures to open and maintain the Account;

**"Applicable Laws"** with respect to the Customer's Transaction(s) and/or Account means all relevant or applicable statutes, laws, rules, regulations, directives and circulars whether of governmental bodies or authorities or self-regulatory organisations which Phillip Futures and/or the Customer by giving Orders for Transactions is legally obliged (whether directly or indirectly) to comply and/or ensure compliance with or otherwise recognize the applicability of with respect to Transactions (including Transactions made using the DMA services, including, without limitation, relevant rules of exchanges Phillip Futures) is obliged (whether directly as a member or indirectly by contract or mandatorily applicable laws and regulations) to comply with with respect to the Customer's Transaction(s), such as the relevant SGX-DT Futures Trading Rules ("FTR") in Chapters 2, 3, and 8 of the FTR, Practice Notes 2.6.3(1)(c), 2.6.3(1)(d), 2.6.3(1)(g), 2.8.1, 3.4.3A, 3.3.5, relevant sections to Part IV, V, VI, VII and XII of the SFA as may be amended or supplemented from time to time;

**"Associates"** means any firm or corporation in which Phillip Futures' ultimate controlling/majority shareholder(s) has, whether directly or indirectly and either individually or collectively, control of not less than twenty percent (20%) of the voting power in the firm or corporation, including Phillip Securities Pte. Ltd., Phillip Financial Pte. Ltd., Phillip Securities Research Pte. Ltd., Phillip Securities Nominees Pte. Ltd., Phillip Capital Management (S) Ltd. and Phillip Private Equity Pte. Ltd.;

**"Business Day"** in relation to a Transaction means any day on which the relevant Market on which the Transaction is effected or liquidated is open for trading;

**"Clearing House"** (in relation to a Market) includes a body corporate, an association or organisation, whether distinct from or forming part of a Market, that clears, settles and/or guarantees contracts and/or options whether on a net or gross basis and/or makes adjustments to the contractual obligations arising out of such contracts and/or options;

**"Companies Act"** means the Companies Act (Cap. 50);

**"Confirmation"** means the written notice (including telex, facsimile or any other electronic means from which it is possible to produce a hard copy), which contains the specific terms of a Transaction;

**"Contract"** with respect to a "Transaction" shall have the meaning ascribed to the expression in the definition of "Transaction";

**"Currency"** means money denominated in the lawful currency of any jurisdiction;

**"Customer"** means, without limitation to Clause 10, the person or persons named herein as the applicant(s) (and where the context so admits, includes any one of those persons), and includes the successors in title as well as legal representatives, agents, any and all persons authorized by the applicant Customer(s) to act/in the name of the Customer(s) (including delegates) whichever is applicable, of the Customer;

**"Customer Personal Data"** means Personal Data which the Customer discloses to Phillip Futures, or which Phillip Futures processes on behalf of the Customer;

**"Customer Trading Agreement"** shall have the meaning ascribed to in Clause 1.1 of Appendix 1A;

**"Default"** shall have the meaning ascribed to it under Clause 11.1;

**"DMA"** or **"Direct Market Access"** means the process by which orders to buy or sell futures contracts including any modifications and cancellations thereof are submitted into a DMA Infrastructure (including through the use of a nominated technical system or technical connection between Phillip Futures and the Customer) for execution in the automated trading system of a Market (each an "ATS"), including the Trading System by the Customer without any intervention by Phillip Futures whether through its trading representatives or otherwise (including being entered or re-entered by any such trading representative). "DMA Infrastructure" means the technology infrastructure and/or electronic trading system whether established and/or maintained by or for Phillip Futures which facilitates DMA or otherwise used by the Customer for the purposes of effecting DMA (including under a Sponsored Access arrangement) to effect Transactions on a DMA basis;

**"DMA Procedures"** means (i) such procedures as specified and required by Phillip Futures from time to time, which Phillip Futures may from time to time notify to the Customer and require to be complied with by the Customer accessing and/or using the DMA Services, including without limitation any or all of the following: (a) processes for the prevention of manipulative trading by the Customer; (b) declarations and notifications; (c) collection and retention of information on behalf of Phillip Futures; (d) training of authorized persons and agents of the Customer to ensure proper access and use of DMA Services; or (e) other procedures, restrictions and limitations as otherwise determined by Phillip Futures in its sole and absolute discretion from time to time; and (ii) prescribed requirements under Applicable Laws as well (where relevant) of the Market at which the Customer's Orders are to be executed and/or cleared via DMA Services;

**"DMA Services"** means services provided to the Customer by Phillip Futures subject to and conditional on the Customer's continuing compliance with DMA Procedures to permit direct access or Sponsored Access to the Trading System;

**"Electronic Broking Facilities"** means Phillip Futures' automated order entry system, including any software, hardware or telecommunications equipment made available by Phillip Futures to the Customer and includes the On-Line Electronic Mart System ("POEMS") owned by one or more Associates of Phillip Futures as may be offered by Phillip Futures to the Customer subject to the terms for the access and use of such system(s) for the Customer to:

- (a) electronically transmit Orders to Phillip Futures, a third party network, and/or straight through to an exchange trading engine pursuant to DMA services provided to the Customer;
- (b) access market information, indicators and real time prices as well as information on the Customer's Account(s) and other services available to the Customer; and
- (c) engage in any other activities and services as Phillip Futures may include and permit access and/or use by the Customer as part of the Electronic Broking Facilities;

"**Extraordinary Event**" shall have the meaning ascribed to it in Appendix 2;

"**Futures Contract**" with respect to a Transaction shall be as defined in the SFA and (where relevant) the jurisdiction in which the Transaction is executed;

"**Information**" means any text, images, links, sounds, graphics, video and other materials provided by Phillip Futures or accessible from Phillip Futures whether in physical or electronic form and includes, without limitation, information relating to futures, markets, companies, industries, news and any information, data, analysis or research thereon subject, where so indicated or expressly stated, to such caveats, cautionary notices, restrictions, qualifications and/or disclaimers;

"**Intellectual Property Rights**" includes all inventions, patents, know-how, trade secrets and other confidential information, copyright (including without limitations all such rights in computer software and any databases), registered and unregistered trademarks (including without limitation any trade, brand or business names and any distinctive smells or sounds used to differentiate goods and services), domain names, technology, know-how, goodwill, registered and unregistered designs, layout-designs of integrated circuits, geographical indications and plant varieties (in each case for the full period thereof and all extensions and renewals thereof), applications to register any of the aforesaid items (including the right to so apply), licences relating to any of the aforesaid items, rights in the nature of any of the aforesaid items in any country, and rights to sue for passing off, or other similar industrial or commercial right;

"**Loss**" means any and all realized or unrealized 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 Phillip Futures' sole discretion, securities or other properties which Phillip Futures will accept to be deposited with or held by Phillip Futures or its nominees as margin for the purposes of security or credit support for the effecting or maintenance of the same as an open position of any Transaction and/or the Customer's obligations under this Agreement;

"**Market**" means a market, an exchange or any other place (whether physical or virtual) at which Contracts for or in relation to commodities are regularly made, whether within Singapore or otherwise;

"**Nominee**" includes an agent, representative, delegate or correspondent whether in Singapore or elsewhere;

"**OTC Facilities**" means such facilities as may be offered by Phillip Futures to the Customer and which may enable the Customer to effect or give orders for effecting Transactions on an OTC or "over-the-counter" basis – each an "OTC Transaction";

"**OTC Transaction**" means a Transaction concluded between the Customer and Phillip Futures on a bi-lateral principal to principal basis over-the-counter, not on any regulated exchange or market and includes contracts for differences transacted by the Customer on a DMA as opposed Phillip Futures as Market Maker basis;

"**Officer**" means any officer or employee of Phillip Futures;

"**Order**" means any authorisation, request, instruction or order (in whatever form and howsoever sent) given or transmitted to Phillip Futures by the Customer or which Phillip Futures or an Officer reasonably believes to be from the Customer or an authorized agent of the Customer and includes any authorisation, request, instruction or order to revoke, ignore or vary any previous authorisation, request, instruction or order;

"**PDPA**" means the Personal Data Protection Act 2012 of Singapore;

"**Personal Data**" means data, whether true or not, about an individual who can be identified (a) from that data; or (b) from that data and other information to which a person has or is likely to have access;

"**Phillip Capital Group**" means the group of corporations comprising Phillip Futures and its Associates;

"**Phillip Futures**" or the acronym "**PFPL**" means Phillip Futures Pte. Ltd. and includes its successor or transferee;

"**PIN**" means the Customer's personal identification number issued by Phillip Futures to the Customer for the purposes of utilisation by the Customer of the Electronic Broking Facilities;

"**Person**" includes any government, statutory body, business, firm, partnership, corporation or unincorporated body;

"**Recognised Regulatory Authority**" means any regulatory authority having relevant oversight and/or regulatory jurisdiction with respect to Phillip Futures or any such of its regulated activities including, to the extent applicable such other co-signatories of the International Organisation of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information to which a Recognised Regulatory Authority is a signatory;

"**Regulated Activity**" has the definition as in Schedule 2 of the SFA;

"**Relevant Body**" with respect to the regulated activities of Phillip Futures means any Market, Clearing House and/or governmental body or authority or self-regulatory organisation having relevant oversight and/or regulatory jurisdiction with respect to Phillip Futures or any such of its regulated activities;

"**Relevant Currency**" shall have the meaning ascribed to in Clause 7.1 herein;

"**SFA**" means the Securities and Futures Act (Cap. 289);

"**SGX-DT**" means the Singapore Exchange Derivatives Trading Pte. Ltd.;

"**Securities**" shall be as defined in the SFA;

"**Sponsored Access**" is an indirect means by which the Customer is provided DMA services with respect to the Customer's Orders and with respect to Markets that Phillip Futures is not a member having the right to trade directly on such Markets, through which the Customer is being allowed to do so in the name of Phillip Futures. For the avoidance of doubt, references to contracts for differences transacted between the Customer and Phillip Futures on a DMA basis refers to contracts for differences transacted via a Sponsored Access arrangement but subject to the terms and conditions for the transacting of contract for differences by the Customer on a DMA rather than Market Maker basis with Phillip Futures as the Customer's bi-lateral principal counterparty;

"**Trading System**" means any **Electronic Broking Facilities** including for the automatic matching of orders designated and approved by SGX-DT for transactions on SGX-DT;

"Transaction" means:

- (i) a contract made on an Exchange or pursuant to its Rules;
  - (ii) a contract which would (but for its term to maturity only) be a contract made on, or subject to the Rules of, an Exchange and which, at the appropriate time, is to be submitted for clearing as such a contract;
  - (iii) any other transaction which Phillip Futures and the Customer agree shall be a "Transaction" governed by this Agreement,
- and includes any Futures Contract or OTC Transaction. For the purposes of the foregoing, the expression "Contract" or "contract", unless the context otherwise requires, means a futures contract, option, contract for differences, spot or forward contract of any kind in relation to any commodity, metal, financial instrument (including any security), currency, interest rate, index or any combination of them;

- 1.2 The headings are inserted for convenience only and shall not affect the construction of this Agreement;
- 1.3 Expressions in the singular form shall include the plural and vice versa, and all references to the masculine gender shall include the female and neuter genders and vice versa;
- 1.4 Except as otherwise provided in this Agreement, any reference in this Agreement to "Clauses", "Appendices", and "Schedules" in this Agreement are to clauses, appendices and schedules respectively in this Agreement;
- 1.5 Any reference to a statutory provision shall include such provision as may from time to time be modified, amended or re-enacted so far as such modification, amendment or re-enactment applies or is capable of applying to any Transaction entered into hereunder.

## **2 SCOPE AND APPLICATION**

- 2.1 The terms and conditions of this Agreement shall apply, as relevant, to the provision by Phillip Futures of its services to the Customer in respect of the Account(s) provided that the specific terms and conditions contained in each Appendix of this Agreement shall apply only upon Phillip Futures' approval of the Customer's application for the particular services for which the terms of such Appendix are intended to apply in addition to but read together as one with the generally applicable terms in this Agreement. For the purposes of the foregoing, the services which Phillip Futures may provide the Customer may comprise any, some or all of the following services:
  - (a) the execution of Transactions including arranging for the execution of Transactions by an Intermediate Broker;
  - (b) the clearing of Transactions including arranging for the clearing of Transactions by an Intermediate Broker; and
  - (c) such other services as may be specifically applied for by the Customer and agreed to be provided by Phillip Futures by actually providing same and/or in writing.

For the purposes of the preceding, the expression "Intermediate Broker" means, in relation to a Transaction, any person acting in the capacity of an intermediary or agent with or through whom Phillip Futures undertakes the execution and/or clearing of that Transaction. The expression "correspondent broker" shall carry a materially identical meaning.

- 2.2 In the event that any facility to which any Appendix relates is provided expressly subject to terms and conditions other than the terms and conditions contained in this Agreement, such other terms and conditions shall prevail in the event of conflict between the former and the latter.
- 2.3 This Agreement and all pending and/or executory Transactions governed by this Agreement constitute a single agreement between the parties. For the purposes of the foregoing, a Transaction that is wholly performed by both parties is not considered to be executory.

## **3 GENERAL CONDITIONS**

- 3.1 The acceptance by the Customer of the terms (as updated from time to time) of this Agreement, including the terms of all accompanying appendices and/or annexes (as they are relevant for Orders to be given by Customers and their corresponding executed Transactions) and therefore, amongst others, of the Risk Disclosure Statement and the Notification on SGX Futures Trading Rule 1.6 provided in Schedules 1 and 5 respectively shall be conditions precedent to Phillip Futures' obligation to perform any of its obligations under this Agreement with respect to Orders and corresponding Transactions. Phillip Futures' execution only services and facilities available to Customers are fundamentally electronic services; and the Customer specifically consents to the receipt of documents in electronic form via e-mail, posting on and accessible through the Account particulars section(s) of Phillip Futures' website or other electronic means.

The Customer also specifically confirms that the Customer has regular access to the Internet and consents to Phillip Futures providing the Customer with information about itself and its services (including market information), its costs and charges by e-mail or by posting such information on its website or POEMS. The Customer correspondingly agrees that the Customer will regularly access Phillip Futures' website to keep himself/herself updated on the terms of this Agreement and any documents relating to such Agreement and any subsequent revision to such terms.

The Customer further and specifically acknowledges, confirms and agrees that Phillip Futures shall not give, and shall not at any time be regarded as giving or having given, advice or recommendation to the Customer on the merits of any Transaction and is agreeable and shall be regarded at all times as dealing with the Customer on an execution-only basis.

The Customer also specifically represents to and undertakes in favour of Phillip Futures that the Customer will access and use the facilities and services offered or available pursuant to this Agreement honestly, fairly and in good faith. The Customer therefore also represents and undertakes that the Customer has not and will not upload or transmit any malicious code or software to any of the Electronic Broking Facilities or the website (each a "Website") of Phillip Futures or any of its Associates or of any third party accessible via facilities provided to the Customer pursuant to this Agreement or otherwise use any electronic device, software, algorithm, and/or any dealing method or strategy that aims to manipulate any aspect of any of the Electronic Broking Facilities or Website, including, but not limited to, the way in which Phillip Futures construct, provide or convey pricing for Transactions.

Phillip Futures or other third party service providers or licensors with whom it contracts for provision of or access to the same (each a "Service Provider") may provide the Customer with Information in connection with the provision of the services of Phillip Futures pursuant to this Agreement. The Customer agrees that:

- (a) neither Phillip Futures nor any other Service Provider shall be responsible or liable if any such Information is inaccurate or incomplete in any respect or for any actions the Customer takes or do not take based on, or the Customer's reliance upon, such Information;
- (b) the Customer will use such Information solely for the purposes set out in this Agreement or otherwise expressly agreed to by Phillip Futures;
- (c) the Customer will truthfully complete and submit to Phillip Futures in a timely fashion: (i) any declaration as Phillip Futures may require at any time in respect of its status as a user of Information; and (ii) any additional agreements with Phillip Futures or Service Providers or licensors relating to Phillip Futures' provision to the Customer of or access to any Information;
- (d) the Information is proprietary to Phillip Futures or the provider and the Customer will not retransmit, redistribute, publish, disclose, alter, amend, rent, loan, license or display in whole or in part such data or information to third parties; and
- (e) the Customer will pay any fees and other costs associated with its access to and use of any Information, of which Phillip Futures may notify it from time to time, and shall be responsible for payment of any and all taxes, charges or assessments imposed by any foreign or domestic national, state, provincial or local governmental bodies, or subdivisions thereof, and any penalties or interest relating thereto, in respect of its access to and use of any Information.

- 3.2 Phillip Futures may, in its sole and absolute discretion, permit the Customer's use of electronic signature as an indication of such Customer's acceptance of all terms and conditions within this Agreement, accompanying appendices, annexes and/or applicable form(s) incidental to Customer's Account relationship with Phillip Futures, provided all the following conditions have, in the reasonable opinion of Phillip Futures been fulfilled:
- (a) such signature identifies the Customer; and
  - (b) the use of the signature as indicating the Customer's acceptance is intended and/or authorized by the Customer.
- 3.3 The Customer authorises, consents and agrees to the disclosure by Phillip Futures, and/or any Officer or agent of Phillip Futures at any time and from time to time of any or all information in respect of any particulars or Transaction of the Customer or in respect of any Account to any person in the Phillip Capital Group, any Relevant Body, or any other person which Phillip Futures or any Officer considers to be appropriate for the purpose or to be in the interest of Phillip Futures. The consent and authority granted by this Clause shall constitute consent and authority for the purposes of the provisions of any Applicable Laws, Rules and Regulations.
- 3.4 Phillip Futures may engage or appoint any Person (who is not an Officer or related to Phillip Futures) including floor brokers and clearing brokers to carry out any Order or to exercise any authority granted to Phillip Futures by the Customer (whether under this Agreement or otherwise). In making such engagement or appointment, Phillip Futures shall not be liable to the Customer for any and all Loss suffered or incurred by the Customer as a result of any act or omission of such Person or entity.
- 3.5 The Customer shall not, without the prior written consent of Phillip Futures, 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 Phillip Futures) any interest by way of trust or otherwise in any Account. Phillip Futures shall not be required to recognise any Person other than the Customer as having any interest in any Account.
- 3.6 Phillip Futures shall be entitled (but not obliged) to record (by any means) any communications (through any medium) between Phillip Futures and the Customer or any servant or agent of the Customer using any recording apparatus, without prior warning to the Customer. Any such recording shall be the sole property of Phillip Futures and may be used as evidence against the Customer. Phillip Futures may destroy such recordings at any time without giving any reason.
- 3.7 The Customer's relationship with Phillip Futures, the operation of all Accounts and the implementation of all Orders shall be subject at all times to the Applicable Laws. Phillip Futures may take or refrain from taking any action whatsoever, and the Customer shall do all things required by Phillip Futures, in order to procure or ensure compliance with Applicable Laws.
- 3.8 Where the Customer has been introduced and/or referred to Phillip Futures by a third party to open and/or maintain an Account, the Customer agrees and acknowledges that Phillip Futures has and will accept no responsibility for any conduct, action, representation or statement of such third party. The Customer further agrees that Phillip Futures may, to the widest extent permitted by Applicable Laws, share its fees, commissions and/or other charges with such third party or any other third party as Phillip Futures at its discretion deems fit or appropriate.
- 3.9 The Customer hereby ratifies all Transactions effected by Phillip Futures on its behalf prior to but remaining as open position(s) as at the date of this Agreement and agrees that such Transactions shall also be governed by the terms of this Agreement.
- 3.10 The Customer acknowledges and agrees that Phillip Futures may at any time in its discretion amend, vary or supplement any terms or conditions in this Agreement or any additional or specific terms or conditions relating to the Account or Transaction by notice to the Customer or by any means which the Customer has agreed to be effective communication of notice to the Customer as Phillip Futures deems fit, including notification via the Electronic Broking Facilities, provided the Customer has indicated that he/it wishes to be provided notice of such amendment, variation or supplementation. Any such amendment, variation or supplement shall take effect as from the date of such notice or the date specified in such notice (as the case may be). If the Customer continues to give instructions in respect of or operates the Account or effects or keeps open any Transaction after receiving such notice, the Customer shall be deemed to have agreed to any such amendments, variations or supplements without reservation.
- 3.11 No amendment, variation or supplementation made to this Agreement by the Customer shall be effective, unless such amendment, variation or supplementation is formally agreed to in writing by an authorized executive officer of Phillip Futures.
- 3.12 In the event that the Customer requests for opting up to certain categories of client (such as an Accredited Investor, Expert Investor or Institutional Investor as defined in the SFA) to be allowed an expanded range of products and/or services to be accessed by the client or fails to opt out of the qualitatively higher and deemed more competent and able to take more risk category of client (such as an Accredited Investor, Expert Investor or Institutional Investor as defined in the SFA), Phillip Futures may, in its sole discretion and to the extent permitted by law, agree to either accepting the Customer's request or treat the Customer as a qualitatively lower and less competent and less risk tolerant category of client (as relevant). Otherwise, the Customer may be regarded as falling by default within a category of clients prescribed by applicable laws and regulations for having satisfied the prescribed criteria for such clients. The Customer agrees that if Phillip Futures exercises its aforementioned discretion to regard the Customer as a category of clients other than the category prescribed by law or regulations for which the Customer satisfies the qualifying criteria for, the Customer may not be entitled to the same level of protection afforded to such category of clients in the former case and may not be entitled to access the expanded range of products and/or services for the prescribed category of clients in the latter case.

#### **4 ORDERS**

- 4.1 The Customer may instruct Phillip Futures to execute any Transaction for an Account by placing an Order with or (in the case of an Order placed by the Customer via DMA, including Sponsored Access services) for the account or responsibility of Phillip Futures in the form and using the media prescribed as acceptable to Phillip Futures from time to time and subject to the terms for such transmission/placement of the Order (including the DMA Procedures). Subject as provided herein, all Orders shall be given direct to Phillip Futures (whether oral (in person or by telephone), via internet or any electronic means, by use of Electronic Broking Services, or other means of communication accepted by Phillip Futures from time to time) in such manner as may be prescribed by Phillip Futures from time to time. If Orders are given by telephone, internet, electronic means or by Electronic Broking Services, Phillip Futures is entitled to rely upon and act in accordance with such Orders without inquiry or verification by Phillip Futures of the authority or identity of the Person making or giving or purporting to make or give such Instructions and regardless of the circumstances prevailing at the time of the giving of such Orders or amount of money or size of positions involved in the Orders, and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto, provided that Phillip Futures or its employee, officer, agent or representative concerned believed, in good faith, the Orders to be genuine at the time it was given. In transmitting or placing such Order, the Customer hereby acknowledges and expressly agrees that Phillip Futures may in its sole and absolute discretion act either as agent of or principal to the Customer for its own accounts or for the accounts of Persons associated with or connected to Phillip Futures or an entity in which Phillip Futures or any of its representatives has a direct or indirect interest. In the event that Phillip Futures assumes the role of the counterparty to any Transaction which Phillip Futures has been instructed to execute, Phillip Futures shall be absolutely entitled to all gains, profits and benefits derived from any such Transaction of the Customer with Phillip Futures. Phillip Futures may do whatever Phillip Futures consider necessary or appropriate to ensure Phillip Futures' own and the Customer's compliance with Applicable Laws and, with respect to DMA Services, the DMA Procedures provided that except in the case of fraud, gross negligence or willful default on the part of Phillip Futures in effecting compliance with Applicable Laws in the execution of an Order, the Transaction so executed shall not be voidable at the option of the Customer and any other breach of duty on the part of Phillip Futures with respect to the execution of an Order therefore restricts the Customer only to an action for damages as determined by Applicable Laws.
- 4.2 Where the Electronic Broking Facilities are made available to the Customer by Phillip Futures, the Customer may, subject to the terms for the transmission/placement of the same, place Orders through the use of such facilities. The terms governing Electronic Broking Facilities are set out in Appendix 1 and, with respect to DMA Services, in addition to requirements of the DMA Procedures.
- 4.3 Phillip Futures shall be entitled to treat any and all Orders as fully authorized by and binding on the Customer provided that, subject to Clause 4.5, the Customer may give an Order to withdraw, cancel, revoke or vary a previous Order. When giving Orders, the Customer is solely responsible for ensuring the accuracy and completeness of all Orders and the Customer shall ensure that it does not give conflicting, inconsistent or contradictory instructions to Phillip Futures. Phillip Futures shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon any Order as Phillip

Futures may in good faith consider appropriate without any liability to the Customer. Where a Customer gives Phillip Futures an Order to withdraw, cancel, revoke or vary a previous Order, Phillip Futures shall not be obliged to execute such Order nor shall the Customer be entitled to assume that such Order will be executed until after the Customer confirms with Phillip Futures both that the previous Order has not been executed, and that the withdrawal, cancellation, revocation or variation as the case may be, is both practicable for execution and will not prejudice Phillip Futures' position (where relevant) with a counterparty or correspondent broker or (with respect any Order transmitted on a DMA basis) Market (or related clearing house).

- 4.4 The Customer also acknowledges that in the event that the Customer is, for any reason, unable to communicate any Order to or for the account and responsibility of Phillip Futures, Phillip Futures shall not be liable to the Customer.
- 4.5 Phillip Futures shall bear no liability whatsoever for exercising or failing to exercise any discretion, power or authority conferred upon Phillip Futures by this Agreement so long as Phillip Futures acted in good faith.
- 4.6 Phillip Futures shall be entitled (but not obliged) to verify and be satisfied with respect to the identity and/or authority of the Person purporting to give an Order or the legitimacy of the source and origin of such Order as a precondition to accepting an Order for execution.
- 4.7 If Phillip Futures decides to act on any Order or is otherwise under an obligation to act on any Order, Phillip Futures shall be allowed such amount of time to act upon and execute the Order as may be reasonable, having regard to the systems and operations of Phillip Futures and the other circumstances then prevailing, and shall not be liable for any Loss arising from any delay on the part of Phillip Futures in acting on the Order.
- 4.8 Where any Order is ambiguous or inconsistent with any other Order, Phillip Futures shall be entitled to rely and act upon any Order in accordance with any interpretation thereof which any Officer, or any Person who has been engaged or appointed by Phillip Futures pursuant to Clause 3.3, believes in good faith to be the correct interpretation.
- 4.9 Phillip Futures shall send to the Customer a Confirmation within 14 Business Days or such shorter period as may be prescribed under Applicable Laws after its receipt of an Order. The Customer shall bear the sole responsibility of ensuring that an Order has been transmitted, received, processed and duly executed, and shall, without prejudice to the generality of the preceding, immediately notify Phillip Futures of any failure to receive an appropriate Confirmation that the Order has been received and executed.
- 4.10 Without prejudice to any of Phillip Futures' other rights under this Agreement, and in case of a dispute between the Customer and Phillip Futures over any Transaction, Phillip Futures is entitled, at its sole discretion and without notice, to close the position(s) relating to the Transaction if Phillip Futures believes in good faith such action to be desirable for the purpose of mitigating or limiting the potential loss or damages to either party involved in the dispute. Phillip Futures shall not, in such event, be responsible or obligated to the Customer for any losses arising from such aforementioned closure of Customer's position(s) and/or subsequent fluctuations in the price level of the erstwhile position(s). Where Phillip Futures closes the Customer's position(s), the closing shall be without prejudice to the Customer's rights to open new positions provided that such new positions are opened in accordance with the terms of this Agreement, including for Margins after accounting for Loss, if any, from such closing out.
- 4.11 The Customer acknowledges and agrees that while an Order is a binding offer from it to enter into a Transaction, prices quoted or given by Phillip Futures (whether on/via any Electronic Broking Facility, by telephone, 'live chat' or otherwise) do not constitute a contractual offer to enter into a Transaction at the prices quoted/given or at all.
- 4.12 Where an Order is executed through several Transactions at varying prices the Customer will be charged separate fees and commission for each individual Transaction.
- 4.13 If multiple Orders are placed or triggered, which in aggregate exceed Phillip Futures own position limits for the relevant Market, Phillip Futures may in its sole discretion take any of the following action: (a) refuse to execute all, some or any of the Orders; and/or (b) partially fill the Orders.
- 4.14 If any Order is accepted and executed in circumstances where under this Agreement the Customer would be in breach of this Agreement or by reference to any event described in Clause 15 below is an Order that Phillip Futures believes in good faith to be voidable or an Order that it would not have accepted if it had knowledge of the said event occurring, Phillip Futures may following its knowledge of the breach or relevant event treat the executed Order as void or close the open position at the price prevailing at the time it closes such open position. The Customer shall in any event be liable for all Losses from such closing out.

## **5 TRANSACTION LIMITS AND RESTRICTIONS**

- 5.1 Phillip Futures may, at any time in its sole and absolute discretion, impose upon the Customer 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 Orders to Phillip Futures or otherwise.
- 5.2 Phillip Futures 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 Phillip Futures.
- 5.3 The Customer acknowledges that the limits referred to in Clause 5.1 may also be set by a Relevant Body and that the limits set by Phillip Futures may exceed those set by the Relevant Body. In placing Orders with Phillip Futures, the Customer shall not exceed any position or Transaction limits, or breach any trading or Transaction restrictions whether imposed by Phillip Futures or any Relevant Body.

## **6 MARGIN REQUIREMENTS**

- 6.1 The Customer shall deposit, maintain in the Account and/or otherwise provide Phillip Futures with initial Margin in such amounts and at such times as Phillip Futures may in its sole and absolute discretion stipulate and without prejudice to the Customer's sole and proactive obligation in any event to be informed (on an updated basis) and to provide and/or maintain minimum margins with respect to the Customer's Transactions as may be prescribed under Applicable Laws and relevant Markets at which the Orders giving rise to the Transactions are executed and/or cleared.

The Customer acknowledges (a) that Phillip Futures does not and will not provide any advisory service to the Customer with respect to the Customer's trading or investing with respect to the Customer's Account(s); (b) the Customer is solely responsible for suitability determination with respect to any and all of the Customer's Transactions and therefore of ensuring whether trading or investment based on Margin provided (and therefore the risk of magnified exposure and liability as a result of the leverage provided by such margin) is appropriate and suitable for the Customer in light of the Customer's financial resources, objectives and other relevant circumstances.

Subject to applicable regulatory requirements (whether under Applicable Laws and/or the requirements of relevant Markets), the minimum and maximum amounts of any particular exposure or open position(s) available for the Customer to establish and/or maintain may be established by Phillip Futures at its discretion regardless of the amount of Margin delivered to Phillip Futures, and Phillip Futures may change such minimum and maximum amounts.

- 6.2 The Customer understands and agrees that Transactions are subject at all times to initial margin and maintenance margin requirements ("Margin Requirements") established by Phillip Futures may be (and likely will be) higher than the corresponding minimum requirements under Applicable Laws or applicable rules/directives/regulations/requirements of relevant correspondent brokers or applicable Market(s). The Customer shall monitor the Customer's Account(s) to ensure that it contains sufficient equity or collateral of the type(s) and quality eligible to be counted towards satisfaction of Margin Requirements at all times to meet the applicable Margin Requirements. The Customer therefore also acknowledges and agrees that Phillip Futures is not obligated to: (i) request additional securities/collateral/margin or other property for margin purposes in the event the Account(s) falls below minimum margin requirements; (ii) notify the Customer of any such deficiency; or (iii) allow the Customer time to deposit additional securities or other property. Any such request or notification made by Phillip Futures from time to time is understood and accepted by the Customer as an act on each occasion that is done out of goodwill on the part of Phillip Futures and does not constitute any precedent obliging Phillip Futures contrary to the Customers' acknowledged understanding and agreement pursuant to this Clause 6.2.

The Customer also acknowledges and agrees that Phillip Futures is entitled at its discretion to discount the market value of, reject and/or accept in whole or to any degree as it may determine to be appropriate securities/collateral/margin or other property offered and/or provided by the Customer towards satisfaction of Margin Requirements even where such securities/collateral/margin or other property qualify to be provided as margins for the purposes of Applicable Laws or the requirements of relevant Markets. Phillip Futures may modify such Margin Requirements for open and new positions at any time, in its sole and absolute discretion. Phillip Futures may reject any Order if the Customer does not have a sufficient account balance to meet Margin Requirements and may delay the processing of any Order while determining the correct margin status of the Customer's Account(s). The Customer shall maintain, without notice or demand from Phillip Futures, a sufficient account balance at all times in order to continuously meet the Margin Requirements.

The general formulas or examples provided for calculating Margin Requirements are only illustrative and may not accurately reflect the actual Requirements in effect at a particular time for the Customer's Account(s) but do and are intended to be understood and accepted by the Customer as articulating general principles of margin provision and maintenance that do apply to the Customer and the Customer's Account(s).

Should the Customer at any time fail to provide required Margin then Phillip Futures may (without prejudice to any other rights or powers under this Agreement) and without creating an obligation to do so, close out or liquidate without notice, any or all of the Customer's open positions with respect to Transactions executed.

The Customer acknowledges and agrees that the time for payment/provision of required minimum Margin (whether initial or maintenance Margin or by way of additional Margin notified by Phillip Futures as required of the Customer to be provided) is of the essence and if no other time is stipulated by Phillip Futures for the payment/provision of such Margin then the Customer is required to pay/provide such Margin within twenty-four (24) hours of the requirement for such Margin becoming due or, in times of extreme price volatility, immediately as it becomes due.

For the avoidance of doubt, the Customer's liability to (i) pay/provide initial Margin for any relevant Order accrues at the time the Order is given regardless of whether or when a Margin call is made or the Order executed; (ii) to pay/provide any other Margin accrues at the time the relevant minimum requirement for such Margin comes into existence or is (by reason of price fluctuations or Orders executed or otherwise) triggered by the factual circumstances from time to time regardless of whether or when a Margin call for such Margin is made.

- 6.3 Without prejudice or detracting from Clause 6.2 above and with regard to margin maintenance requirements, Phillip Futures, while not obliged to do so, typically issues a "Margin Call" (a request for the immediate deposit of additional collateral) if the equity in a Customer's relevant Account drops below the threshold mark to market value of the Customer's open positions as determined in good faith by Phillip Futures ("**Threshold Equity Level**"). In some situations such as (but not limited to) concentrated positions, low-priced stocks or volatile contracts, Phillip Futures may require substantially greater collateral than normal initial or maintenance requirements. Phillip Futures reserves the right to calculate the foregoing on an intra-day basis.

Margin calls, if made, may be issued in writing, via telephone, electronically, or by other means of communication and the Customer agrees to promptly satisfy all margin calls. In some situations, such as during volatile market conditions, Phillip Futures may not in any event immediately issue a margin call when a Customer's relevant Account equity falls below the threshold equity level.

Phillip Futures reserves the right to amend the threshold equity level without notice to the Customer. No Margin call relieves the Customer from the Customer's obligation to have proactively provided such Margin or is to imply any waiver or binding legal indulgence on the part of Phillip Futures in favour of the Customer.

Without prejudice to the Customer's sole responsibility to proactively provide or ensure the continuing provision of required Margin(s), the Customer is responsible in any event for acting immediately on any Margin calls, liquidation, buy-in or sell-out notices given orally or in writing. The Customer's failure to promptly deposit additional money or securities in response to a margin call, even if the equity level in the Customer's Margin Account may be in compliance with erstwhile Margin requirement(s), may result in the liquidation of part or all of the collateral in such Account as part of or as a consequence of the liquidation or close-out of open positions no longer supported by required margin amounts.

Although Phillip Futures will generally attempt to notify the Customer of a margin call and give the Customer an opportunity to deposit additional equity to maintain an affected open position(s), it is not obliged to do so and the Customer should not expect that Phillip Futures will do so as a precondition to the Customer being obliged to pay/provide additional Margin. Phillip Futures reserves the right to institute immediate discretionary liquidation and/or realization of any and all open positions of the Customer and margins/collateral provided without prior notice and without giving the Customer the opportunity to deposit additional equity. This sole and absolute discretion applies regardless of any historical pattern of delivering verbal/written notices, or of any current verbal/written representations by Phillip Futures that indicate a different dollar amount/liquidation time or suggest additional time based on due date or reasonableness required to furnish additional margins. This sole and absolute discretion to liquidate immediately applies regardless of time zone differentials, language interpretations or delays in wiring funds, and includes the sole and absolute discretion to choose which position to liquidate and in what order. It is and remains at all times the Customer's responsibility to monitor and liquidate positions to minimize the Customer's losses before Phillip Futures is forced in its discretion and good faith judgment to liquidate the Customer's open positions to protect the interests of Phillip Futures and/or its other Customers and/or the exchange on which the Customer's open positions is/are held.

Phillip Futures in any event reserves the right in its sole and absolute discretion to close out any positions for any Account that represents a negative liquidation value where it believes in good faith that this is appropriate for the protection of its interests.

- 6.4 The Customer also understands and agrees notwithstanding any margin call made by Phillip Futures, Phillip Futures may at any time exercise its rights to close out/liquidate as set out in Clause 6.3 and/or Clause 11 on and following the occurrence of any relevant event of Default (including the Customer's failure to proactively provide or ensure the continued provision/maintenance of minimum Margin requirement(s)).
- 6.5 The Customer also acknowledges and agrees that the Margin may be held and used to secure the performance of the Customer's obligations as well as for such other purposes as the Applicable Laws may permit or stipulate for the Transactions traded.
- 6.6 All Margin shall, in any event, be held by Phillip Futures, 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 Phillip Futures for any and all of the Customer's liabilities to Phillip Futures, whether contingent or actual, under this Agreement or otherwise, and Phillip Futures may realise any of the Margin of the Customer as provided for in this Agreement.
- 6.7 All Margin shall be in such form as Phillip Futures may stipulate and the value of any such Margin shall be determined by Phillip Futures in its sole and absolute discretion. To the maximum extent permitted by Applicable Laws, Phillip Futures shall be entitled to deposit, invest, loan, mortgage, charge, pledge, repledge, hypothecate or otherwise deal with any Margin in whatever form provided to Phillip Futures or any Relevant Body in such manner as may be permitted under the Applicable Laws, and shall not be under any obligation to account to the Customer for any interest, income or benefit that may be derived therefrom. No interest shall be paid on any type of Margin deposited by the Customer with Phillip Futures and the Customer acknowledges and consents that interest earned on the Margin deposited under this Agreement may be retained by Phillip Futures for its own account and benefit. Phillip Futures shall at no time be required to deliver to the Customer the identical property delivered to or purchased by Phillip Futures 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.
- 6.8 Without prejudice to the generality of Clause 6.7 or the contents of Phillip Futures' Regulation 27A of the Securities and Futures (Licensing and Conduct of Business) Regulations Disclosure notice to the Customer but subject always to compliance with the latter, the Customer hereby expressly agrees that Phillip Futures may deposit any Margin of the Customer which has not been title transferred to Phillip Futures in any of the following ways:
- (a) with such custodian as Phillip Futures may, in its sole and absolute discretion, appoint including, where such Margin is denominated in a foreign currency, a custodian outside Singapore, and on such terms as shall be notified to the Customer. Where such Margin is so deposited, Phillip Futures shall separately agree in writing the requirements specified in Regulation 32 of the Securities and Futures (Licensing and Conduct of Business) Regulations (if applicable) but otherwise the Customer acknowledges and accepts that different settlement, legal and regulatory requirements and different practices relating to the segregation of the Margin may apply. The Customer further agrees that Phillip Futures may co-mingle such Margin with the cash and properties of its other customers; and/or

- (b) with a Clearing House, a member of a futures exchange (whether overseas or otherwise) for such purposes as may be permitted under the Applicable Laws or the business rules and practices of the Clearing House or futures exchange (as the case may be).

Where Margin of the Customer is permitted by Applicable Laws to be and is provided to Phillip Futures by way of title transfer collateral or margin, the Customer is expressly notified and confirms understanding and accepting that in respect of such Margin, all rights, title and interest in and to it shall pass from the Customer to Phillip Futures by way of outright title transfer, free and clear of any liens, claims, charges or encumbrances or any other interest of the Customer or any other party. As such Phillip Futures shall have the right to deal with, lend, dispose of, pledge, charge or otherwise use the Margin as it deems fit. For the avoidance of doubt, any such cash or assets are not subject to the segregation or trust rules which apply to cash or assets of the Customer which was intended when passed to Phillip Futures to remain as cash and/or assets of the Customer but subject to a lien or other security interest only in favour of Phillip Futures, including but not limited to what, for convenience, may crudely be referred to respectively as the "Client Money Rules" and the "Client Asset Rules" (respectively Divisions 2 and 3 of Part III of the Securities and Futures (Licensing and Conduct of Business Regulations) – the "Business SFR" read with Part IV Division 2 of the SFA, and more specifically section 104 of the SFA).

Where Margin is provided on a title transfer basis, Phillip Futures shall be obliged to redeliver equivalent collateral to the Customer's account on satisfaction by the Customer of all his/her obligations to Phillip Futures. The Customer also acknowledge and agree that notwithstanding any contrary provision agreed between the parties that in the event of the Customer's insolvency, Phillip Futures have the right at its option to convert any obligation it may otherwise have to return the Customer's non-cash assets provided as Margin into an obligation instead to pay the aggregate market value for the same, and to subject such converted payment obligation to Phillip Futures' general right of set-off (in addition to any other rights of set-off and/or consolidation of accounts or obligations it may have at law or in contract).

- 6.9 The Customer shall at its own cost and at Phillip Futures' 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 Phillip Futures may require for the purposes of this Agreement, including but not limited to perfecting Phillip Futures' rights to the Margin provided by the Customer.
- 6.10 For so long as the Customer owes moneys or obligations (of whatsoever nature and howsoever arising) to Phillip Futures, the Customer shall only withdraw Margin from Phillip Futures with Phillip Futures' consent. Phillip Futures may at any time withhold any Margin of the Customer pending full settlement of all such moneys or obligations of the Customer.
- 6.11 In addition and without prejudice to any right which Phillip Futures may have under law or otherwise, Phillip Futures may in its sole and absolute discretion at any time and from time to time without notice to the Customer apply and/or set-off any Margin standing to the credit of the Customer (whether on any Account held with Phillip Futures or the Associates, or otherwise) against all moneys and/or other liabilities of the Customer due, owing or incurred on any Account, whether held with Phillip Futures or the Associates, or otherwise, in any manner and whether actual or contingent, joint or several.
- 6.12 The Customer hereby authorizes each of the Associates to act on any instructions as may be issued by Phillip Futures at any time and from time to time to withhold payment, or to deliver, transfer, withdraw or otherwise dispose of any Margin held by them for the Customer. Each Associate is under no duty to enquire about the purpose or propriety of Phillip Futures' instructions given pursuant to this Clause. The Customer also agrees to ratify all instructions given by Phillip Futures under this Clause, and to waive any claims it may have against any of the Associates resulting from their compliance with this Clause. The Customer also agrees that for the purposes of Phillip Futures exercising its rights under this Clause that it may request on the Margin posed by a Customer with any Associate and the Associate shall be allowed to comply with such request as if the Customer had directed the Associate and consented to the Associate's compliance with such request.

## **7 FOREIGN CURRENCY TRANSACTIONS**

- 7.1 If the Customer directs Phillip Futures to enter into a Transaction and such Transaction is effected in a foreign Currency:
- (a) any profit or Loss resulting from exchange rate fluctuations of such Currency will be at the Customer's sole risk; and
  - (b) all initial and subsequent deposits for Margin purposes shall, unless Phillip Futures otherwise stipulates, be made in such foreign Currency or in eligible margin instruments denominated and realizable by default in such foreign Currency (the "Relevant Currency") and in such amounts as Phillip Futures may, in its sole and absolute discretion require.
- 7.2 Phillip Futures may (and therefore is not obliged to), at any time in its sole and absolute discretion, convert any amounts in any Account(s) of the Customer's denominated in a Currency other than a Relevant Currency or otherwise standing to the credit of the Customer to any Relevant Currency for the purposes of carrying out Orders of the Customer for Transactions in the Relevant Currency/Currencies or exercising Phillip Futures' rights under these terms and conditions or under any Account. Exchange rate losses and the costs of conversion shall be borne by the Customer. For avoidance of doubt and good order, the Customer also therefore acknowledges and agrees that any amounts in any Account(s) of the Customer's denominated in a Currency other than a Relevant Currency or otherwise standing to the credit of the Customer are not, unless Phillip Futures actually exercises its discretion of currency conversion and application as margin in any Relevant Currency, taken into account in calculation of the margin provided or to be provided by the Customer for the Customer's Orders and Transactions in any Relevant Currency.
- 7.3 Phillip Futures reserves the right, but is not obliged, to convert without prior notice to the Customer cash or credit balance in favour of the Customer denominated in any currency other than a Relevant Currency deposited by the Customer, in order to avoid the incurrence of further interest charges arising from a deficit of the Customer's payment obligation in such Relevant Currency. The Customer also agrees Phillip Futures shall have no liability whatsoever in the event that Phillip Futures exercises its sole and absolute discretion not to perform such aforementioned currency conversion.

## **8 LIQUIDATION INSTRUCTIONS**

- 8.1 The Customer shall for any open position of any Transaction which involves physical settlement:
- (a) give Phillip Futures instructions to liquidate such open position; or
  - (b) provide Phillip Futures with sufficient funds in respect of the Account to which such open position relates, and with the necessary delivery documents to take delivery of the underlying subject matter of the Futures Contract, not later than 5 Business Days prior to the first notice day for long positions, and not later than 5 Business Days prior to the last trading day for short positions.
- 8.2 If the Customer fails to comply with Clause 8.1, Phillip Futures may:
- (a) liquidate such open position;
  - (b) make or receive delivery of the underlying subject matter of the Futures Contract on the Customer's behalf upon such terms and by such methods which Phillip Futures deems fit; and/or
  - (c) take any of the actions described in Clause 11.2.
- 8.3 If the Customer fails to deliver to Phillip Futures by the stipulated delivery date any commodity which the Customer has instructed Phillip Futures to sell, Phillip Futures shall, in its sole and absolute discretion, without giving notice to the Customer, borrow any commodity necessary to make such delivery on the Customer's behalf, and the Customer shall indemnify Phillip Futures against any Loss which Phillip Futures may sustain in effecting the delivery and shall indemnify Phillip Futures for such Loss upon Phillip Futures' demand.

## **9 FEES AND PAYMENTS**

- 9.1 The Customer shall promptly pay all of Phillip Futures' fees and/or other charges at such rates and in such manner as Phillip Futures may in its sole and absolute discretion impose and stipulate from time to time with respect to the execution, performance and/or settlement of any Transaction or otherwise for the maintenance of any Account(s) or the provision of any service or facility to the Customer in connection with any Account(s).

- 9.2 The Customer shall make payment to Phillip Futures' order promptly of any outstanding sum on the due date of the relevant Transaction, or upon demand by Phillip Futures as provided for in this Agreement.
- 9.3 Phillip Futures shall be entitled to charge interest on any sum or payment due to Phillip Futures from the Customer at such rate and calculated and/or compounded in such manner as Phillip Futures may, in its sole and absolute discretion, impose and determine from time to time and to debit any Account(s) in respect of the interest due. Where the Customer enters into Transactions in a foreign Currency, the Customer is reminded of the provisions in Clause 7 above and specifically that funds the Customer deposits as margin in the Relevant Currency do not automatically go towards meeting the Margin Requirements of the foreign Currency positions unless expressly and specifically so deposited and hence the Customer may therefore be charged interest on any deficit in the foreign currency open position(s) notwithstanding that the Customer may have an overall positive net equity in the Account.
- 9.4 All payments to Phillip Futures shall be in the Currency in which they are due (unless otherwise notified by Phillip Futures), in free and clear funds and free of deductions or withholdings. If the Customer is obliged by law to make such deduction, the Customer shall pay to Phillip Futures such greater amount which after deduction shall ensure that the net amount actually received by Phillip Futures will equal the amount which would have been received by Phillip Futures had no such deduction been required.
- 9.5 Any taxes, duties, disbursements, costs and/or other expenses incurred by Phillip Futures in connection with the Account(s) or otherwise in connection with the Customer shall be reimbursed by the Customer.
- 9.6 All interest, fees, commissions and other charges of Phillip Futures are exclusive of any goods and services tax or any other applicable sales tax which shall be borne by and separately charged to the Customer.
- 9.7 Unless Phillip Futures otherwise agrees with the Customer, each obligation of Phillip Futures to make any payment to the Customer under this Agreement is subject to the condition precedent that there is no Default subsisting.
- 9.8 If for any reason Phillip Futures cannot effect payment or repayment to the Customer in a particular Currency in which payment or repayment is due, Phillip Futures may effect payment or repayment in the equivalent of any other Currency selected by Phillip Futures based on the rate of exchange quoted by Phillip Futures in respect of the relevant Currencies at the time the payment or repayment is due.

## **10 JOINT ACCOUNTS**

- 10.1 If an Account is opened or maintained in the name of more than one Person or a partnership:
- (a) the term "Customer" shall refer to each Person or partner jointly and severally, and the liability of each such Person or partner to Phillip Futures shall be joint and several; and
  - (b) Phillip Futures shall be entitled to debit that Account at any time in respect of any sum howsoever due or owed to Phillip Futures by any of the Persons in whose name the Account is opened or maintained or constituting the Customer.
- No Person constituting the Customer shall be discharged, nor shall his liability be affected by, any discharge, release, time, indulgence, concession, waiver or consent given at any time in relation to any one or more of the other such Persons constituting the Customer.
- 10.2 Unless otherwise agreed by Phillip Futures, the Orders of any one Person constituting the Customer shall be deemed to be the Orders of all the Persons constituting the Customer and any notice or communication addressed and sent by Phillip Futures to any one Person constituting the Customer shall be deemed to have been addressed and sent to all the Persons constituting the Customer and where any such Person shall have received or is deemed to have received any such notice or communication, all the Persons constituting the Customer shall be deemed to have received the same.
- 10.3 The doctrine of survivorship shall apply to any Account opened in the joint names of more than one Person or in the name of a partnership. Accordingly, in the event of the death of such Person or any partner constituting the Customer, the Account shall immediately vest in the surviving Person(s) or partner(s) (as the case may be).

## **11 DEFAULT**

- 11.1 A "Default" shall be deemed to occur if:
- (a) the Customer fails to fulfill in full his/its payment obligations due to Phillip Futures;
  - (b) the Customer fails to comply with any of his/its obligations hereunder or under any Account or Transaction;
  - (c) the Customer is an individual, the death or incapacity of such Customer;
  - (d) the Customer makes any voluntary arrangement with its creditors or becomes subject to an administration order;
  - (e) the Customer is the subject of a petition presented, an order made, or a resolution passed, to wind up the Customer, to place the Customer in bankruptcy or in judicial management, or to take any similar or analogous action in respect of the Customer;
  - (f) Phillip Futures is of the opinion that the financial condition of the Customer or of any Person guaranteeing the Account(s) of the Customer has materially or adversely changed since the date of this Agreement or the date on which the Account(s) was opened, whichever is earlier;
  - (g) any claim, action or proceeding of any nature is commenced against the Customer, or steps are taken by any Person to enforce any security against the Customer;
  - (h) any representation, warranty and/or undertaking made by the Customer, is or subsequently becomes incorrect, false or misleading in any material aspect;
  - (i) Phillip Futures has, for more than 2 consecutive Business Days, been unable to establish direct contact with the Customer or any of its designated representatives; or
  - (j) Phillip Futures forms the view, in good faith, that it should take action in order to preserve its rights or interests with respect to any Account, Order, Transaction or its contractual relationship with the Customer.
- 11.2 Without prejudice to any other right of Phillip Futures hereunder or otherwise at law, in the event of Default, Phillip Futures may (but is not obliged to) immediately or at any time thereafter, do any one or more of the following:
- (a) suspend (indefinitely or otherwise) or terminate any Account belonging to the Customer, or Phillip Futures' relationship with the Customer and accelerate any and all liabilities of the Customer to Phillip Futures so that they shall become immediately due and payable;
  - (b) hedge and/or close-out all or any outstanding Transaction (including any Transaction which has yet to be settled on the date on which Phillip Futures terminates such Transaction) or position by determining its value as of the date of the close-out as soon as practicable after the close-out;
  - (c) cancel any of the Customer's outstanding Order(s);
  - (d) liquidate the Margin or part thereof at a price which Phillip Futures deems appropriate in the circumstances;
  - (e) satisfy any of the Customer's obligations due to it (either directly or by way of guarantee or suretyship) from any Margin;
  - (f) sell any or all of the Securities, Futures Contracts and/or the underlying subject matter of the Futures Contracts long in the Account(s) and/or buy any or all Securities, Futures Contracts and/or the underlying subject matter of the Futures Contracts which may be short in the Account(s) on the Market in any manner and at any time;



- (g) apply any amounts of whatsoever nature standing to the credit of the Customer against any amounts which the Customer owes to Phillip Futures (of whatsoever nature and howsoever arising, including any contingent amounts), or generally to exercise Phillip Futures' right of set-off against the Customer;
  - (h) call upon any security including but not limited to any guarantees and letters of credit which may have been issued to or in favour of Phillip Futures as security for the Accounts;
  - (i) demand any shortfall after (e), (g) and/or (h) above from the Customer, hold any excess pending full settlement of any other obligations of the Customer, or pay any excess to the Customer by way of cheque to the last known address of the Customer; and/or
  - (j) exercise such other authority and powers that may have been conferred upon Phillip Futures by this Agreement, including the right to call upon, sell, dispose or realize any of the security.
- 11.3 Without prejudice to the foregoing, Phillip Futures or the Customer may terminate any Account belonging to the Customer, the provision of any service or facility under any Account by Phillip Futures to the Customer, or this Agreement by giving 5 Business Days' prior notice in writing to the other party. Prior to the date of the termination of any Account, the Customer shall instruct Phillip Futures as to the proper disposal or transfer of money and other properties of the Customer. If the Customer fails to do so, Phillip Futures may exercise any of its rights under Clause 11.2 above as if Default had occurred.

## **12 POWER OF ATTORNEY**

- 12.1 The Customer hereby irrevocably appoints Phillip Futures through any of Phillip Futures' directors or Officers as the attorney of the Customer for the purposes of this Agreement and with the power to sign and execute all documents and perform all acts in the name and on behalf of the Customer in connection with this Agreement or any Account.

## **13 GENERAL INDEMNITY**

- 13.1 In addition and without prejudice to any other right or remedy of Phillip Futures (at law or otherwise) the Customer shall indemnify and hold Phillip Futures harmless from and against any and all Loss, damages, costs and/or expenses suffered or incurred, or which may be suffered or incurred by Phillip Futures as a result of or in connection with:
- (a) any failure by the Customer to comply with the terms of this Agreement (including with respect to DMA Services any relevant DMA Procedures) or the Application Form, or to fully and punctually perform any of its obligations hereunder or in respect of any Order and/or Transaction;
  - (b) Phillip Futures acting or omitting to act in accordance with the Customer's Orders (or any communication given or purportedly given by any person authorised to act in relation thereto), or taking any action, exercising any right, power and discretion, performing any of its duties and obligation or otherwise acting in any manner permitted under this Agreement or the Application Form including where so acting or omitting to act results in any claim by or liability to any third party;
  - (c) any of the Customer's representations, warranties, agreements and undertakings in this Agreement or the Application Form being untrue, incorrect, incomplete or misleading in any material respect;
  - (d) any actions, claims, demands or proceedings brought by third parties (including Relevant Bodies) against Phillip Futures further to Phillip Futures acting in accordance with the Customer's Orders or otherwise in the exercise of its powers under this Agreement or the Application Form;
  - (e) the Customer's act and/or omission resulting in Phillip Futures being subject to any claim of liability to any third party rights including for violation of any proprietary or intellectual property rights, or the enforcement of any of the terms and conditions of this Agreement or the Application Form;
  - (f) any change in any Applicable Laws, Rules and/or Regulations;
  - (g) any act or thing done or caused to be done by the Customer in connection with or referable to this Agreement; and/or
  - (h) any act or thing done or caused to be done by Phillip Futures in connection with or referable to this Agreement or any Account.
- 13.2 The Customer's obligation to indemnify Phillip Futures under this Clause shall survive the termination of this Agreement, closure of any Account or termination or cessation of any service.

## **14 GENERAL EXCLUSION**

- 14.1 In addition and without prejudice to any other right or remedy which Phillip Futures may have (under this Agreement, at law or otherwise), in the absence of fraud or wilful default on the part of Phillip Futures, it shall not be liable to the Customer in any respect of any Loss suffered by the Customer.
- 14.2 Phillip Futures shall not be liable to the Customer for any and all Loss incurred by the Customer as a result of the suspension of trading and/or change in trading conditions affecting the Market.
- 14.3 Phillip Futures shall not be liable to the Customer for any and all Loss incurred by the Customer 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 on behalf of Phillip Futures.
- 14.4 For the avoidance of doubt and without prejudice to the generality of the foregoing, Phillip Futures shall not in any event be liable to the Customer for any indirect or consequential loss, or for punitive damages.

## **15 FORCE MAJEURE AND EVENTS OUTSIDE PHILLIP FUTURES' CONTROL**

- 15.1 Phillip Futures shall not be liable to the Customer for any loss, costs or delay caused by events beyond Phillip Futures' control, including without limitation, fire, earthquake, flood, lightning, riots, strikes, lockouts, government action, war, industrial action, act of terrorism, telecommunications disruption, computer failure (whether or not as a result of any failure arising from inability to process or use dates falling on or after 1 January 2000 or otherwise) or failure or similar or other events or events commonly known as "force majeure".
- 15.2 Phillip Futures may determine that a situation or an exceptional market condition exists which constitutes an Event Outside Its Control and/or a Market Disruption Event.
- If Phillip Futures determines that an Event Outside Its Control or Market Disruption Event has occurred, it may take any of the steps referred to in Clause 15.3 with immediate effect. Phillip Futures will take reasonable steps to notify the Customer of any action it proposes to take before it takes any action to the extent practicable. If it is not practicable to give the Customer prior notice, Phillip Futures will notify the Customer at the time or promptly after taking any such action.
- 15.3 If Phillip Futures determines that an Event outside Its Control and/or a Market Disruption Event has occurred, Phillip Futures may take one or more of the following steps:
- (a) cease or suspend trading, and/or refuse to enter into any Transaction or accept any Orders;
  - (b) alter our normal trading times for all or any Markets;
  - (c) change the price for Orders and Transactions and/or minimum or maximum quantity;
  - (d) close any open positions, cancel and/or fill any Orders, and/or make adjustments to the price and/ or quantity of any open positions and Orders;
  - (e) change the margin requirements in relation to both open positions and new Transactions;

- (f) change the margin close out/liquidation level applicable to any Account;
  - (g) immediately require payments of any amounts owed to Phillip Futures, including margin requirements;
  - (h) void or roll over any open positions; and/or
  - (i) take or omit to take all such other actions as Phillip Futures considers to be reasonable in the circumstances to protect itself and its customers as a whole.
- 15.4 In some cases Phillip Futures may be unable, after using reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any hedge or protect its exposure to market and other risks arising from an open position. When this occurs Phillip Futures may close that open position at the prevailing price as determined by Phillip Futures.
- 15.5 Phillip Futures will not be liable to the Customer for any loss or damage arising or referable to any of the Events Beyond Its Control or any event Force Majeure nor for any action or decision it takes under this Clause 15, provided Phillip Futures acted in good faith.

## **16 COMMUNICATIONS**

- 16.1 Communications may be transmitted or sent by Phillip Futures to the Customer by telephone, electronic mail, electronic messaging (including but not limited to SMS, Whatsapp and/or such other modes of electronic communication), facsimile, telex, or to any mailing address of the Customer at such number(s) or address(es) last known to Phillip Futures. Any such communications shall be deemed received by the Customer (in the case of electronic mail, electronic messaging, facsimile or telex communications) immediately upon transmission by Phillip Futures, or (in the case of posted communications) one Business Day after the communication was dispatched by Phillip Futures (in the case of a Customer who has a Singapore residential address) or 7 Business Days after the communication was dispatched by Phillip Futures (in the case of a Customer who has a non-Singapore residential address).
- 16.2 The risk of loss of or damage to, and the costs of delivery of, any articles or items sent to the Customer shall be borne by the Customer.
- 16.3 Any communications from the Customer to Phillip Futures, whether they be instructions relating to any of the Accounts or otherwise, shall be given in accordance with Phillip Futures' general operating procedures. Where the Customer makes use of the Electronic Broking Facilities, the Customer shall be deemed to have notice of and be bound by all notices and communications as may be given by Phillip Futures from time to time and accessible by the Customer via the Electronic Broking Facilities effectively as from the time when the same may be so accessed by the Customer.
- 16.4 The Customer shall indemnify and hold harmless Phillip Futures from any losses and/or liabilities arising from Customer's instruction(s) and/or order(s) made through such aforementioned modes of Communications.
- 16.5 The Customer understands and accepts all risks associated with communications via electronic mediums, which includes without limitation any failure and/or delay by the Customer to receive any communication from Phillip Futures, and/or vice versa, due to mechanical, software, computer, telecommunications and/or any other electronic systems failure. The Customer agrees that such aforementioned failure and/or delay of transmission of communication shall not in any manner invalidate or prejudice such communication it relates to. Phillip Futures shall not be liable to the Customer for any loss or damage arising from such aforementioned failure and/or delay of transmission of communication. The Customer further accepts the risk that any electronic communications sent by Phillip Futures to the Customer may not be encrypted and/or secure.

## **17 STATEMENTS, CONFIRMATIONS AND ADVICE**

- 17.1 The Customer shall verify all statements, Confirmations and advice sent/deemed sent and received by Phillip Futures to the Customer. If no objection is raised in writing within 5 Business Days of the Customer's receipt or deemed receipt of such statement, Confirmation and/or advice, such statement, Confirmation or advice shall, except for manifest or clerical errors, be deemed conclusive and binding against the Customer. Any objection raised by the Customer shall be accompanied by satisfactory evidence supporting the alleged inaccuracy and shall be directed to Phillip Futures in accordance with Clause 16.3. However, Phillip Futures may at any time rectify any error on any statement, Confirmation or advice which has been proved to its satisfaction.
- 17.2 The Customer shall immediately notify Phillip Futures if a statement, Confirmation or advice is not actually received or accessible by the Customer if sent electronically as consented to by the Customer within the time ordinarily expected to be so received or accessible in the ordinary course of business.

## **18 CUSTOMER'S REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 18.1 The Customer hereby warrants and represents to Phillip Futures as follows:
- (a) in the case of the Customer being a natural person:
    - (i) that he has full capacity and authority to accept and agree to this Agreement, to open and maintain all Account(s) from time to time established with Phillip Futures, and to give Phillip Futures Orders; and
    - (ii) that except as disclosed to Phillip Futures in writing prior to or on the date hereof, the Customer is not:
      - (aa) a partner, officer, director, owner of more than 10 percent of the equity interest, correspondent, agent or Person associated therewith, associated person or employee of a futures broker, nor a relative of a spouse of any of the foregoing persons who shares the same home as any of the foregoing persons; or
      - (bb) an employee of any Market, any member or firm registered on any Market, any bank, any trust company, any insurance company, or any corporation, firm or individual engaged in the business of dealing in securities, bills of exchange, acceptances or other forms of commercial paper or the underlying subject matter of any Futures Contract, or of any corporation a majority of its share capital of which is owned by a Market;
  - (b) in the case of the Customer being joint account holders or a partnership:
    - (i) that each of the partners or the joint account holders of the Account is not under any legal disability and the provisions of this Agreement are enforceable against all of them in accordance with its terms;
    - (ii) that it has all authorisations, consents, licences or approvals (whether under Applicable Laws or otherwise) required to accept and agree to this Agreement, to open and maintain all Account(s) from time to time established with Phillip Futures, and to give Phillip Futures Orders; and
    - (iii) that where not prohibited by any Applicable Law, each joint account holder's properties (whether held jointly or in such joint account holder's sole name and/or control) shall be available as security in favour of Phillip Futures for the Customer's liability hereunder;
  - (c) in the case of the Customer being a body corporate:
    - (i) that it is a corporation duly organised and validly existing under the laws of the country of its incorporation and is a legal entity capable of suing or being sued and that the provisions of this Agreement are enforceable against the Customer in accordance with its terms;
    - (ii) that it has all authorisations, consents, licences or approvals (whether under the Applicable Laws or otherwise) required to accept and agree to this Agreement, to open and maintain all Account(s) from time to time established with Phillip Futures, and to give Phillip Futures Orders;
    - (iii) that the certified true copies of the Customer's certificate of incorporation or registration, charter, statute, memorandum and articles or other instrument constituting or defining its constitution, and the board resolutions of the Customer delivered to Phillip Futures are true and accurate and still in force; and

- (iv) that to the best of the knowledge of the Customer, no steps have been taken or are being taken to appoint a receiver and/or manager or liquidator over, or to wind up the Customer, and that it will immediately notify Phillip Futures of any possible intent on the part of the Customer and/or any of its creditors to wind-up the Customer.

18.2 Without prejudice to Clause 18.1, the Customer further represents, warrants, undertakes and/or agrees that:

- (a) all the information in this Agreement provided by it is true, correct and complete as of the date of this Agreement and the Customer will notify Phillip Futures immediately of any changes in such information, particulars, circumstances or status of the Customer including any change in citizenship, residence, tax residency, status (including without limitation status as Non Politically Exposed Person ("Non PEP")), address(es) on record, telephone and facsimile numbers and email addresses and where applicable, constitution of the Customer, its shareholders, partners, directors, company secretary or nature of business. The Customer shall indemnify and hold harmless Phillip Futures for any liabilities, costs and/or losses arising from such Customer's inaction/failure to promptly notify Phillip Futures of the immediately foregoing changes. The Customer agrees to provide any relevant supporting documents as Phillip Futures may request for verification and if the Customer fails to comply with this request, Phillip Futures shall be entitled to take such action or refuse to take any action as Phillip Futures may see fit (including suspending or closing the Account) and Phillip Futures shall not be responsible for any resulting Loss to the Customer;
- (b) it will at all times maintain complete and exclusive control of the Account, including giving complete instructions with respect to any Transaction on the Account(s), and that it will keep itself fully informed of all Transactions and other activities in the Account(s);
- (c) it is familiar with, understands, will keep itself updated on and comply with all Applicable Laws, Rules and Regulations, and that in any event it is separately advised on such matters and does not and will not rely on Phillip Futures in relation to these matters;
- (d) any Orders placed or any other dealings in the Account is solely and exclusively based on its own judgment, and after its own independent appraisal of and investigation into the risks associated with such Orders or dealings;
- (e) the properties provided to Phillip Futures hereunder, whether as Margin or otherwise, is and will be free of any encumbrance or lien;
- (f) Phillip Futures has no duty or obligation to inquire into the purpose or propriety of any Order and shall be under no obligation to see to the application of any funds delivered by the Customer in respect of any Account;
- (g) any person(s) empowered to act on the Customer's behalf has been duly authorized;
- (h) the Customer is not bankrupt or financially insolvent and no order, declaration or steps are being or have been taken to appoint a trustee in bankruptcy, receiver, receiver and manager, judicial manager, liquidator, administrator or other similar person over the Customer or the Customer's property or assets;
- (i) the Customer is acting as the principal of the Account and, unless notified to Phillip Futures in writing, the Customer will not be acting as agent, trustee or nominee for any other person or entity and shall be the full legal and beneficial owner of all funds and property in or in respect of the Account. On such notification, Phillip Futures shall require reasonable verification of the identity of the principal, confirmation that the Customer is authorized to act as agent for the principal and such other information that Phillip Futures may require;
- (j) the Customer shall ensure that it shall at all times be in a position to meet its commitments and obligations in respect of any Transaction;
- (k) no confiscation order, charging order, restraint order, production order or search warrant under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Chapter 65A of Singapore) has been issued or is pending against the Customer. The Customer shall notify Phillip Futures promptly if any such order or search warrant is issued or pending;
- (l) the Customer's name does not and has not at any time appeared on the list of Specially Designated Nationals and Blocked Persons maintained by the United States Office of Foreign Assets Control or on any lists or resolutions issued by the United Nations (whether through the Security Council or otherwise) pursuant to which dealings with persons specified therein are prohibited, restricted or discouraged;
- (m) except with the express written consent of Phillip Futures, and except for any security or encumbrance created hereunder or otherwise in favour of Phillip Futures, the Customer shall not grant and no person has or shall have any right, title or interest in or security or other encumbrance over any Account and/or over any cash or property in any Account;
- (n) any funds and/or assets placed now or subsequently provided by the Customer from time to time with Phillip Futures will at all times comply with all Applicable Laws, including all tax laws and regulations;
- (o) its usage of any Transaction, Account or service under this Agreement will not breach any Applicable Laws;
- (p) the declarations made and information provided by the Customer and any information provided from time to time to Phillip Futures are true, accurate, complete and not misleading in any respect and the Customer has not withheld any information that would cause Phillip Futures to refuse to open or maintain any Account, to effect any Transaction or to provide any service to the Customer. Phillip Futures is entitled to rely fully on such information and representations unless and until Phillip Futures receives notice of any such change from the Customer. If the Customer becomes aware that any information provided, representation, warranty and/or declaration made by the Customer in connection with this Agreement and/or Account subsequently becomes false or misleading, the Customer shall immediately notify Phillip Futures of such change;
- (q) the Customer has received, read, understood, acknowledged and accepted the terms of the relevant risk disclosure statements, that the risk disclosure statements are not substitutes for taking independent advice, and that no transaction will be entered into in reliance on any statement, advice or information by Phillip Futures; and
- (r) the Customer shall use any services or facilities provided by Phillip Futures in connection with the Account in good faith. The Customer shall not use any device, software, algorithm, trading strategy and/or engage in any arbitrage practices (including without limitation price or time manipulation) that manipulates such services or facilities and/or takes an unfair advantage over Phillip Futures.

18.3 The above representations and undertakings shall be deemed repeated whenever the Customer gives Orders to Phillip Futures, or whenever the Customer establishes a new Account with Phillip Futures.

18.4 The Customer hereby understands, and specifically acknowledges and agrees as a capital markets services licence holder, Phillip Futures is required to apply anti-money laundering and countering the financing of terrorism measures as well as any and all offences designated as designated offences under corresponding Applicable laws including tax offences designated as predicate offences for which such measures need to be implemented. The Customer also acknowledges and agrees that Phillip Futures may be required (either legally or as a prudential measure for the legitimate protection of its commercial interests) to comply with requests from domestic and international tax authorities pursuant to any tax laws (including with extra-territorial application that may not be recognized under Singapore laws), regulations, orders or agreement by or between governments relating to tax and agrees and consents to Phillip Futures acting as so required with respect to the Customer (including with respect to the Customer's Personal Data). The Customer further acknowledges and agrees that it (and not Phillip Futures) is the only party fully in possession of all relevant facts to determine its tax residency and/or tax liabilities and as such and to enable Phillip Futures to comply with the requirements summarized earlier, the Customer specifically declares by way of representing, warranting and undertaking in favour of Phillip Futures:

- (a) it is tax resident and/or if it is a corporation it has a permanent establishment for tax purposes, only in the country or countries indicated in its submitted Application Form;
- (b) it is solely responsible for its own tax affairs and ensure that its Account(s) maintained with Phillip Futures is in each case in compliance with the tax laws of the relevant jurisdiction(s) which its permanent establishment (if applicable) is subject to, or it is tax resident of;
- (c) it has not wilfully committed nor has it been convicted of any serious tax crimes and when it is necessary it has taken, or will take tax and/or legal advice in relation to the matters referred in this declaration. It further acknowledges that Phillip Futures does not provide any tax advice to it;
- (d) forthwith upon Phillip Futures' request, it will provide Phillip Futures with all required documentation or information, including but not limited to (as applicable) the date of incorporation, countries of incorporation, countries of tax residency and associated taxpayer identification numbers, that may be required to enable Phillip Futures for purposes of making inquiries on its tax status;

- (e) it agrees and consents to Phillip Futures collecting, storing, using and disclosing any and all such information in accordance to the terms of this Agreement;
- (f) it acknowledges that Phillip Futures may take whatever action Phillip Futures considers appropriate to meet any obligations, either in Singapore or elsewhere in the world, relating to the prevention of tax evasion. This may include, but is not limited to, investigating the Customer's account(s) maintained with Phillip Futures and any source of or intended recipient of funds relating to its, the Customer's account(s), sharing information and documents with, and making any reports to comply with any requests of, domestic and international tax authorities, and withholding any funds and transferring it to such tax authorities;
- (g) it will notify Phillip Futures immediately if there is any change to the circumstances declared above; and
- (h) it acknowledges and agrees that Phillip Futures materially relies on its declarations above when considering whether to accept its Account application or to continue to provide services to it.

## **19 OPINIONS, REPORTS, SUMMARIES, ANALYSES AND INFORMATION BY PHILLIP FUTURES DISCLAIMER**

- 19.1 Other than reports or statements of fact, any opinions, reports, summaries, analyses or other information, of whatsoever nature and howsoever supplied to the Customer by or on behalf of Phillip Futures, are merely expressions of Phillip Futures' general views or opinions intended for no more than general circulation and information. Although Phillip Futures will take reasonable care to ensure that no such opinion, report, summary, analysis or other information is untrue or misleading at the time of production thereof:
- (a) no guarantee is given by Phillip Futures as to its accuracy or completeness;
  - (b) as such opinions, reports, summaries, analyses or other information may not be prepared with individual Customers or classes of Customers in mind, they are to be treated as general views and opinions only and are not suitable for use by individual Customers or classes of Customers without independent verification; and
  - (c) each such view or opinion is subject to change without notice.
- 19.2 The Customer acknowledges that while such opinions, reports, summaries, analyses or other information may be supplied to it by or on behalf of Phillip Futures, Phillip Futures provides to the Customer execution only services and on the basis that the Customer remains and the Customer accepts remaining solely responsible and liable for its own decision on the relevant matter. The Customer further agrees that Phillip Futures or its representatives shall not be responsible for any Loss that may be incurred by the Customer in reliance of any such opinion, report, summary, analysis or other information so provided by Phillip Futures or its representatives.
- 19.3 For the avoidance of doubt, unless otherwise agreed by Phillip Futures in writing, Phillip Futures does not and is not willing to assume any advisory, fiduciary or similar duties to the Customer. Phillip Futures assumes, and relies on the assumption that the Customer has taken independent legal, tax, financial and other advice in relation to any Account or Transaction between Phillip Futures and the Customer.

## **20 PERSONAL DATA PROTECTION**

- 20.1 Phillip Futures is subject to the PDPA in Singapore. Phillip Futures is therefore committed to protecting and maintaining the security of any Customer Personal Data consistently with its privacy policy as set out in this Clause 20 ("Privacy Policy"). If the Privacy Policy changes, this will be updated by way of relevant update(s) and posted on-line on Phillip Futures website.

Phillip Futures may collect, use, disclose, transfer and/or process the Customer's Personal Data for one or more of the following purposes:

- (a) considering and/or processing the Customer's application for an Account with Phillip Futures;
- (b) opening, facilitating, processing, dealing with, administering, managing and/or maintaining the Customer's Account with Phillip Futures, including but not limited to updating the Customer's Personal Data (and where the Customer is a corporation, including the Personal Data of any authorised persons of the Customer) executing the Customer's instructions with respect to any Transactions, processing the Customer's Orders, processing payments made to and from the Customer's Account;
- (c) carrying out the Customer's Orders or responding to any enquiry given by (or purported to be given by) the Customer or on the Customer's behalf;
- (d) contacting the Customer or communicating with the Customer via phone/voice call, text message and/or fax message, email and/or postal mail for the purposes of facilitating, processing, dealing with, administering and/or managing the Customer's Account with Phillip Futures such as but not limited to sending the Customer Daily Trading Statement(s), Monthly Trading Statement(s) and/or Trade Confirmations/Summary Files and confirmation notices with respect to updating the Customer's Personal Data (and where the Customer is a corporation, including the Personal Data of any authorised persons of the Customer). The Customer acknowledges and agrees that such communication by Phillip Futures could be by way of the mailing of correspondence, documents or notices to the Customer, which could involve disclosure of certain Personal Data about the Customer to bring about delivery of the same as well as on the external cover of envelopes/mail packages;
- (e) dealing in any matters relating to the services and/or facilities which the Customer is entitled to under the Customer's Account with Phillip Futures;
- (f) carrying out due diligence or other screening activities (including anti-money laundering, "know-your-Customer", credit and background checks) in accordance with legal or regulatory obligations or Phillip Futures' risk management procedures that may be required by law or that may have been put in place by Phillip Futures;
- (g) to prevent or investigate any fraud, unlawful activity or omission or misconduct, whether relating to the Customer's Account with Phillip Futures or any other matter arising from the Customer's Account with Phillip Futures, and whether or not there is any suspicion of the aforementioned;
- (h) complying with or as required by any Applicable Laws, governmental or regulatory requirements of any relevant jurisdiction and the requirements of any relevant Market, including meeting the requirements to make disclosure under the requirements of any law binding on Phillip Futures and/or for the purposes of any guidelines issued by regulatory or other authorities, whether in Singapore or elsewhere, with which Phillip Futures is expected to comply. Without prejudice to the generality of the foregoing, to disclose to any exchange, market, clearing house, depository or depository agent or any other relevant person any and all information on the Customer and its Account(s) and Transactions including (i) such information as may be necessary to monitor any foreign ownership or other limits imposed by or on an issuer of Capital Markets Products on the holding of any Capital Markets Products and (ii) such information as may be required to fulfil any statutory obligation imposed on the exchange, market or clearing house or under any Applicable Laws;
- (i) complying with or as required by any request or direction of any governmental authority; or responding to requests for information from public agencies, ministries, statutory boards or other similar authorities (including but not limited to the Monetary Authority of Singapore). For the avoidance of doubt, this means that Phillip Futures may/will disclose the Customer's Personal Data to the aforementioned parties upon their request or direction;
- (j) conducting research, analysis and development activities (including but not limited to data analytics, surveys and/or profiling) to improve Phillip Futures' services and facilities in order to enhance the Customer's Account with Phillip Futures or for the Customer's benefit, or to improve any of Phillip Futures' services for the Customer's benefit;
- (k) storing, hosting, backing up (whether for disaster recovery or otherwise) of the Customer's Personal Data, whether within or outside Singapore;
- (l) if so consented by the Customer, providing the Customer with marketing, advertising and promotional information, materials and/or documents relating to the products and/or services provided by Phillip Futures (including the products and/or services of third party merchants whom Phillip Futures may collaborate or tie up with) that Phillip Futures may be selling, marketing, offering or promoting, (whether such products or services exist now or are created in the future) which in the opinion of Phillip Futures may be of interest or benefit to the Customer (the "Marketing Purpose") by way of phone/voice call, text message and/or fax message, email and/or postal mail and/or through other modes of communication that is not any of the foregoing modes, in compliance with the PDPA. You may opt out of this or withdraw from this at any time by sending an

email to our Data Protection Officer. For the avoidance of doubt, the application of or your acceptance of or your consent to, this Privacy Policy, constitutes your consent to this subparagraph (l);

- (m) Notwithstanding (l) above, even if the Customer has not separately provided express consent as aforementioned in (l) above, Phillip Futures reserve our right to send a specified fax message (as defined in Singapore's Personal Data Protection (Exemption from Section 43) Order 2013) (the "Exemption Order") and/or a specified text message (as defined in the Exemption Order) (i.e. a marketing fax message or marketing text message) to your Singapore telephone number, if :
- (1) there is an ongoing relationship between us and you and the purpose of the message is related to the subject of the ongoing relationship, pursuant to the requirements and conditions of the Exemption Order; or
  - (2) the law permits; and
- (n) any other purpose for which Phillip Futures has specifically obtained the Customer's consent (collectively, the "Purposes").
- 20.2 As the purposes for which Phillip Futures may/will collect, use, disclose, transfer or process the Customer's Personal Data depend on the circumstances at hand, such purpose may not appear above. However, Phillip Futures will notify the Customer of such other purpose at the time of obtaining the Customer's consent, unless processing of the Customer's Personal Data without the Customer's consent is permitted by the PDPA or by law.
- 20.3 Phillip Futures may/will also be collecting from sources other than the Customer, Personal Data about the Customer, for one or more of the above Purposes, and thereafter using, disclosing and/or processing such Personal Data for one or more of the above Purposes.
- 20.4 Phillip Futures may/will need to disclose and/or transfer the Customer's Personal Data to third parties, whether located within or outside Singapore, for one or more of the above Purposes, as such third parties, would be processing the Customer's Personal Data for one or more of the above Purposes. In this regard, the Customer hereby acknowledges, agrees and consents that Phillip Futures may/is permitted to disclose the Customer's Personal Data to such third parties (whether located within or outside Singapore) for one or more of the above Purposes and for the said third parties to subsequently collect, use, disclose and/or process the Customer's Personal Data for one or more of the above Purposes. Without limiting the generality of the foregoing or of this Clause, such third parties include:
- (a) any entity related to Phillip Futures or an Associate;
  - (b) any intermediary, agents, contractors or third party service providers that process or will be processing the Customer's Personal Data on Phillip Futures' behalf including but not limited to those which provide administrative or other services to Phillip Futures such as mailing houses, telecommunication companies, information technology companies and data centres;
  - (c) any government or regulatory authorities in Singapore and elsewhere where disclosure is required by the applicable laws;
  - (d) Phillip Futures' auditors and legal advisors; and/or
  - (e) third party service providers or agents, which may be sited in or outside of Singapore, for the above Marketing Purpose; and the Customer also consent to such third party service providers or agents of Phillip Futures processing the Customer's Personal Data (including sending the Customer such marketing, advertising and promotional information, materials and/or documents by way of postal mail, electronic transmission to the Customer's email address(es), voice call / phone call, SMS/MMS and/or fax), VOIP based smart phone application such as Whatsapp, Viber, etc for the above Marketing Purpose for Phillip Futures (collectively, the "Permitted Parties").
- 20.5 The Customer may request to access and/or correct the Customer's Personal Data currently in Phillip Futures' possession or control by submitting a written request to Phillip Futures. Please submit the written request to Phillip Futures' Data Protection Officer.
- 20.6 The Customer may withdraw the Customer's consent for the collection, use and/or disclosure of the Customer's Personal Data in Phillip Futures' possession or under Phillip Futures' control by submitting the Customer's request to Phillip Futures' Data Protection Officer.
- 20.7 Phillip Futures will take reasonable efforts to ensure that the Customer's Personal Data is accurate and complete, if the Customer's Personal Data is likely to be used by Phillip Futures to make a decision that affects the Customer, or disclosed to another organisation. However, this means that the Customer must also update Phillip Futures of any changes in the Customer's Personal Data that the Customer had initially provided Phillip Futures with and the Customer agrees that the Customer will do so. Phillip Futures will not be responsible for relying on inaccurate or incomplete Personal Data arising from the Customer not updating Phillip Futures of any changes in the Customer's Personal Data that the Customer had initially provided Phillip Futures with.
- 20.8 Phillip Futures will also put in place reasonable security arrangements to ensure that the Customer's Personal Data is adequately protected and secured. Appropriate security arrangements will be taken to prevent any unauthorised access, collection, use, disclosure, copying, modification, leakage, loss, damage and/or alteration of the Customer's Personal Data.
- 20.9 Phillip Futures will also put in place measures such that the Customer's Personal Data in Phillip Futures' possession or under Phillip Futures' control is destroyed and/or anonymised as soon as it is reasonable to assume that (i) the purpose for which that Personal Data was collected is no longer being served by the retention of such Personal Data; and (ii) retention is no longer necessary for any other legal or business purposes.
- 20.10 Where the Customer's Personal Data is to be transferred out of Singapore, Phillip Futures will comply with the PDPA in doing so, including without limitation entering into binding contractual agreements with a recipient organisation that requires the recipient organisation to provide the transferred personal data with a standard of protection that is at least comparable to that under the PDPA.
- 20.11 If the Customer has any complaint or grievance regarding about how Phillip Futures is handling the Customer's Personal Data or about how Phillip Futures is complying with the PDPA, the Customer may contact Phillip Futures with the Customer's complaint or grievance.
- 20.12 The Customer may contact Phillip Futures with the Customer's complaint or grievance.

## **21. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND OTHER LAWS**

- 21.1 The Customer authorises Phillip Futures to disclose any personal and account information where such disclosure is required by Applicable Laws (including applicable laws imposing any reporting and/or withholding obligations on Phillip Futures such as the United States Foreign Account Tax Compliance Act and Income Tax Act (Chapter 134 of Singapore) each as may be amended, superseded or replaced), regulations, orders, agreements, or treaties made by or between tax authorities and/or governments to:
- (a) any entity in the Phillip Capital Group, or any of Phillip Futures' related companies or subsidiaries, wherever situated;
  - (b) any government, quasi-government, regulatory, monetary or other authority whether in Singapore or elsewhere, including the United States Internal Revenue Service, the United States Treasury Department, the Inland Revenue Authority of Singapore and MAS;
  - (c) any party to whom Phillip Futures is under a legal duty to disclose; and/or
  - (d) any party where Phillip Futures in good faith deems it in Phillip Futures' interest to make such disclosure.
- 21.2 The Customer agrees that the Customer shall be required to, upon demand by Phillip Futures and in a timely manner:
- (a) provide any form, certification or other information, as may be requested by and in a form acceptable to Phillip Futures, that is necessary for Phillip Futures:

- (i) to prevent withholding tax or qualify for a reduced rate of withholding tax or backup withholding tax in any jurisdiction from or through which Phillip Futures receives payments; or
  - (ii) to satisfy reporting or other obligations under the United States Tax Code and the United States Treasury regulations promulgated thereunder or the Income Tax Act (Chapter 134 of Singapore);
  - (b) update or replace such form, certification, or other information in accordance with its terms of subsequent amendments; and
  - (c) otherwise comply with any reporting obligations imposed by the United States or any other jurisdiction, including reporting obligations that may be imposed by future legislation.
- 21.3 The Customer acknowledges and agrees that any sum that may be payable by Phillip Futures to the Customer shall be subject to all Applicable Laws, including any withholding tax requirement, foreign exchange restriction or control. The Customer agrees and acknowledges that pursuant to the foregoing Phillip Futures may perform, or cause to be performed withholding of any monies payable to the Customer, deposit any such monies into a sundry or other account and/or retain such monies pending determination of the applicability of such withholding tax requirement, foreign exchange restriction or control. Phillip Futures shall not be liable for any losses that may be incurred by reason of such withholding, retention or deposit. In addition, the Customer agrees to hold harmless, indemnify and to keep Phillip Futures fully indemnified from and against any amount of payment, withholding or deduction referred to in this Clause that is in excess of such amount as may be standing to credit of the Customer's Account.
- 21.4 The Customer will promptly notify Phillip Futures in writing of any change(s) in: (a) particulars of the Customer, circumstances, status, including without limitation to any change in citizenship, residence, tax residency, status as Non PEP", address(es) on record, telephone and facsimile numbers and email address(es); and (b) (where applicable) constitution of the Customer, shareholders, partners, directors or company secretary, or the nature of the Customer's business. In addition, the Customer shall be required to, upon demand by Phillip Futures and in a timely manner, provide any form, certification, representation, confirmation or other information, as may be requested by and in a form acceptable to Phillip Futures.
- 21.5 The Customer acknowledges and agrees that Phillip Futures may in its sole and absolute discretion terminate the Account with immediate or subsequent effect by written notice if the Customer fails to comply in a timely manner with the requirements in this Clause, whereupon Phillip Futures shall be entitled to receive all fees and other monies accrued up to the date of such termination.
- 21.6 Without prejudice to the specificity of Clause 21.3 above, the Customer acknowledges and agrees that Phillip Futures shall not be responsible for or liable to the Customer for any Loss to the Customer arising as a result of any act or omission or any error of judgment not amounting to actual fraud in complying with Phillip Futures' reporting or other obligations under Applicable Laws (including the US Tax Code and the United States Treasury regulations promulgated thereunder or under the Income Tax Act (Chapter 134 of Singapore)).
- 21.7 The Customer will cooperate fully in respect of any enquiry that Phillip Futures may make for the purposes of compliance with any applicable law (including the United States Foreign Account Tax Compliance Act or the Income Tax Act (Chapter 134 of Singapore) as each may be amended, superseded or replaced) and/or any other reporting and/or withholding requirements of any government, including promptly providing all relevant information, details and/or documents as Phillip Futures may in good faith determine may be necessary or prudent to enable Phillip Futures to comply with the same.
- 21.8 Where, with respect to the United States Foreign Account Tax Compliance Act ("FATCA") the Customer is or is reasonably determined by Phillip Futures to be a Customer with US Indicia, the Customer in addition to the Customer's obligations under the aforementioned Clauses 21.2 to 21.7 inclusive and Phillip Futures' rights and authorization above acknowledges and agrees to the following:

- (a) to provide all information or documentation with respect to the Customer's default deemed FATCA status by virtue of the Customer having US Indicia no later than 90 days from the later of the opening of the Customer's Account or the Customer having US Indicia, failing which the Customer may be regarded as recalcitrant and non-cooperative and Phillip Futures may need to report the Customer's personal and Account information to the United States Internal Revenue Service; and
- (b) the Customer understands and shall comply with all applicable laws and/or regulatory requirements in relation to FATCA.

For the purpose of this Clause, "US Indicia" means any or any combination of the following: US citizenship or permanent residency; US birthplace; a current US residence address or US mailing address (including a US post office box); a current US telephone number; standing instructions to transfer funds to an account maintained in the US; and a current general power of attorney granted to a person with a US address.

## **22 MAINTENANCE OF FOREIGN TRUST ACCOUNT**

- 22.1 To the fullest extent permitted by Applicable Laws, the Customer authorises and consents to Phillip Futures depositing or maintaining moneys and/or any other property received on account of the Customer which are denominated in a foreign currency in a trust or custody account with a custodian outside Singapore which is licensed, registered or authorised to conduct banking business or to act as a custodian, as the case may be, in that jurisdiction.

## **23 UNCLAIMED MONEYS AND ASSETS**

- 23.1 If there are any monies or other property standing to the credit of any Account (including a trust account) or otherwise held by Phillip Futures for and on behalf of the Customer which are unclaimed by the Customer six (6) years after the Customer's last transaction with or through Phillip Futures and Phillip Futures determines in good faith that it is not able to trace the Customer, the Customer hereby irrevocably agrees that all such moneys, and other property, including any and all accretions and accruals thereon (which in the case of monies shall include all interests earned thereon) shall be deemed to have been abandoned by the Customer in favour of Phillip Futures and may be appropriated by Phillip Futures to and for itself to utilise in any manner Phillip Futures so wishes for its own benefit. The Customer thereafter shall have no right to claim such moneys, or property, or their accretions and accruals with the Customer being deemed to have waived and abandoned all its rights to such moneys, or property (and any other property as may have accrued to it) in favour of Phillip Futures. The Customer's respective Account credit(s) will, in such event, be correspondingly written off and the Customer's Account relationship with Phillip Futures terminated.

## **24 MARKET DATA**

- 24.1 The Customer acknowledges and agrees that with respect to any market data or other information that Phillip Futures or any third party service provider provides to the Customer in connection with the use of the Electronic Broking Facilities:
- (a) Phillip Futures and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect;
  - (b) Phillip Futures and any such provider are not responsible or liable for any actions that the Customer takes or does not take based on such data or information;
  - (c) such data or information is proprietary to Phillip Futures and any such provider and the Customer will not retransmit, redistribute, publish, disclose or display in whole or in part such data or information to third parties except as required by Applicable Regulations;
  - (d) the Customer will use such data or information solely in compliance with the Applicable Laws, Rules and Regulations and/or conditions imposed by Phillip Futures;
  - (e) the Customer will receive and/or use such market data or information in compliance with Phillip Futures' terms and conditions;
  - (f) the Customer will pay such Market Data costs (if applicable) and any applicable taxes associated with the Customer's use of the Electronic Broking Facilities as notified by Phillip Futures from time to time;
  - (g) Phillip Futures may monitor the Customer's use of such market data or information from time to time; and
  - (h) the Customer shall indemnify Phillip Futures in respect of any liabilities arising from Phillip Futures' supply of such market data or information to the Customer.

**25 GOVERNING LAW AND JURISDICTION**

- 25.1 This Agreement, any Account, and the relationship between the Customer and Phillip Futures, shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Customer and Phillip Futures submit to the non-exclusive jurisdiction of the courts of the Republic of Singapore.
- 25.2 Service of process may be effected in any manner permitted for communications hereunder.

**26 MISCELLANEOUS**

- 26.1 The rights and remedies of the parties under this Agreement are cumulative and are without prejudice and in addition to any rights or remedies which the parties may have at law or in equity, and no exercise by a party of any one right or remedy under this Agreement, at law or in equity, shall (save to the extent, if any, provided expressly in this Agreement, or at law or in equity) operate to hinder or prevent the exercise of any other right or remedy by that party.
- 26.2 Time shall be of essence in this Agreement in relation to any of the Customer's obligations hereunder.
- 26.3 This Agreement is in English; and the language of all formal communication between us shall be English, and the Customer will receive documents and other information from Phillip Futures in English. Phillip Futures may in its sole discretion provide other language support but on the express understanding and agreement of the Customer that it is the Customer's responsibility to ensure the Customer fully understands the terms of this Agreement and all formal communications from Phillip Futures that is in English. Therefore, if a document or communication is translated into another language this will be for information purposes only and the English version will prevail.
- 26.4 No delay or omission on the part of Phillip Futures in exercising any of Phillip Futures' right, power or remedy provided by law or under this Agreement and/or accompanying appendices, or partial or defective exercise thereof, shall:
- (a) impair or prevent further or other exercise of such right, power or remedy;
  - (b) operate as a waiver of such right, power or remedy.
- 26.5 No waiver by Phillip Futures of any breach by the Customer of such Customer's obligations hereunder, shall (unless expressly agreed in writing by Phillip Futures) be construed as a waiver of a future breach of such similar obligation or as authorizing a continuation of such particular breach by the Customer.

## **Appendix 1**

### **ELECTRONIC BROKING FACILITIES**

#### **1 AUTHORISED USE**

- 1.1 The Customer has the sole responsibility and shall be liable for the security and safekeeping of the Customer's user ID, password and/or PIN issued by Phillip Futures to the Customer. Accordingly, the Customer shall be fully responsible and liable for any Orders placed with Phillip Futures through the use of the Electronic Broking Facilities.
- 1.2 The Customer agrees that Phillip Futures shall be entitled to rely on the correct entry of a PIN in Order to ascertain whether any Order given to Phillip Futures is that of the Customer's and to act on that assumption. The Customer shall be liable for all such Orders placed with Phillip Futures.
- 1.3 In placing Orders using the Electronic Broking Facilities, the Customer hereby agrees that any such Orders are only considered as having been received by Phillip Futures upon Phillip Futures sending a notification to the Customer through the Electronic Broking Facilities of its receipt and informing the Customer that the Order has been either accepted or rejected for execution. Any such notification shall be deemed to have been received by the Customer when the same is issued by Phillip Futures and the Customer shall be bound thereby notwithstanding that such notification may not have actually been received by the Customer for any reason whatsoever. The Customer shall bear the sole responsibility of keeping records of the same.

#### **2 DISTRIBUTION AND INTELLECTUAL PROPERTY**

- 2.1 The Customer is not entitled to and shall not reproduce, transmit, disseminate, sell, distribute, publish, broadcast, circulate and/or exploit (whether for commercial benefit or otherwise) the information and/or reports obtained from or through the use of the Electronic Broking Facilities, except with the express written consent of Phillip Futures. The Customer shall also not use such information and/or records for any wrongful or illegal purpose.
- 2.2 In requesting Phillip Futures to provide the Electronic Broking Facilities, the Customer accepts and acknowledges the fact that all intellectual property rights (whether by way of copyright or otherwise) in the information and reports available from and generated on the Electronic Broking Facilities as well as the Electronic Broking Facilities itself vest solely in and shall remain the exclusive property of Phillip Futures. The Customer therefore agrees not to do anything that will violate or infringe Phillip Futures' intellectual property rights and shall take all necessary measures to preserve and protect these rights.

#### **3 TRANSMISSION OF ELECTRONIC DATA**

- 3.1 Phillip Futures shall not be liable to the Customer for any Loss suffered or incurred by the Customer due to any inability of the Customer to access the Electronic Broking Facilities for any reason whatsoever, or for any errors, defect, malfunction or failure (whether total or partial) of the Electronic Broking Facilities (or any part thereof) or interruption or delay in response time of the Electronic Broking Facilities whether resulting or arising from any repair or servicing of the Electronic Broking Facilities, any damage, destruction, breakdown, mechanical or other defect, howsoever caused, to the Electronic Broking Facilities (or any part thereof), any corruption or damage to the Electronic Broking Facilities (or any part thereof), any failure by Phillip Futures, its officers, employee, agents or servants to receive the Customer's instructions or Orders notwithstanding that the instruction or Order has been received by the Electronic Broking Facilities, or, any other cause whatsoever.

#### **4 DISCLAIMER**

- 4.1 Phillip Futures makes no warranty, guarantee or representation of any kind, express or implied, as to the quality or the merchantability or fitness for any particular use or purpose in relation to the information furnished under or accessible via any of the Electronic Broking Facilities or any other features or aspect of the Electronic Broking Facilities, including but not limited to any investment advice and/or access to information (which in any event are available subject to relevant accompanying restrictions and/or disclaimers) and/or the execution of any buy or sell recommendations and/or the cancellation or amendment of the same.
- 4.2 Phillip Futures may, through the Electronic Broking Facilities, provide quotes on prices at which Phillip Futures may be prepared to transact with the Customer. The Customer acknowledges that it is possible that errors may occur in any such prices so quoted by Phillip Futures. In such circumstances, without prejudice to any rights it may have under statute or common law, neither party will be bound by any Transaction purported to have been entered into (whether or not confirmed by Phillip Futures) at a price which was, or ought reasonably to have been known to either party to be materially incorrect at the time of the Transaction. The party asserting that such Transaction is avoided under this Clause shall give notice to the other within 7 Business Days of the Transaction. If the Customer gives notice to Phillip Futures under this Clause, Phillip Futures shall determine, acting reasonably, whether the price quoted was materially incorrect. Except in the case of fraud, Phillip Futures does not accept any liability for any loss or damage suffered by the Customer as a result of the Customer's reliance on a price which the Customer knew, or ought reasonably to have known, to be materially incorrect.
- 4.3 Phillip Futures shall not be responsible in any way whatsoever for the content, accuracy, timeliness or completeness of any information, data or other services provided through the Electronic Broking Facilities. As such, any information, data or services provided through the Electronic Broking Facilities should not be relied upon in relation to any investment decision, trading activities or Orders placed by the Customer who shall, at all times, rely on its own assessment and judgement in respect of any investment decision or proposed Transaction.
- 4.4 Phillip Futures shall not be under any obligation to review the status of the Customer's Account for compliance with any applicable margin requirements. Notwithstanding this, Phillip Futures may, in its sole and absolute discretion, review the status of a Customer's Account for the purposes of ensuring compliance with any applicable margin requirements provided that Phillip Futures shall bear no liability whatsoever for any such review.

#### **5 RIGHTS OF ACCESS**

- 5.1 Phillip Futures shall bear no liability and shall not be responsible for any Loss or inconvenience that may be suffered by the Customer as a result of any action by any regulatory body in the exercise of its regulatory or supervisory functions over Phillip Futures. The Customer shall permit Phillip Futures and/or any regulatory body to have access to such terminals as Phillip Futures and/or the regulatory body may request, and the Customer shall cooperate in answering any of their queries in relation to any aspect of the Electronic Broking Facilities.

#### **6 SECURITY**

- 6.1 The Customer shall at all times ensure that the integrity and the security of the Electronic Broking Facilities are preserved and maintained. Accordingly, the Customer shall ensure, inter alia, that there is no unauthorised use of Customer's user ID, password and/or PIN. The Customer shall forthwith on being aware of any unauthorised access or theft of the PIN(s) or security code(s) notify Phillip Futures and provide such particulars as Phillip Futures may require.
- 6.2 The Customer shall bear the sole responsibility of complying with the obligations under this Clause. In the event that the Customer breaches its obligations under this Clause, the Customer shall indemnify Phillip Futures for any Loss that Phillip Futures may suffer as a consequence of such unauthorised access and use.

#### **7 RISK WARNING**

- 7.1 The Customer hereby represents and declares that it understands and accepts the following associated with trading using the Electronic Broking Facilities:
- (a) that electronic trading and order routing systems differ from traditional open outcry pit trading, and that Transactions undertaken using an electronic system are subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. In this connection, the Customer hereby undertakes, prior to engaging in such Transactions to familiarise itself with, and from time to time to keep itself updated on, the rules and



- regulations of the relevant exchange(s) offering the system and/or listing the relevant futures contracts, and to understand, among other things, the system's order matching procedure, opening and closing procedures and prices, error trade policies and trading limitations or requirements; and
- (b) trading through an electronic trading or order routing system exposes the Customer to risks associated with system or component failure. Such system or component failure may result in the inability to enter new Orders, execute existing Orders, or modify or cancel Orders previously entered, as well as a loss of Orders or order priority.

**Appendix 1A**  
**DIRECT MARKET ACCESS SERVICES**  
**("DMA SERVICES")**

This DMA Services Appendix 1A shall apply where the Customer requests Phillip Futures, either in the Application Form or by any Communications to Phillip Futures, to provide the Customer with DMA Services as the Customer and Phillip Futures may agree from time to time. In consideration of Phillip Futures providing the Customer with the DMA Services, the Customer understands and hereby agrees to abide by and to be bound by the terms and conditions set out in this Appendix 1A, as may be amended, modified or supplemented from time to time.

**1. APPLICABILITY & AMENDMENTS**

- 1.1 The Customer agrees that in respect of any Transaction, all the applicable terms and conditions in relation thereto in force as between Phillip Futures and the Customer, including the Conditions Governing the Phillip Futures Trading Accounts (the "Customer Trading Agreement") shall continue to apply, and are to be supplemented and read together with the terms and conditions of this Appendix 1A. Notwithstanding anything to the contrary contained in the Customer Trading Appendix, the Customer and Phillip Futures agree that in the event of any conflict or inconsistency between the terms and conditions of this Appendix 1A and the Customer Trading Agreement, the terms and conditions of this Appendix 1A shall prevail in respect of such conflict or inconsistency, however the Customer Trading Agreement shall in all other respects continue in full force and effect.
- 1.2 The terms and conditions of this Appendix 1A are to be supplemented and read together with all Applicable Laws, Rules and Regulations. In the event of any conflict or inconsistency between the terms and conditions of this Appendix 1A and the Applicable Regulations, the Applicable Regulations shall prevail in respect of such conflict or inconsistency, however the terms and conditions of this Appendix 1A shall in all other respects continue in full force and effect.
- 1.3 The Customer understands and shall fully comply with all Applicable Laws, Rules and Regulations in relation to DMA Services at all times.
- 1.4 The Customer agrees that Phillip Futures may at any time by notice in writing to the Customer, including notification via the DMA Services, vary or add to this Appendix 1A without prior notice or consultation with the Customer.
- 1.5 Any electronic record relating to the terms and conditions of the DMA Services provided hereunder kept and/or maintained by Phillip Futures shall be conclusive evidence of the contents thereof. The Customer agrees to the admission as evidence in any court in Singapore of such electronic records maintained or kept by Phillip Futures and any part, copy or computer output thereof, as an original document, and the Customer further agrees not to challenge or dispute the admissibility, authenticity or accuracy of such electronic records or computer output thereof.

**2. CONDITIONS OF USE**

- 2.1 The Customer hereby undertakes to utilise the DMA Services strictly in accordance with the terms and conditions of this Appendix 1A, the Customer Trading Agreement, and any and all other rules and policies that Phillip Futures may publish or make available through the DMA Services or any other medium it may designate at its sole discretion, from time to time.
- 2.2 The Customer hereby understands and acknowledges that the DMA Services and the Information are provided on an "as is" as well as an "as available" basis. The Customer acknowledges that no member of Phillip Futures or the Phillip Capital Group makes any express or implied warranty, representation or assurance, including, without limitation, any warranty, representation or assurance of any nature regarding the quality, suitability, merchantability, fitness for a particular purpose or otherwise (regardless of any course of dealing, custom or usage of trade) that the DMA Services are or will be suitable for the Customer's commercial, business or financial purposes, or as to its reliability, and that all liability in respect thereof is disclaimed. The Customer also agrees and acknowledges that no warranty is made by Phillip Futures or the Phillip Capital Group that the DMA Services will be accessible, timely, secure, complete, reliable, uninterrupted, error-free, does not infringe any third party proprietary rights, or that it will be free of viruses or any other harmful components, or that any errors in the technology or the DMA Services will be detected and/or corrected.
- 2.3 In particular, Phillip Futures or any member of the Phillip Capital Group shall not be liable for any reason whatsoever for any information provided by, under or pursuant to the DMA Services and no express or implied warranty, representation or assurance of any nature whatsoever is made as to such information, and as to its (or its continued) accuracy, reliability, relevance, usefulness, quality or suitability for any purpose or otherwise (regardless of any course of dealing, custom or usage of trade), nor that such information will be detected and/or corrected.
- 2.4 The Customer represents, warrants and undertakes (on a continuing basis and which representations, warranties and undertakings are deemed to be repeated each time an instruction is issued by the Customer to Phillip Futures and/or at the date of each Transaction, with the intent that such representations, warranties and undertakings shall survive the completion of any transaction contemplated herein) that:
  - (i) it has the necessary experience, knowledge and financial resources to undertake the transactions using the DMA Services;
  - (ii) it has put all necessary security arrangements in place to ensure that unauthorised persons are denied from using Direct Market Access;
  - (iii) it has read the information concerning its access to the Trading System and applicable laws provided by Phillip Futures and that it understands that the nature of the transactions conducted using the DMA Services and the extent of and its exposure of risks and that it has considered whether undertaking such Transactions is appropriate for it in the light of its experience, objectives, financial resources and other relevant circumstances;
  - (iv) that Phillip Futures shall have no liability or responsibility whatsoever to the Customer for any Losses whatsoever (direct, indirect, special, incidental, consequential, punitive or otherwise), loss of investment opportunity or failure to make a profit suffered or incurred by the Customer as a result of or in connection with the use of the DMA Services;
  - (v) that it has read and familiarised itself, as appropriate, with the instructions provided by Phillip Futures in relation to the Phillip Futures Direct Market Access System, and that it has knowledge and proficiency in the use of the Phillip Futures Direct Market Access System, Sponsored Systems and the electronic trading systems for automatic matching of orders designated and approved by the relevant stock exchanges for transactions on such stock exchanges;
  - (vi) it is familiar with and will comply with the Applicable Regulations;
  - (vii) it will cooperate with and provide timely assistance to any Relevant Bodies, Phillip Futures and/or its suppliers for the purpose of conducting any audit, enquiry, investigation and/or compliance review (whether or not related to potential violations of any Applicable Regulations) and such assistance shall include but is not limited to the provision of all information on the identities and addresses of persons responsible for transactions made using the DMA Services;
  - (viii) it will have measures in place to meet minimum standards including standards on financial standing, credit history and criminal records (and such other standards as may be determined by Phillip Futures at its sole discretion);
  - (ix) that the terms and conditions of this Appendix are legal, valid, binding and enforceable against it;
  - (x) that it has taken all necessary corporate action, and has obtained all authorisations, consents, licences or approvals (whether under the Applicable Regulations or otherwise) required to accept and agree to the terms and conditions of this Appendix 1A and to access and use the DMA Services, and all Transactions made using the DMA Services by it shall be in compliance with all Applicable Regulations;
  - (xi) any Transaction entered into by the Customer using the DMA Services is duly authorised and it agrees that Phillip Futures shall have no obligation or duty to enquire if any transaction entered into using the DMA Services has been so authorised and shall be entitled at all times to assume so;

- (xii) that it has read and familiarised itself, as appropriate, with the Applicable Regulations and all relevant information regarding DMA access and that it will not do or omit to do anything that would cause Phillip Futures to be in breach of any Applicable Regulations whether directly or indirectly;
- (xiii) it will not use the DMA Services for any unlawful or illegal act or do or omit to do anything that would be in breach of any Applicable Regulations;
- (xiv) it is not prohibited under any Applicable Regulations from using the DMA Services;
- (xv) that it has reviewed this Appendix 1A, has decided to enter into this Appendix and utilise the DMA Services based on its own independent judgement and has not in any way whatsoever relied on any representation, warranty or undertaking from Phillip Futures in entering into this Appendix and utilising the DMA Services; and
- (xvi) it shall ensure that all Transactions entered into using the DMA Services do not exceed the limits prescribed by Phillip Futures in relation to its account(s) at any one time and from time to time.

### 3. DELEGATION

- 3.1 Phillip Futures: (a) may delegate the performance of any function in connection with the DMA Services and (b) reserves the right to use any agents or service providers on such terms as it thinks appropriate.
- 3.2 The Customer represents, warrants and undertakes that:
- (i) it shall not delegate access to the DMA Services to any other persons or allow any person to delegate access to the DMA Services to other persons, unless Phillip Futures' prior written consent has first been obtained;
  - (ii) all such persons who have been delegated access shall comply with the terms and conditions of this Appendix 1A as if they are the original parties to this Appendix 1A and if requested by Phillip Futures, such persons shall enter into separate agreements with Phillip Futures to that effect; and
  - (iii) the Customer and/or its delegates shall provide Phillip Futures with the personal details, identities and addresses of such persons who have been delegated access and at the request of Phillip Futures, provide any other information relating to such persons and Transactions made by them.
- 3.3 In relation to the Sponsored Access granted to the Customer as part of the DMA Services, the Customer represents, warrants and undertakes that (on a continuing basis and which representations, warranties and undertakings are deemed to be repeated each time an instruction is issued by the Customer to Phillip Futures and/or at the date of each Transaction, with the intent that such representations, warranties and undertakings shall survive the completion of any Transaction contemplated herein):
- (i) the Customer and the Sponsored Access Delegates:
    - (a) are persons regulated by a Recognised Regulatory Authority in respect of the Regulated Activities; or
    - (b) are trading members of SGX-DT and are permitted to delegate Sponsored Access to the Customer's respective related corporations only;
  - (ii) the Customer, and all persons granted delegated Sponsored Access understands and shall comply with the terms and conditions of this Appendix and all Applicable Laws, Rules and Regulations on Sponsored Access at all times, including, without limitation, the SGX-DT Rules;
  - (iii) the Customer and all such persons granted delegated Sponsored Access have the necessary operational and technical systems and procedures in place for the Sponsored Systems.
  - (iv) the Customer and all such persons granted delegated Sponsored Access shall allow access to Phillip Futures, at all times, to the Sponsored Systems such that Phillip Futures may set and control pre-determined automated limits (which are to be prescribed by Phillip Futures at its sole discretion) in such systems, put in place alerts if limits are altered, put in place a system for the conducting of regular post-execution reviews of Transactions and put in place all such other operational and technical requirements which are required under the Applicable Regulations or which Phillip Futures, at its sole discretion, deems fit; and
  - (v) the Sponsored Systems shall comply with and meet the requirements stipulated under the Applicable Regulations, including, without limitation, meeting the requirements set out in FTR 2.6, FTR 2.6.4 and Regulatory Notice 2.6.4, of the SGX-DT Rules and any other requirements set out by the SGX-DT relating to order management systems.
- 3.4 The Customer accepts that Phillip Futures may be required to report, or to provide a report by an independent reviewer on compliance with the SGX-DT Rules, to the Relevant Bodies about the Account(s) opened and operated by it with Phillip Futures and the Customer irrevocably and unconditionally authorises Phillip Futures to disclose:
- (i) all information that may be necessary regarding it and such accounts, including, without limitation, its personal details, identity, address, Transactions entered into using the DMA Services, and information on its use of the DMA Services; and
  - (ii) all information relating to persons who have been delegated with access to the DMA Services offered to the Customer, including, without limitation, their personal details, identities, addresses, Transactions entered into using the DMA Services, and information on their use of the DMA Services.

### 4. TECHNICAL AND SECURITY OBLIGATIONS

- 4.1 The setting up of and the utilisation of all software and hardware to enable the Customer's access to the DMA Services shall be the Customer's sole responsibility and Phillip Futures shall not be responsible or liable for any fault or Losses arising from, pursuant to or in connection with the setting up of and the utilisation of such software and hardware.
- 4.2 The Customer represents, warrants and undertakes that it shall be responsible for all the information, account numbers, codes, usernames and passwords issued to it to access and use the DMA Services and that it shall have in place security arrangements to prevent unauthorised access to any of the DMA Services in relation to markets established by or operated by SGX-DT or such markets as SGX-DT specifies.
- 4.3 The Customer represents, warrants and undertakes to promptly notify Phillip Futures in writing of any circumstances of which it becomes aware where there has been unauthorised use of the DMA Services in any manner other than as authorised by this Appendix.

### 5. LIMITS OF RESPONSIBILITY, LIABILITY AND INDEMNIFICATION

- 5.1 Phillip Futures disclaims all other representations or warranties, express or implied, made to the Customer, or any other person, including, without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise (regardless of any course of dealing, custom or usage of trade) in relation to the DMA Services.
- 5.2 Notwithstanding anything in this Appendix 1A, in no event shall Phillip Futures or any of its representatives be liable in tort, contract, strict liability or other legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby excluded by agreement of all the parties to this Appendix 1A, regardless of whether such damages were foreseeable or whether Phillip Futures or its representatives have been advised of the possibility of such damages.
- 5.3 The Customer agrees that neither Phillip Futures nor any of its officers, agents or employees shall be liable to the Customer for any loss, damage, cost, charge or expense suffered by the Customer for any act or omission in relation to any Account or the operation, provision or termination of any of the DMA Services unless it was caused by fraud, gross negligence or wilful default of Phillip Futures or attributable to Phillip Futures or an authorised agent or officer. Where Phillip Futures utilises a third party or nominee (including a Nominee) to do any act in relation to an Account or any of the DMA Services, Phillip Futures's sole responsibility to the Customer as regards the utilisation of such third party shall be to exercise reasonable care in the selection of such third

party. The Customer will not hold Phillip Futures liable for any wilful action or omission, default, fraud or negligence of the third party or nominee unless Phillip Futures was negligent or fraudulent in selecting and/or continuing to use the third party.

- 5.4 Nothing in this Appendix 1A shall operate to limit or exclude any liability for fraud.
- 5.5 Notwithstanding any other provision of this Appendix 1A, the Customer releases Phillip Futures from any liability in respect of systems failures causing an inability of or delay in the ability of Phillip Futures to provide the DMA Services.
- 5.6 The Customer hereby agrees to indemnify Phillip Futures, and to keep Phillip Futures harmless from any loss, damage, cost, charge or expense which Phillip Futures may suffer as a result of the Customer's instructions or use of the DMA Services, the Customer's breach or violation of these terms or any third party claim against Phillip Futures attributable to the Customer's instructions or use of the DMA Services including but not limited to a claim for violation of any proprietary or intellectual property rights, or the enforcement of any of the terms of this Appendix. This obligation to indemnify Phillip Futures shall survive the termination of this Appendix and/or any of the DMA Services.

## **6. CONFIDENTIALITY**

- 6.1 The Parties shall keep confidential all information relating to this Agreement unless such information has become public knowledge or disclosure is required by law or a Party's regulatory body.

## **7. DISCONTINUATION OF ACCESS AND OTHER CONDITIONS FOR USE OF THE DMA SERVICES**

- 7.1 Notwithstanding anything herein to the contrary, Phillip Futures may at any time, in its absolute discretion terminate forthwith, without notice and for any reason whatsoever, the Customer's right of access to and/or use of any of the DMA Services. In the event of such termination, Phillip Futures shall not be liable to the Customer for any claim, liability or loss (including without limitation anticipated profit) which may be suffered by the Customer referable to such termination.
- 7.2 Without limiting the generality of Clause 7.1 above, the Customer agrees that Phillip Futures may, at its sole discretion and without notice and liability, suspend, limit, revoke and/or terminate its access to all or part of the DMA Services under any of the following circumstances:
- (i) if the Customer breaches any trading restriction and/or credit limit established or imposed by Phillip Futures at any time and from time to time;
  - (ii) if the Customer fails to assist Phillip Futures and/or any of the Relevant Bodies in any investigation;
  - (iii) if Phillip Futures receives an order or directive from any of the Relevant Bodies to suspend, limit, revoke and/or terminate the Customer's access to all or part of the DMA Services;
  - (iv) if any of the Relevant Bodies issue an order or directive to suspend, limit, revoke and/or terminate the Customer's access to all or part of the DMA Services;
  - (v) if Phillip Futures, at its sole discretion, determines that it is in the interests of maintaining a fair, orderly and transparent market, to suspend, limit, revoke and/or terminate the Customer's access to all or part of the DMA Services;
  - (vi) if the Customer has caused Phillip Futures to breach its statutory requirements or any requirements placed upon Phillip Futures by any of the Relevant Bodies, including, without limitation, the Applicable Regulations;
  - (vii) if Phillip Futures, at its sole discretion, determines that it is necessary to suspend, limit, revoke and/or terminate its access to all or part of the DMA Services so that Phillip Futures may fulfil its duties and obligations under the Applicable Regulations; and / or
  - (viii) if Phillip Futures, at its sole discretion, determines for whatever reason that it is necessary to suspend, limit, revoke and/or terminate the Customer's access to all or part of the DMA Services.
- 7.3 The Customer agrees that Phillip Futures is entitled to, and authorises Phillip Futures to conduct checks, from time to time, to determine its financial standing, its credit history, if it has any criminal records, any pending legal court proceedings relating to prohibited market conduct and/or any adverse record (and such other checks on minimum standards as may be determined by Phillip Futures at its sole discretion). The Customer agrees that, in the event that Phillip Futures, at its sole discretion, is not satisfied with the results of any of such checks, Phillip Futures may (without notice to the Customer, or liability to Phillip Futures), reject the Customer's application for the DMA Services or at any time, suspend, limit, revoke and/or terminate its access to all or part of the DMA Services.
- 7.4 The Customer agrees that in the event that Phillip Futures suspends, limits, revokes and/or terminates its access to all or part of the DMA Services under this Clause 7, it shall have no claim against Phillip Futures in respect thereof.
- 7.5 The Customer agrees that all DMA Services offered by Phillip Futures are subject to the regulations of the Relevant Bodies and the Relevant Bodies may, at its/their sole discretion, directly suspend, limit, revoke and/or terminate the DMA Services offered to the Customer and in such an event, Phillip Futures shall not be liable to the Customer and the Customer shall have no claim against Phillip Futures in respect thereof.

## **8. TERMINATION**

- 8.1 This Customer agrees that Phillip Futures has the right to terminate this Appendix 1A by giving five (5) days' notice in writing. Phillip Futures is under no obligation to inform the Customer of its reasons. The Customer shall remain liable for any amounts owed to Phillip Futures.

## **9. MISCELLANEOUS**

### **9.1 NOTICES**

All written communication will be deemed received by the Customer: (a) two (2) days after despatch by post to the last mailing address known to Phillip Futures if the same is in Singapore or five (5) days after despatch by post to the last mailing address known to Phillip Futures if the same is not a Singapore address; (b) immediately, if delivered personally; and (c) on the day of despatch or transmission if sent by telex, facsimile or electronic mail to any of the relevant telex, facsimile or electronic mail addresses of the Customer last known to Phillip Futures. Where the Customer makes use of the DMA Services, the Customer shall be deemed to have notice of and be bound by all notices and communications as may be given by Phillip Futures from time to time and accessible by the Customer via the DMA Services effectively as from the day when the same may be so accessed by the Customer.

### **9.2 WAIVER**

If Phillip Futures does not exercise or delays exercising a right whether under this Appendix and related agreements, annexes, forms or otherwise, this does not mean that it has given up or waived the right or that it cannot exercise the right later. The only way Phillip Futures can waive any of its rights is by giving the Customer a letter signed by the manager of Phillip Futures or his superiors.

### **9.3 ASSIGNMENT**

None of the rights or obligations under this Appendix may be assigned, held on trust, or otherwise transferred without the prior written consent of all the Parties, save that Phillip Futures may, without notice to the Customer or without its consent, assign or otherwise transfer Phillip Futures' rights or obligations under this Appendix to any third party, and appoint third party agents or sub-contractors to provide the whole or part of the DMA Services.

### **9.4 RIGHTS OF THIRD PARTIES**

- (a) The Customer agrees and acknowledges that the terms and conditions of this Appendix and related agreements, annexes or forms shall be for the benefit of Phillip Futures and each and every Phillip Capital Group member. Each Phillip Capital Group member shall have the right under the Contracts (Rights of Third Parties) Act to enforce any term of this Appendix.
- (b) Other than as provided in Clause 9.4 (a) above, a person who is not a party to any agreement with Phillip Futures to which the terms of the Conditions Governing Phillip Futures Trading Accounts applies has no rights under the Contracts (Rights of Third Parties) Act to enforce any of the clauses hereunder. For the avoidance of doubt, this shall not affect the rights of any permitted assignee or transferee of this Appendix.

9.5 **SEVERABILITY**

The illegality, invalidity or unenforceability of any provision of this Appendix or any part thereof under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

9.6 **GOVERNING LAW**

This Appendix shall be governed by and construed in accordance with Singapore law. In relation to any legal action or proceedings arising out of or in connection with any Account (including transactions effected for the Account) or referable to any DMA Service, the Customer hereby submits to the non-exclusive jurisdiction of the courts of the Republic of Singapore and the Customer waives any objection to the proceedings on the ground that the proceedings have been brought in an inconvenient forum. The Customer hereby nominates and appoints its trading representative to be its agent for service of process of any documents commencing and otherwise relating to any such legal action or proceedings brought by Phillip Futures.

The Customer is directed to also refer to the SGX-DT Futures Trading Rules for more information on its obligations in relation to the use of the DMA Services offered by Phillip Futures. A copy of the SGX-DT Futures Trading Rules may be extracted from the website <http://rulebook.sgx.com>.

## **Appendix 2**

### **OTC FACILITIES**

#### **1 NOTIFICATION**

- 1.1 In providing a market and prices for OTC Transactions, Phillip Futures hereby notifies and the Customer hereby consents to Phillip Futures' prior notification that its dealing staff authorized by Phillip Futures to accept Orders may quote OTC prices by reference to prices from other regulated financial institutions to customers counter-parties but such prices may not be the same as the prices that Phillip Futures may be able to secure from such parties for its own contracts with such parties or otherwise act as market-makers to customers in providing its own bids and offers for trades with Phillip Futures on an OTC basis.
- 1.2 Unless otherwise specified, (i) Phillip Futures shall act as principal to the Customer in respect of OTC Transactions; and (ii) all OTC Transactions (regardless of whether the underlying subject matter is traded on an exchange or whose specifications mirror the referenced commodity traded on an exchange) are entered into on the basis that they shall be cash settled and not physically settled.

Where an OTC Transaction may be physically settled, the provisions below under the heading - "Terms and Conditions Applicable to Exchange Related OTC Transactions" shall also apply.

#### **2 DEFAULT**

- 2.1 In the event of a Default under Clause 11.1 (c) of this Agreement, all outstanding Transactions (including any Transaction which has not been settled and in respect of which the value date as determined by Phillip Futures is on or precedes the date on which Phillip Futures terminates such Transaction) entered between the Customer and Phillip Futures shall be deemed immediately liquidated at prevailing prices (or, if not available, at such prices Phillip Futures in good faith deems fit) and the amounts resulting converted into Singapore dollars or such other Currency as Phillip Futures may from time to time use as the principal Currency of its business (together with all Margin and/or security duly converted into Singapore dollars or such other Currency as Phillip Futures may from time to time use as the principal Currency of its business) at Phillip Futures' prevailing rates and set-off against each other and the Margin prior to Phillip Futures resorting to its rights under Clause 11.2 of this Agreement and/or payment or repayment to the Customer (if applicable).
- 2.2 If there occurs in relation to any Transaction or otherwise in relation to an Account or Accounts an Extraordinary Event (as defined below), Phillip Futures shall have the sole and absolute 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 Accounts or otherwise. Provided Phillip Futures undertakes such adjustment and/or action in good faith, any such adjustment or action shall be binding on the Customer who shall be liable for any additional Loss incurred by Phillip Futures on the account of the Customer or which the Customer is consequently liable for as a result of such adjustment or action.

An "Extraordinary Event" shall mean any event which Phillip Futures in good faith believes to have a material adverse effect on any Transaction and shall include without limitation, any Market Disruption Event (as defined below), 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 Phillip Futures' good faith opinion adversely alters or changes the rights or obligations which Phillip Futures in good faith undertook upon the establishment of such Transaction.

Without prejudice to the foregoing, Phillip Futures shall with respect to any and all OTC Transactions be the calculation agent (the "Calculation Agent") for all underlying reference pricings of a Transaction and all relevant settlement and other pricing for the purposes of determining the respective rights and obligations of the parties by reference to such pricing. Phillip Futures does not assume any obligation or duty to, or any relationship of agency or trust for or with the Customer for such Transactions (the Customer acknowledging that such obligations are inconsistent with a principal to principal relationship between the parties). Any determinations and calculations by Phillip Futures shall (in the absence of manifest error) be final and binding on the Customer, provided that Phillip Futures has acted in good faith;

Without prejudice to the foregoing, in the event of a determination by Phillip Futures in good faith that any material disruption to the price source set out in the terms for any Transaction or in a relevant reference market has occurred (each such event a "Market Disruption Event"), Phillip Futures shall be entitled to determine in good faith the market pricing of the underlying reference instrument for the purposes of the parties' respective rights and obligations under such transaction and its determination shall be final and binding on the parties. In addition, Phillip Futures has the sole and absolute discretion to determine:

- (a) whether a Market Disruption Event has occurred during the life of an investment or on its settlement date and if such Market Disruption Event occurs on the settlement date what price or level should the relevant closing level of the underlying reference instrument be for the purposes of settlement of a relevant Transaction; or
- (b) whether any adjustments to the terms of the Transaction should be made as a result of any event(s) affecting the underlying reference instrument or (if the same is an index) any of its constituent components or combination thereof to which the relevant reference instrument and Transaction relate (including but not limited to an index adjustment event such as a material change in the formula for or the method of calculating the Index or failure to calculate and publish the index);

Any such discretion exercised by, or any calculation made by Phillip Futures (in the absence of manifest error) shall be binding on the Customer who should note that Phillip Futures when making any such adjustments or calculations, will not take into account the Customer's individual circumstances and/or tax or other consequences of such adjustments or calculations.

#### **3. TERMS AND CONDITIONS APPLICABLE TO EXCHANGE RELATED OTC CONTRACTS**

##### **3.1 SCOPE**

3.1.1 **Application:** The clauses in this Appendix apply to Exchange related contracts ("ER Contracts") to be entered into from time to time between Phillip Futures and the Customer on an OTC principal to principal basis as set out below and under which physical settlement of such contracts is an option subject to the terms below.

##### **3.2. Specific Terms for ER Contracts:**

**Phillip Futures will only enter into ER Contracts with the Customer, from time to time on the following terms:**

##### **3.2.1 ADDITIONAL RISK DISCLOSURE:**

###### **(i) Relationship Between Parties**

The relationship between the Customer and Phillip Futures for ER Contracts is as described in these Terms.

Neither that relationship, nor the services Phillip Futures may provide for any other transaction with or for the Customer nor any other matter, will give rise to any fiduciary or equitable duties or duties as an adviser on the part of Phillip Futures.

The relationship between the Customer and Phillip Futures with respect to a concluded ER Contract (the "Transaction") is intended to be, in all cases a bi-lateral principal to principal transaction and strictly on a "buyer beware" basis but with us expressly intended to be riskless principal in the transaction to the Customer in the sense that (i) Phillip Futures' obligation to the Customer with respect to any concluded ER Contract is limited only to passing on to the Customer the benefit of such rights as Phillip Futures may actually have to enforce under a corresponding ER Market Contract (as the expression is defined below); and (ii) Phillip Futures' obligation to perform on any ER Market Contract is dependent upon the Customer's performance of the Customer's obligations under the corresponding ER Contract and hence the Customer's liability to indemnify and keep Phillip Futures harmless against any default in the Customer's performance leading to a default of Phillip Futures' performance.

Notwithstanding (ii) in the preceding sentence, Phillip Futures is entitled where Phillip Futures determines in good faith the same to be in Phillip Futures' interest to proceed with performing under a corresponding ER Market Contract notwithstanding the Customer's default under the relevant ER Contract without prejudice to Phillip Futures' right to damages and indemnity from the Customer.

(ii) **CONFLICTS OF INTEREST AND DUTY**

Phillip Futures' only obligation with respect to any Transaction is as riskless principal to the Customer and therefore that Phillip Futures will also conclude in good faith a corresponding ER Market Contract (as the expression is defined below).

As a riskless principal, Phillip Futures is not intended to incur any loss or damage for having effected a corresponding ER Market Contract and as such and amongst other things:

- (a) In the event of severe market disruption and/or price volatilities which may result or may have resulted in the current market value of a commodity which is the subject matter of a corresponding ER Market Contract falling to what Phillip Futures' counter-party may regard as an unacceptable level giving rise to their right to do any of the following with respect to the corresponding ER Market Contract:
  - (1) to close out the corresponding ER Market Contract;
  - (2) to require an immediate delivery of additional margin;then in such event Phillip Futures shall have corresponding rights under the ER Contract with the Customer.
- (b) The Customer also acknowledge that business on the relevant exchange on which the ER Market Contract is concluded may from time to time be suspended or restricted in the interests of, inter alia, maintaining a fair and orderly market. In such circumstances Phillip Futures may be unable to close out the corresponding ER Market Contract and the Customer acknowledge that in such event the Customer shall correspondingly have no right to close out the ER Contract with Phillip Futures.
- (c) In the event that Phillip Futures is required to effect payment or delivery of any relevant warrant(s) under the corresponding ER Contract Phillip Futures shall correspondingly be entitled to payment/warrant(s) delivery from the Customer under the corresponding Transaction to put in funds/warrant(s) in due time to onward effect payment/delivery under the corresponding ER Contract. As such the Customer's right to the return of any payment/warrant(s) delivery made to Phillip Futures is dependent on Phillip Futures' actual receipt of any corresponding return of payment/warrant(s) from Phillip Futures' counter-party under the corresponding ER Market Contract.

The price that Phillip Futures conclude the ER Contract may not be the same as the price of the corresponding exchange registered/executed Contract (such corresponding exchange registered/executed contract to be hereafter referred to as the "ER Market Contract"). Phillip Futures shall not be liable to account to the Customer for any such differential.

(iii) **NON-Exchange MEMBER**

The Customer acknowledge that Phillip Futures is not a member of any of the exchanges for which Phillip Futures is prepared on a bi-lateral principal to principal OTC basis to conclude with the Customer an ER Contract which is a look-a-like contract of the exchange traded contract that Phillip Futures will conclude with a relevant member of the relevant exchange and therefore that the ER Contract concluded while related and corresponding to an ER Market Contract which Phillip Futures conclude on a back to back basis for Phillip Futures' own account is not a contract which is registered with or concluded on the relevant or by a relevant exchange broker/member.

The Customer also acknowledge that as a non-exchange member it is incumbent on Phillip Futures to conclude corresponding ER Market Contracts with a relevant exchange member and as such the holding of any underlying commodity or warrant in respect thereof will necessarily be effected through such exchange member or its custodian.

The Customer further acknowledge and agree that holding of any commodity or documents of title to commodities which the Customer has acquired from Phillip Futures pursuant to an ER Contract concluded with Phillip Futures or intend to effect delivery with respect to will be procured by Phillip Futures to be held by such exchange member or its custodian and in accordance with their terms for such holding. The same will apply with respect to any and all commodity delivery obligation which Phillip Futures is obliged to discharge under a relevant corresponding LME Market Contract which Phillip Futures conclude held to delivery/settlement date.

Accordingly, the Customer agree that so long as Phillip Futures exercise good faith:

- (a) in the selection of such exchange member or its custodian for holding of any commodity or documents of title to commodities which the Customer has acquired from Phillip Futures pursuant to an ER Contract concluded with Phillip Futures or intend to effect delivery with respect to; and
- (b) in agreeing respectively to such exchange member and/or its sub-custodian's terms respectively for the delivery of commodities and/or for the holding of any commodity or documents of title to commodities which the Customer has acquired from Phillip Futures pursuant to an ER Contract concluded with Phillip Futures or intend to effect delivery with respect to

as between the Customer and Phillip Futures, Phillip Futures is intended to have and shall have no liability whatsoever with respect to the delivery obligations under any corresponding ER Contract or for any default on the part of the relevant exchange member or its sub-custodian and the Customer shall ensure that the Customer will take all actions as may be required and give Phillip Futures such authority as may be required and in each case in due time to ensure that Phillip Futures may comply with and not be default of the terms for the delivery of commodities or their respective sub-custody.

(iv) **LIQUIDATION INSTRUCTIONS**

Without prejudice to the foregoing, the Customer shall for any open position of any ER Contract which involves physical settlement:

- (a) give Phillip Futures instruction to liquidate such open position; or
- (b) provide Phillip Futures with sufficient funds in relation to such open position, and (where relevant) with the necessary delivery documents to take or make delivery of the underlying subject matter of the ER Contract, not later than [5] Business Days prior to the settlement date of such ER Contract.

## Appendix 2A

### DELIVERY/CUSTODIANSHIP – EROTC CONTRACTS ANNEXURE

Note: Expressions not otherwise defined below shall bear the meaning for the relevant expression as defined in Appendix 2.

References to "You" shall refer to the "Customer" and the expression "your" correspondingly construed.

#### **Insertion to Customer Trading Agreement Appendix 2 OTC Facilities Clause 3.2.1(iii):**

Without prejudice to the fore-going, the terms as set out in the attached document entitled "Delivery/ Custodianship – OTC Contracts" shall apply to our holding or procuring the holding of any commodity or documents of title to commodities which you have acquired from us pursuant to an ER Contract concluded with us or intend to effect delivery with respect to.

#### **Part A – Physical Delivery**

##### **1. SCOPE**

1.1 **Transactions:** The clauses in this Annexure apply, except to the extent inconsistent with the terms of our Agreement apart from this document to any and all ER Contracts concluded with us under which physical delivery is intended by or required of you (each a "Transaction").

##### **2. TITLE AND QUALITY**

2.1 **Title Guarantee:** You covenant that you will deliver or procure delivery of all commodities under all relevant Transactions with full title guarantee and in due time and so as to enable us to effect delivery of all commodities under the respective corresponding ER Market Contracts. Without limitation any transfer of a commodity pursuant to a Transaction shall be free of any right of retention, pledge, lien, other encumbrance or any other third party right including a warehouse's lien.

2.2 **Representation:** You represent and covenant that there is no encumbrance, nor will you create or permit to exist any encumbrance in respect of any commodity which is in our possession or control or delivered to us or our order by you under and for the purposes of any Transaction and intended for us to onward discharge our obligation under a corresponding ER Market Contract. You repeat this representation as of the time of entry into any Transaction relating to any commodity.

2.3 **Passing of title:** Property in any Warrant-based Commodity shall pass at the time the Warrant is delivered. In any other case, unless otherwise agreed in writing, property shall pass upon delivery of the commodity. Notwithstanding the foregoing, in any Transaction under which you purchase a commodity, property in the commodity shall remain with us until we have received full payment for it.

2.4 **Quality:** Unless otherwise agreed, any commodity to be delivered under a Transaction shall be delivered such that there we are entitled to and will be able to onward effect delivery in accordance with the requirements of applicable Exchange rules or regulations by reference to which such commodity is described.

2.5 **Statutory conditions:** When we transfer or procure a transfer of a commodity to you or to your order all statutory and implied conditions and warranties as to title, correspondence to description, quality and fitness for purpose are excluded.

##### **3. DELIVERY**

3.1 **Delivery:** Delivery of any Warrant-based Commodity shall be effected by transfer of Warrants. Where we hold Warrants in our physical possession or control for you, delivery by you to us shall be effected by our authorising the relevant Exchange member (for avoidance of doubt reference to an Exchange member in this Annexure, unless the context otherwise requires, shall refer to the relevant Exchange member through or with whom a relevant ER Market Contract was concluded. Such member may also be referred interchangeably as the "ER member") to appropriate the requisite number and amount of Warrants. Delivery by us to you of any Warrant-based Commodity where our Exchange member hold Warrants in their physical possession shall be effected by us instructing the ER member to immediately segregate the requisite number and amount of Warrants held by the ER member, after which we shall hold them and the commodity to which they relate as per the Custody terms below.

3.2 **SWORD deliveries:** Where Warrants are capable of being held in SWORD, transfer of Warrants shall be effected by transfer to or from the sword account of the relevant ER member's SWORD Account. If you do not have a SWORD Account, and we cause the holding of your Warrants in the ER member's Customer Account in SWORD accompanied by our instructions to the ER member to segregate your entitlements from our proprietary account with the ER member, our instructing the transfer of appropriate Warrants from such account of the ER member not rejected by the ER member shall constitute delivery. In any other case where your Warrants are held in SWORD, and subject to contrary written agreement between you and us, transfer to you shall be deemed to occur at 10am London time on the prompt date applicable to the Transaction.

3.3 **Risk:** The risk in any commodity bought by you will pass to you on delivery. Where a commodity is in your possession before the property in it has passed to you, you agree fully to preserve, or procure the full preservation of, its condition and make good any damage or deterioration that may occur, or fully compensate us for any such damage or deterioration.

3.4 **Delivery Costs:** Unless otherwise agreed in writing between us, any costs incurred by us in effecting physical delivery of any commodity (including, without limitation, costs in respect of collection, packaging, shipment, storage, warehousing or insurance) whether under or pursuant to the corresponding ER Market Contract or the Transaction shall be borne by you.

3.5 **Place of Delivery:** Any commodity which is required to be delivered physically by you to us will be delivered by you at your expense to such location as we may specify.

3.6 Where you intend to make delivery to us for onward delivery under the corresponding ER Market Contract of Warrants not already held by us or to our order in SWORD then we will require delivery in due time for us to comply with our delivery obligation under the corresponding ER Market Contract, being generally 5pm on the previous business day.

#### **Part B – Custody**

4.1 **Commodities purchased by you:** We may, from time to time, at your request but in our discretion, agree to hold on your behalf either ourselves or through a sub-custodian of our choice any commodity or documents of title to commodities which you have acquired from us pursuant to an ER Contract concluded with us (each a "Transaction").

Where we effect the holding ourselves, such commodity or documents will be segregated from any like commodity or documents in our ownership but otherwise will be subject to the same custody and insurance arrangements as our own property.

Where we effect the holding through a sub-custodian of our choice, our duty is only to secure from our sub-custodian an acknowledgement that such commodity or documents will be segregated from any like commodity or documents held for our proprietary account but otherwise will be subject to the same custody and insurance arrangements as our own property.

We shall in any event owe you no fiduciary duty in respect of any such commodity or documents and our responsibility (i) Where we effect the holding ourselves shall be limited to taking reasonable care to restore such commodity or documents to you upon your giving us reasonable notice and the payment to us of fees and charges for such holding of such commodity or documents of title with or through us; and (ii) Where we effect the holding



through a sub-custodian of our choice shall be limited to assigning you the benefit of our rights of action (or where the same is not assignable, the fruits of the exercise and enforcement of such rights subject to you indemnifying us for the costs of such exercise and enforcement of rights) against the sub-custodian with respect to the property held and otherwise to onward request the sub-custodian to restore such commodity or documents to you upon your giving us reasonable notice and the payment to us of fees and charges for such holding of such commodity or documents of title with or through us. We reserve the right to levy charges for this service (which shall at the minimum be equal to the charges payable by ourselves to a sub-custodian for such holding). Our duties with respect to such holding shall be strictly limited to the duties expressly set out in this document.

- 4.2 ***SWORD Warrants:*** Where a Warrant is capable of being held in SWORD we shall hold or arrange with a sub-custodian of our choice to hold, such a Warrant physically for you (or in the latter case for the benefit of a segregated customer account maintained with the sub-custodian distinctly from our own proprietary account with them) only for temporary periods. We may give you reasonable notice (or in the latter case onward notification of the notice received by us from our sub-custodian) to collect any such Warrants or to cause them to be lodged in SWORD in accordance with the SWORD Regulations.
- 4.3 ***Collection of Warrants:*** Where you have Warrants which are in our physical possession or control and have authorised a person to collect Warrants from us, we shall not verify the identity of any person claiming to be so authorised, and we owe you no duties to operate any specific security procedures unless separately agreed in writing between you and us.
- 4.4 ***Rent:*** You will in due time pay rent and other charges applicable to any commodity represented by any Warrant held by us for you.
- 4.5 ***Liability:*** We shall have no liability for the neglect or default of any sub-custodian or with respect to any Warrant held by us for you through any sub-custodian so long as we had exercised good faith in the appointment of such sub-custodian. Our liability to you in respect of any Warrant held directly by us for you is limited as follows: we shall have no liability for any damage, loss, expenses or liability of any nature which you may suffer as a result of any act or omission by us except to the extent of direct losses or expenses attributable to our fraud or wilful default or negligence. In the event of such direct losses or expenses our liability is limited to issuing an indemnity in respect of the market value of the Warrant at the time of discovery of the loss.
- 4.6 ***Storage and Insurance:*** If you deposit commodities, documents of title to commodities, or other tangible assets with us or to our control as margin or otherwise, we reserve the right (but have no obligation) to insure them, to charge you and debit your account with the costs of storage and insurance either periodically or when we return the assets to you, and to refuse withdrawal until such costs have been paid. If we collect, deliver or hold commodities or other tangible assets on your behalf, we do so at your risk. Without prejudice to the foregoing, you shall be solely responsible for the taking out of any insurance for the commodities and documents of title subject to the pursuant to the terms for holding hereunder.
5. **HOLDING YOUR WARRANTS IN SWORD**
- 5.1 ***Bailment:*** Where you do not have a SWORD Account we may hold Warrants on your behalf in SWORD either directly or through a sub-custodian. If we do so we act as bailee and owe you no fiduciary duty, and we do not undertake the responsibilities of a trustee or any other duties in relation to such Warrants not implied by the law of bailment for bare custody of such warrants.
- 5.2 ***Warrant lodgement:*** You consent for the purposes of the SWORD Regulations to us lodging or causing the lodgement of Warrants through a sub-custodian with the Depository and to our and/or our sub-custodian dealing with the Warrants on the terms of the SWORD Regulations. Where we have lodged or caused to be lodged through a sub-custodian a Warrant on your behalf, you represent and warrant to us that the Warrant and the commodity to which it relates are beneficially owned by you and free of encumbrances and that all requirements of the SWORD Regulations for lodgement are satisfied and authorise us in turn to make, as between ourselves and our sub-custodian, identical representation and warranty. You shall accordingly indemnify and keep us harmless against any and all loss, claims and damage we may sustain referable to any breach of your representation and warranty or our corresponding breach of representation and warranty.
- 5.3 ***Warrant withdrawal:*** If you wish to withdraw Warrants which we are holding for you in SWORD, you will give us reasonable notice to enable us and our sub-custodian (where applicable) to comply with the SWORD Operating Procedures, and we shall not be responsible other than to take reasonable steps to comply with your request insofar as it is practicable.

### **Part C – Limitation of Obligation**

#### **6. Riskless Principal/Agent**

- 6.1 You agree that our relationship is such that we act at all times only as a riskless principal where we are not permitted to act as your agent with respect to any ER related commodity transaction. As such and without prejudice to the acknowledged limitation of the scope of our duties and obligations as generally stated in the Appendix to your agreement with us and entitled "OTC FACILITIES" you also acknowledge and agree that:
- (i) so long as you are not in breach of your obligations, we are obliged only to either onward communicate your instructions with respect to delivery or custody or to communicate materially identical instructions to the relevant ER member and/or its custodian but without any responsibility to assure or guarantee performance on their respective parts; and
  - (ii) we are not in any event to be liable for any deficiency or breach in the performance of any obligation nor for the negligence or fraud of such ER member or its custodian.

Without prejudice to the foregoing, our obligation to effect any further communication or dealings with the ER member and/or its custodian shall cease following our communication of any instruction to either or both of them to effect delivery to you or your order which is not rejected by them. Thereafter you agree that all further communications and dealings with respect to the commodity which is the subject of any delivery or custody shall be wholly your responsibility to follow up with the ER member and/or its custodian.

#### **7. Interpretation**

In this Appendix:

**"SWORD"** means the system for electronic transfer of entitlement to Warrants of certain descriptions regulated by relevant Exchanges on which the ER Market Contract is concluded, including in particular the London Metal Exchange;

**"SWORD Regulations"** means the relevant Exchange on which the ER Market Contract is concluded regulations governing the operation of SWORD, and unless otherwise expressly defined, any term defined in the SWORD Regulations has the same meaning;

**"Warrant"** means a warehouse warrant issued in circumstances regulated by the relevant Exchange on which the ER Market Contract is concluded which evidences entitlement to a commodity;

**"Warrant-based Commodity"** means a commodity which, under the rules of the relevant Exchange on which the ER Market Contract is concluded, is capable of being delivered by transfer of a Warrant.

### **Appendix 3**

#### **RISK DISCLOSURE STATEMENT FOR ELECTRONIC COMMUNICATIONS**

All capitalised terms in this document shall have the meanings given in our "CUSTOMER TRADING AGREEMENT" - the "Agreement" - unless otherwise specified.

1. Without prejudice or detracting from the generality of Clauses 4.1 and 4.3 of the Agreement, the Customer hereby irrevocably authorises Phillip Futures and its officers, employees, agents and representatives to act in accordance with the Customer's Orders given by telephone, facsimile, telexes or any other form of electronic communication including internet messaging or electronic mail services from the Customer and/or persons authorised in writing by the Customer from time to time, including instructions to transfer/remittance funds from the Account(s) held with Phillip Futures to other account(s) or party(ies) where the Customer may not be the beneficiary or sole beneficiary. Phillip Futures shall have the right to request for any and all information that it deems necessary or expedient to give effect to such Orders.
2. The Customer acknowledges that the aforesaid method(s) of communication of Orders is provided solely on the basis of the Customer's request and at the sole risk of the Customer and is not recommended in any way by Phillip Futures.
3. The Customer acknowledges and confirms that the Customer is aware of the nature of Orders communicated by telephone, facsimile, telexes or any other form of electronic communication including internet messaging or electronic mail services whereby such Orders may be fraudulently sent in the name of the Customer, may not be received properly or may not be read by the intended recipient and may be read by or be known to unauthorised persons.
4. The Customer agrees to assume and bear all the risks involved in respect of the above-mentioned errors and misunderstanding and Phillip Futures shall not be responsible in any way for the same or breach of confidentiality thereto and shall also not be liable for any Loss arising therefrom.
5. The Customer acknowledges that the Customer is fully aware of and understands the risks associated with communicating the Customer's Orders by telephone, facsimile, telexes or any other form of electronic communication including internet messaging or electronic mail services including the risk of misuse and unauthorised use of Username and/ or Password by a third party and the risk of a person hacking into any form of electronic communication, including without limitation the internet messaging or electronic mail service as may be used.
6. The Customer accepts sole and full responsibility for the monitoring of the Customer's Orders and safeguarding the secrecy of the Customer's PIN (including both Username and Password), the safety and security of its connection to the internet, restricting the use of the Customer's PIN to authorised persons only and agrees that the Customer shall be fully liable and responsible for any and all unauthorised use and misuse of the Customer's PIN, and also for any and all acts done by any person through using the Customer's PIN in any manner whatsoever.
7. The Customer agrees that Phillip Futures and its officers, employees, agents and representatives may act as aforesaid without inquiry as to the identity or authority of the person giving or purporting to give any Order or the authenticity of any telephone, facsimile, telexes or any other form of electronic communication including internet messaging or electronic mail services and may treat the same as fully authorised by and binding on the Customer, regardless of the circumstances prevailing at the time of the Order or communication or its content including the amount of the transaction and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto, and without requiring further confirmation in any form, provided that Phillip Futures or the employee, officer, agent or representative concerned believed, in good faith, the instruction to be genuine at the time it was given.
8. By way of reminder and as noted in Clause 4.2 of the Agreement, where the Electronic Broking Facilities are made available to the Customer by Phillip Futures, the Customer may, subject to the terms for the transmission/placement of the same place Orders through the use of such facilities. The terms governing Electronic Broking Facilities are set out in Appendix 1 of the Agreement and, with respect to DMA Services, in addition to requirements of the DMA Procedures.
9. The Customer also correspondingly and specifically confirms that by authorizing Phillip Futures and any of its officers to act in accordance with Orders communicated electronically as above, the Customer agrees:
  - (a) the Customer is fully aware of, understand and agree to assume and bear all the risks associated with communication of Orders electronically including (but not limited to) the risk of delay in or inability to access or use the facilities to so communicate Orders due to hardware, software, connection failure, error, malfunction, omission, interruption, delay in transmission or computer virus, information loss, misuse and unauthorised use by a third party and the risk of a person hacking into the Electronic Services. The Customer also understands that such instructions communicated electronically may still go astray and may not be received properly and/or read by the intended recipient or authorised persons;
  - (b) Without prejudice to the foregoing, Phillip Futures is entitled to void from the outset or amend any terms of any Orders and/or Transaction containing or based on an egregious or palpable error ('Manifest Error'), without seeking the Customer's consent. Phillip Futures shall not be liable to the Customer in any manner whatsoever for any actions or inactions Phillip Futures adopt in relation to such manifest error. In the event that the Customer has received monies from Phillip Futures in connection with such manifest error, the Customer agrees that such aforementioned monies are due and payable to Phillip Futures and the Customer shall immediately return such monies in full to Phillip Futures;
  - (c) Phillip Futures shall not be liable for any actions or inactions it adopts based on the Customer's transmission of orders which are inaccurate or not received by Phillip Futures. Notwithstanding the foregoing, Phillip Futures may execute any orders of the Customer's based on terms or instructions actually received by Phillip Futures;
  - (d) Phillip Futures or any of its officers may act as aforesaid without inquiry as to the identity or authority of the person giving or purporting to give any Order or the authenticity of any Orders transmitted electronically and may treat the same as fully authorised by and binding on the Customer, regardless of the circumstances prevailing at the time of the instruction and notwithstanding any error, misunderstanding, fraud, forgery or lack of authority in relation thereto, and without requiring further confirmation in any form, provided that the Phillip Futures officer concerned believed the instruction to be genuine at the time it was given;
  - (e) Phillip Futures reserves the right not to act on any instruction transmitted electronically if Phillip Futures reasonably suspects that it is not genuine or for any other reason;
  - (f) In relation to Phillip Futures acting on Orders transmitted electronically, the Customer undertakes to indemnify Phillip Futures from and against all liabilities, claims, demands, actions, proceedings, losses, expenses and all other liabilities of whatsoever nature or description which may be suffered by Phillip Futures. The Customer further agrees to waive any rights, claims, actions or proceeding the Customer may have against Phillip Futures for any losses or liabilities the Customer may suffer as a consequence of Phillip Futures acting on such Orders; and
  - (g) The Customer acknowledge and agree that Phillip Futures shall not be liable for any loss or damage whatsoever (including without limitation any indirect, economic or consequential loss) that the Customer may suffer or incur due to any act or omission of Phillip Futures or its officers in connection to the performance of any such electronically transmitted Orders.

## **Appendix 4**

### **DISCLOSURE STATEMENT FOR REGULATION 18A**

This document sets out disclosures we are obliged to give you to comply with Regulation 18A of the Securities and Futures (Licensing and Conduct of Business) Regulations – the “Regulations” and relates to our obligation under Regulation 17 of the Regulations to maintain a trust account – the “Trust Account” – in which we deposit your money received by us from or for you as a Customer for our services as the holder of a capital markets license – the “Services”. For avoidance of doubt, such money will not include money you directly or indirectly transfer to us by way of title transfer; provided that in no case where you are a retail customer will you be obliged to provide any money to us as margin for your obligations by way of title transfer to us except where such money relates to lending of your securities in compliance by us with Regulations 45(1) (3) and (4) of the Regulations. This document does not cover all risks relating to these Services and you should consider all agreements between us and any other disclosure material that we have provided to you.

#### **1. How we hold your money**

Your money will be held on your behalf in accordance with Regulation 17 of the Regulations in the Trust Account. Unless we otherwise notify you, the custodian of the Trust Account will be a third party eligible to be the custodian pursuant to Regulation 17.

#### **2. When we may withdraw your money**

Where we provide any Services, we may pursuant either to our entitlement:

- (a) under but subject to Regulation 30 of the Regulations or
- (b) pursuant to the provisions of Regulation 35 of the Regulations

withdraw your money for any purpose permitted under Regulation 19 and/or 21 (as applicable) of the Regulations.

#### **3. Withdrawals from Trust Account and onward depositing money with third parties**

As provided in Regulations 19 and 21 of the Regulations we may withdraw your money from the Trust Account and apply such money as permitted or not prohibited by the said provisions of the Regulations including onward deposit the money with third parties acting on our behalf (Third Parties, which expression shall also include the custodian of the Trust Account), being any of an approved clearing house, a recognized clearing house, a member of a clearing facility or a member of an recognized market for any of the purposes specified in Regulation 19 of the Regulations. Nothing in the preceding however permits our withdrawing of your money where you are a retail customer and apply the money towards satisfaction of our own obligations or liabilities. Unless we agree otherwise, we are not liable for any acts or omissions of Third Parties.

#### **4. Money generally held on pooled basis and key consequences**

Your money will, unless we are obliged pursuant to the Regulations to specify or agree with you otherwise, be held in an omnibus or pooled account basis by us or an approved Third Party. For avoidance of doubt, if you are a retail customer, money provided to us in relation to your OTC derivatives contracts with us may only be pooled with the money of other retail customers of ours provided to us for their respective OTC derivatives contracts. Where your money is held in such omnibus accounts, they may be pooled with money belonging to our other customers or customers/clients of the Third Party. Therefore there is a risk that:

- (a) Your money could be withdrawn to meet other clients' obligations; and/or
- (b) You may share in any shortfall and may not therefore receive your full entitlement of money.

In some jurisdictions national law may not recognize or give effect to our attempts to separately identify your money from our money or those belonging to the Third Party. In such a case:

- (i) Your money could be used to meet the Third Party's general obligations on its insolvency;
- (ii) Your money could be used to meet our general obligations on our insolvency;
- (iii) The Third Party could challenge your rights to any money; and/or
- (iv) You may share in any shortfall and may not therefore receive your full entitlement of money.

#### **5. Money held outside Singapore**

Where we hold your money outside Singapore:

- (a) Different legal and regulatory requirements may apply from those applying in Singapore; and
- (b) Your rights to the money may differ from those you would have in Singapore.

#### **6. Protecting your money**

We will, if possible, direct such approved Third Parties who hold your money to identify them separately from their own money and those belonging to us (by differently titled accounts or other measures that achieve the same level of protection). If the money is held in a jurisdiction where we are prevented from registering money in the name of a nominee or in your name, we may register or record or cause any relevant Third Party to register or record your money in our own name or if we are prevented from doing so, in the name of a Third Party, provided in either case that we are permitted to do so under the Regulations read with relevant provisions of the SFA.

#### **7. Security interests, liens and right of set-off**

Where we hold your money we will generally have rights of set-off, a general lien and other security interests over them, both as set out in the relevant agreement between us and under general law. Our rights of lien and other general security interests are also specifically recognized under the Regulations. A Third Party, including a depository or any foreign custodian of such money, who holds your money may also have a security interest or lien over, or right of set-off in relation to such money. Where not already disclosed above, we will tell you where your money is held in a jurisdiction where by law they are subject to security interests or rights of set off enabling a third party to dispose of them or recover debts that are not related to you.

## **Appendix 5**

### **DISCLOSURE STATEMENT FOR REGULATION 27A**

This document sets out disclosures we are obliged to give you to comply with Regulation 27A of the Securities and Futures (Licensing and Conduct of Business) Regulations - the "Regulations" and relates to our obligation under Regulation 27 of the Regulations to maintain a custody account - the "Custody Account" - in which we deposit your assets received by us from or for you as a Customer for our services as the holder of a capital markets license - the "Services". This document does not cover all risks relating to these Services and you should consider all agreements (including in particular the Agreement) between us and any other disclosure material that we have provided to you.

#### **1. How we hold your assets**

Your assets will be held on your behalf in accordance with Regulation 27 of the Regulations in the Custody Account. Unless we otherwise notify you, the custodian of the Custody Account will be a third party eligible to be the custodian pursuant to Regulation 27.

#### **2. When we may withdraw your assets**

Where we provide any Services, we may pursuant either to our entitlement:

- (a) under but subject to Regulation 30 of the Regulations or
- (b) pursuant to the provisions of Regulation 35 of the Regulations

withdraw your assets for any purpose permitted under Regulation 30 and/or 35 (as applicable) of the Regulations.

#### **3. Withdrawals from Custody Account and onward depositing assets with third parties**

As provided in Regulations 27 and 30 of the Regulations we may withdraw your assets from, hold your assets from the Custody Account and deposit the assets with third parties acting on our behalf (Third Parties, which expression shall also include the custodian of the Custodian Account), being any of an approved clearing house, a recognised clearing house, a member of a clearing facility or a member of an organised market for any of the purposes specified in Regulation 30 of the Regulations. Unless we agree otherwise, we are not liable for any acts or omissions of Third Parties.

#### **4. Assets generally held on pooled basis and key consequences**

Your assets will, unless we specify or agree with you otherwise, be held in an omnibus or pooled account basis by a Third Party. Where your assets are held in such omnibus accounts, they may be pooled with assets belonging to our other customers or customers/clients of the Third Party. Therefore there is a risk that:

- (a) Your assets could be withdrawn to meet other clients' obligations; and/or
- (b) You may share in any shortfall and may not therefore receive your full entitlement of assets.

In some jurisdictions national law may not recognise or give effect to our attempts to separately identify your assets from our assets or those belonging to the Third Party. In such a case:

- (i) Your assets could be used to meet the Third Party's general obligations on its insolvency;
- (ii) Your assets could be used to meet our general obligations on our insolvency;
- (iii) The Third Party could challenge your rights to any assets; and/or
- (iv) You may share in any shortfall and may not therefore receive your full entitlement of assets.

#### **5. Assets held outside Singapore**

Where we hold your assets outside Singapore:

- (a) Different legal and regulatory requirements may apply from those applying in Singapore; and
- (b) Your rights to the assets may differ from those you would have in Singapore.

#### **6. Protecting your assets**

We will, where possible, direct such Third Parties who hold your assets to identify them separately from their own assets and those belonging to us (by differently titled accounts or other measures that achieve the same level of protection). If the assets are held in a jurisdiction where we are prevented from registering assets in the name of a nominee or in your name, we may register or record your assets in the name of a Third Party or where we are prevented from doing so, in our own name, provided in either case that we are permitted to do so under the Regulations read with relevant provisions of the SFA.

#### **7. Security interests, liens and right of set-off**

Where we hold your assets we will generally have rights of set-off, a general lien and other security interests over them, both as set out in the relevant agreement between us and under general law. Our rights of lien and other general security interests are also specifically recognised under the Regulations. A Third Party, including a depository who holds your assets may also have a security interest or lien over, or right of set-off in relation to such assets. Where not already disclosed above, we will tell you where your assets are held in a jurisdiction where by law they are subject to security interests or rights of set off enabling a third party to dispose of them or recover debts that are not related to you.

## **Appendix 6**

### **DISCLOSURE STATEMENT FOR INDIVIDUAL SEGREGATED ACCOUNT**

We will generally hold your money and assets separately from our own, but on a pooled basis with respect to money and assets of other of our customers and therefore there is a risk that your money and/or assets may be used to satisfy the obligations of other retail customers of ours referable to their respective OTC derivatives transactions with us or in the event of a total shortfall in money and/or assets collectively in the pool, all such of our customers will be limited to a pro-rated share of the actual money and/or assets in the pool – generally “fellow-customer risk”. You should read our specific disclosures to you pursuant to Regulations 18A and 27A respectively on the key consequences and risks of your money and/or assets being held on a customer pooled basis for more and specific information. However, your money/assets for your OTC derivatives transactions/contracts with us will be held within Singapore, Singapore laws and regulations operate to ensure that they will not be available to be used to satisfy any of our own obligations in the event of our insolvency.

1. Regulations 16(5) And 26(5) of the Securities and Futures (Licensing and Conduct of Business) Regulations oblige us to provide you with the option of having added protection against fellow-customer risk for your money and assets respectively. The aforementioned option allows for your money and/or assets provided to us in relation to your OTC derivatives transactions with us to be “ring-fenced” from the money and/or assets belonging to our other customers.
2. By signing on our Account Application Form, you will be deemed to have indicated to us your choice of not having such Individual Segregated Account unless you have expressly informed us otherwise.
3. **Consequences And Costs For Individual Segregated Account**

Where you have expressly requested to have the aforementioned option of an Individual Segregated Account, then for the money and/or asset chosen, your OTC derivatives account with us will be designated as a relevant Customer Individual Segregated Account(s). The following applies to such account(s):

- (a) your money and assets held in such account(s) will not be pooled or commingled with our other retail customer’s positions;
- (b) your money and/or assets will be recorded by us separately from our other customers. Such money and/or assets will not be available for the default of any person other than yourself;
  - (i) opting for an Individual Segregated Account will also mean additional administrative costs will be payable by you; and
  - (ii) you may contact a representative from Phillip Futures, should you decide to opt for the Individual Segregated Account or have any related queries.

## Schedule 1

### PHILLIP FUTURES PTE LTD – RISK DISCLOSURE STATEMENT

Customer is requested to read, acknowledge receipt of and retain one copy of the following Risk Disclosure Statement.

#### SECURITIES AND FUTURES ACT 2001 (ACT 42 OF 2001)

#### SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS) REGULATIONS 2002

#### RISK DISCLOSURE STATEMENT REQUIRED TO BE FURNISHED UNDER REGULATION 47E(1) AND TO BE KEPT UNDER REGULATION 39(2)(c) BY THE HOLDER OF A CAPITAL MARKETS SERVICES LICENCE TO DEAL IN CAPITAL MARKETS PRODUCTS IN RESPECT OF FUTURES AND CERTAIN OVER-THE-COUNTER DERIVATIVES CONTRACTS

1. This statement is provided to you in accordance with regulation 47E (1) of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10).
2. This statement does not disclose all the risks and other significant aspects of trading in futures, options, over-the-counter derivatives contracts where the underlying is a currency or currency index ("OTCD currency contracts") and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading ("Spot LFX trading contracts"). 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 the risks. Trading in futures, options, OTCD currency contracts and Spot LFX trading contracts 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, OTCD currency contracts and Spot LFX trading contracts**
    - **Effect of 'Leverage' or 'Gearing'**

Transactions in futures, OTCD currency contracts and Spot LFX trading contracts carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract, OTCD currency contract or Spot LFX trading contract 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 the 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 specified time, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.
    - **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 options (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, OTCD currency contract or Spot LFX trading contract, the purchaser will have to acquire a position in the futures contract, OTCD currency contract or Spot LFX trading contract, as the case may be, with associated liabilities for margin (see the section on Futures, OTCD currency contracts and Spot LFX trading contracts above). 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, OTCD currency contract or spot LFX trading contract, the seller will acquire a position in the futures contract, OTCD currency contract or spot LFX trading contract, as the case may be, with associated liabilities for margin (see the section on Futures, OTCD currency contracts and Spot LFX trading contracts above). If the option is 'covered' by the seller holding a corresponding position in the underlying futures contract, OTCD currency contract, spot LFX trading contract 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**
    - **Terms and Conditions of Contracts**

You should ask the corporation with which you conduct your transactions for the terms and conditions of the specific futures contract, option, OTCD currency contract or spot LFX trading contract 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, OTCD currency contract or spot LFX trading contract 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.

- **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.

- **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 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 type 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 separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

## Schedule 2

### RISK FACT SHEET FOR CONTRACTS FOR DIFFERENCES (CFDs)

This Risk Fact Sheet is provided to you in accordance with Notice SFA N04-N[15]. It highlights the common risks of trading in CFDs and complements the trading agreement and associated risk disclosures furnished by PFPL. This Risk Fact Sheet does not disclose all the risks of trading in CFDs. It is important to read the trading agreement and associated risk disclosures before deciding whether to trade in CFDs. You should also carefully consider whether trading in CFDs is appropriate for you in the light of your experience, objectives, financial resources and other relevant circumstances. If you do not have a copy of the trading agreement and associated risk disclosures, please contact PFPL to request for a copy. You should not trade in CFDs if you do not understand the product or are not comfortable with the accompanying risks.

#### Q1. What is my potential loss when I trade on margin<sup>1</sup> in CFDs?

When you enter into a CFD transaction, you need to pay an initial margin, which is based on a percentage of the value of the trade.

When you trade on margin, you should be prepared to lose more than or your entire initial investment amount that you have paid as margin to the firm.

##### **Illustration 1**

- a) The firm sets the margin for 1 CFD on Brent Crude Oil (UKOIL) at 20%. You sold 1 contract (equivalent of 1,000 barrels) at the prevailing market price of USD 70 per barrel. The initial margin you will have to put up is USD 14,000. This calculated as USD 70 x 1,000 barrels x 20%.
- b) The next day, UKOIL rises to USD 73. You will incur a loss of USD 3,000. This is calculated as (USD 70 – USD 73) x 1,000 barrels. The USD 3,000 loss will be deducted from your initial margin of USD 14,000 as unrealized loss.
- c) If UKOIL drops to USD 65. You will gain a profit of USD 5,000. This is calculated as (USD 70 – USD 65) x 1,000 barrels. The USD 5,000 profit will be added to your account as unrealized profit.

##### **Illustration 2**

- a) The firm sets the margin for 1 CFD on Dow Jones Industrial Average Index (US30) at 5%. You bought 1 contract (equivalent of 1 CFD) at the prevailing market price of USD 25,000 per CFD. The initial margin you will have to put up is USD 1,250. This calculated as USD 25,000 x 1 CFD x 5%.
- b) The next day, US30 rallies to USD 25,100. You will gain a profit of USD 100. This is calculated as (USD 25,100 – USD 25,000) x 1 CFD. The USD 100 profit will be added to your account as unrealized profit.
- c) In the worst case scenario, the price of US30 falls to zero. You lose the full contract value of USD 25,000. This is calculated as, (USD 0 – USD 25,000) x 1 CFD. You may also be liable for additional charges, costs and fees incurred.

#### Q2. What will happen if I do not have enough margin to cover my losses?

If the cash balance in your account is less than the initial margin required to maintain your positions, the firm will issue you a margin call on the next business day. You will have to close your positions or pay the margin shortfall by the 2<sup>nd</sup> business day after the issue of the margin call. If you fail to meet the margin call, the firm has the right to close out your CFD positions without notifying you to bring your account balance above initial margin level. Therefore, you will need to monitor your account closely to ensure that you deal with any margin calls promptly. Pursuant to Section 6.2 of the Customer Trading Agreement with us, we may liquidate your positions if your total losses exceed more than the margin requirement.

##### **Illustration 3**

- 1) Referring to Illustration 1, the price of UKOIL falls to USD 69 from USD 70, and the notional value of the contract is now USD 69,000. The margin requirement to maintain the contract is now USD 13,800. This is calculated as USD 69 x 1,000 barrels x 20%.
- 2) With an unrealized loss of USD 1,000 and margin of USD 14,000, your account balance is now USD 13,000 (USD 14,000 – USD 1,000).
- 3) The firm issues you a margin call of USD 800 to top up your margin to USD 13,800 (assuming the margin requirement is USD 13,800).
- 4) If you fail to pay the margin call by the 2<sup>nd</sup> business day after the margin call, the firm can close out your positions at PFPL's discretion and without notice.
- 5) At any time, should UKOIL continues to fall and your account balance reaches or breaches the close-out level, the firm may close out your positions (refer to low equity policy).
- 6) In addition, you may be liable for additional charges, costs and fees incurred.

#### Q3. How is the CFD quoted?

Our CFD bid-ask prices are derived from prices of the reference instrument quoted in the underlying exchange, market or liquidity provider. Therefore, the CFD prices will only be available if the underlying exchange or market is open or if there is sufficient liquidity.

<sup>1</sup> "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 transaction in a futures contract, OTCD currency contract, CFDs or spot LFX trading contract to ensure performance of the terms of the transaction in the futures contract, OTCD currency contract, CFDs or spot LFX trading contract.



**Q4. Can my order be executed at a price that is less favourable than the price quoted on the trading system, or the price that I have submitted?**

Your order can be executed at a price that is less favourable than the price quoted on the trading system as stipulated in Section 4.11 of the Customer Trading Agreement and Section 4.11 of the MetaTrader 5 Terms and Conditions. Quotes for prices for dealing in the firm's products are indicative only and not guaranteed. This can happen when there is a change in our quoted price between the time your order is placed and the time your order is received or executed by our system (e.g., delay in the internet transmission of your order, or rapid price fluctuations in the financial markets during that period). In particular, for stop-loss orders that are triggered for execution at the stop price level that you have indicated, it may be difficult or not possible to liquidate your position at your stop price level, due to rapid price fluctuations or lack of liquidity in the markets. If any of the foregoing events happens, you may incur unexpected losses.

However, your order will not be executed at a price that is less favourable than your submitted price (e.g. limit orders).

**Q5. Will my order be manually executed? If so, under what circumstances does the firm rely on manual execution?**

PFPL's system executes your orders on an automated basis and does not rely on any manual intervention or dealing, unless your orders do not pass the pre-execution checks carried out by the firm's trading system. This can happen if there is insufficient or unavailable liquidity in the underlying market for the firm to hedge its own risk exposure. In this regard, the firm has the discretion to determine the price of the CFD pursuant to Section 15 of the Customer Trading Agreement with us.

**Q6. Where are my margins kept and maintained? Can the firm use my margins for its own purposes?**

Your moneys or other assets that you placed with the firm are required by regulations to be maintained in segregated accounts with certain specific entities. Your moneys or other assets are segregated from the firm's own moneys or assets, but may be kept in the same omnibus account with other customers of the firm. The firm is not permitted to use your money or other assets in the segregated account for its own purposes, including for settling its own dealings with its hedge counterparty.

**Q7. What will happen to my margins if PFPL becomes insolvent? Will I be able to get back my moneys or other assets?**

The firm is your contractual counterparty and is obliged according to the terms and conditions of the trading agreement to honour your CFD trades and any profits made. Therefore, if the firm becomes insolvent, you are able to recover your equity balance (Ledger Balance+ Unrealized Profit/Loss +- Unrealized Finance Charge). As for your moneys or other assets that are held in the segregated account, these should be protected from the claims of the firm's creditors. Nonetheless, the recovery and return of your moneys or other assets will take time, as this is subject to due process of the firm's liquidation, including the reconciliation of all its customers' positions and moneys.

**Q8. Under what circumstances can PFPL close my position or void my order?**

Under the terms of the trading agreement, the firm can close out your position or void your trade when:

- (i) you are unable to meet the margin calls within the required timeframe (Section 6.2 of the Customer Trading Agreement);
- (ii) there is a trading system failure that result in erroneous prices at which your trades are executed (Section 15 of the Customer Trading Agreement);
- (iii) your account balance reaches or breaches the close-out level at any time (Section 6.2 of the Customer Trading Agreement), etc.

The price at which your CFD is closed out will depend on the available price of the underlying market at that point in time, which may result in a loss to you.

**Q9. What are the commissions, fees and other charges that I have or may have to pay?**

Commission: Imposed at a percentage of the traded value of the CFD. All commission charges are subjected to the Goods and Services Tax (GST).

Finance Charge: A financing fee is charged on any CFD positions that are held overnight on a daily basis. Finance charge is set at a percentage of the marked to market value of the CFD.

**Illustration 4**

If you bought 1 contract of UKOIL (equivalent of 1,000 barrels) and held it overnight, you will incur a daily financing interest. The end of day settlement price is USD 73. Hence, the daily interest charge is calculated as  $[(USD\ 73 \times 1,000\ \text{barrels} \times 0.5\%)/365\ \text{days}] = USD\ 1.00$ .

**Illustration 5**

If you sold 5 contracts of US30 (equivalent of 5 CFDs) and held them overnight, you will incur a daily financing interest. The end of day settlement price is USD 25,250. Hence, the daily interest charge is calculated as  $[(USD\ 25,250 \times 5\ \text{CFDs} \times 0.5\%)/365\ \text{days}] = USD\ 1.73$ .

**Q10. What happens when trading in the underlying share or asset is suspended or halted? How can I exit my position and will I suffer losses?**

In event of a suspension where the price of the underlying market is unavailable, the firm may allow you to exit your CFD positions at a price determined by the firm (Section 15 of the Customer Trading Agreement). During the period of suspension, holders of CFD positions will continue to be charged interest if the positions are held overnight.

In the event of a prolonged period of suspension, the firm may require you to increase the margins, pay up the contract value in full, or close off your positions at an appropriate price determined by the firm. In the worst case, you could lose 100% of the contract value. You may also be liable to pay additional charges, costs and fees incurred.

**Q11. Are there additional risks trading in CFDs on Cryptocurrencies?**

Cryptocurrencies are not legal tender and are not issued by any government nor backed by any asset or issuer. Cryptocurrencies are currently not subjected to any regulatory requirements or supervisory oversight by the Monetary Authority of Singapore (MAS). Hence, the safeguards afforded under MAS' regulatory framework will not apply to consumers dealing with unregulated products, such as CFDs on Cryptocurrencies.

Cryptocurrencies have little or no intrinsic value, making them hard to value and extremely volatile. Being highly speculative, investing in cryptocurrencies entails high risks as prices are prone to sharp, sudden swings as a result of unanticipated events or changes in market sentiments primarily due to the lack of price transparency. Liquidity may also become limited and price gaps may occur in such circumstances. Cryptocurrency exchanges, where cryptocurrencies are bought and traded, are susceptible to cyber security breaches. In the event of a cyberattack and theft of cryptocurrencies, it may result in drastic, adverse price movements.

Trading into CFDs on cryptocurrencies carry a high level of risk. You may risk losing all your capital or more when investing into cryptocurrencies. You must therefore be fully aware of the risks associated with both CFDs and cryptocurrencies and carefully assess whether an investment in cryptocurrencies is suitable for your investment objectives and risk appetite.

## Schedule 3

### **RISK WARNING STATEMENT FOR OVERSEAS-LISTED INVESTMENT PRODUCTS**

#### **RISK WARNING**

An overseas-listed investment product is subject to the laws and regulations of the jurisdiction it is listed in. Before you trade in an overseas-listed investment product or authorise someone else to trade for you, you should be aware of:

- The level of investor protection and safeguards that you are afforded in the relevant foreign jurisdiction as the overseas-listed investment product would operate under a different regulatory regime.
- The differences between the legal systems in the foreign jurisdiction and Singapore that may affect your ability to recover your funds.
- The tax implications, currency risks, and additional transaction costs that you may have to incur.
- The counterparty and correspondent broker risks that you are exposed to.
- The political, economic and social developments that influence the overseas markets you are investing in.

These and other risks may affect the value of your investment. You should not invest in the product if you do not understand or are not comfortable with such risks.

*\*An "overseas-listed investment product" in this statement refers to a capital markets product that is listed for quotation or quoted only on overseas securities exchange(s) or overseas futures exchange(s) (collectively referred to as "overseas exchanges").*

1. This statement is provided to you in accordance with paragraph 29D of the Notice on the Sale of Investment Products [SFA04-N12].
2. This statement does not disclose all the risks and other significant aspects of trading in an overseas-listed investment product. You should undertake such transactions only if you understand and are comfortable with the extent of your exposure to the risks.
3. You should carefully consider whether such trading is suitable for you in light of your experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for you, you should be aware of the following:

#### Differences in Regulatory Regimes

- (a) Overseas markets may be subject to different regulations, and may operate differently from approved exchanges in Singapore. For example, there may be different rules providing for the safekeeping of securities and monies held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of your investment products or monies held overseas. There is also the risk of your investment products or monies not being protected if the custodian has credit problems or fails. Overseas markets may also have different periods for clearing and settling transactions. These may affect the information available to you regarding transaction prices and the time you have to settle your trade on such overseas markets.
- (b) Overseas markets may be subject to rules which may offer different investor protection as compared to Singapore. Before you start to trade, you should be fully aware of the types of redress available to you in Singapore and other relevant jurisdictions, if any.
- (c) Overseas-listed investment products may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on an approved exchange in Singapore. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.

#### Differences in legal systems

- (d) In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.
- (e) The Monetary Authority of Singapore will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions will be effected.
- (f) The laws of some jurisdictions may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest arising from investment in such countries. Therefore, there is no guarantee that the funds you have invested and the funds arising from your investment will be capable of being remitted.
- (g) Some jurisdictions may also restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the overseas-listed investment products that you invest in.

#### Different costs involved

- (h) There may be tax implications of investing in an overseas-listed investment product. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Singapore, or in both countries.
- (i) Your investment return on foreign currency-denominated investment products will be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency, or may be affected by exchange controls.
- (j) You may have to pay additional costs such as fees and broker's commissions for transactions in overseas exchanges. In some jurisdictions, you may also have to pay a premium to trade in certain listed investment products. Therefore, 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.

#### Counterparty and correspondent broker risks

- (k) Transactions on overseas exchanges or overseas markets are generally effected by your Singapore broker through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon your instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your monies and assets held overseas.

#### Political, Economic and Social Developments

- (l) Overseas markets are influenced by the political, economic and social developments in the foreign jurisdiction, which may be uncertain and may increase the risk of investing in overseas-listed investment products.

## Schedule 4

### COMMODITY TRADING ACT (CHAPTER 48A) COMMODITY TRADING REGULATIONS RISK DISCLOSURE STATEMENT REQUIRED TO BE FURNISHED BY A COMMODITY BROKER, COMMODITY FUTURES BROKER OR SPOT COMMODITY BROKER

1. This statement is provided to you in accordance with section 32 (1) of the Commodity Trading Act.
2. The intention of this statement is to inform you that the risk of loss in trading in commodity contracts, commodity futures contracts and in spot commodity contracts can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition.
3. In considering whether to trade, you should be aware of the following:
  - (a) **Margin:** You may sustain a total loss of the initial margin and any additional margins that you deposit to establish a position or maintain positions in the commodity market, commodity futures market or spot commodity market. If the market moves against your positions, you may be called upon to deposit a substantial amount of additional margins, on short notice, in order to maintain your positions. If you do not provide the required margins within the prescribed time, your positions may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
  - (b) **Liquidation of position:** Under certain market conditions, you may find it difficult or impossible to liquidate a position.
  - (c) **Contingent orders:** Placing contingent orders, such as "stop-loss" or "stop-limit" order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.
  - (d) **"Spread" position:** A "spread" position may not be less risky than a simple "long" or "short" position.
  - (e) **Leverage:** The high degree of leverage that is often obtainable in commodity futures trading, trading in commodity contracts and spot commodity trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
  - (f) **Foreign markets and off-futures exchange transactions:** Funds placed with a commodity broker, commodity futures broker or spot commodity broker for the purpose of participating in foreign markets or off-futures exchange transactions, such as spot or other over-the-counter transactions, may not enjoy the same level of protection as funds placed in commodity markets or Commodity Futures Exchanges located in Singapore.
4. This brief statement cannot disclose all the risks and other significant aspects of the commodity market or of the commodity futures market. You should therefore carefully study commodity futures trading, trading in commodity contracts and spot commodity trading before you trade.

## Schedule 5

### NOTIFICATION ON FUTURES TRADING RULE 1.6

In line with practices in other established futures exchanges, the SGX-DT requires that this notification on the following Futures Trading Rule 1.6 be provided for your acknowledgement that it is acceptable and accepted by you:

#### **Exclusion of Liability, Disclaimer of Warranties & Statutory Immunity**

##### **1.6.1 No Liability for Loss.**

Unless otherwise expressly provided in this Rules or in any other agreements to which the Exchange is a party, the Exchange shall not be liable to any Person for any loss (consequential or otherwise, including, without limitation, loss of profit), damage, injury, or delay, whether direct or indirect, arising from:

- (a) any action taken by the Exchange in connection with the discharge of its regulatory responsibilities including the suspension, interruption or closure of the Markets; or
- (b) any failure or malfunction of Exchange Systems.

“Exchange Systems” refers to any pre-trade, trade or post-trade systems, including QUEST, operated by the Exchange in connection with the Markets.

##### **1.6.2 Statutory Immunity.**

As provided under the Act, the Exchange or any Person acting on its behalf including any director or any Committee Member shall be immune from any criminal or civil liability for anything done (including any statement made) or omitted to be done with reasonable care and in good faith in the course of, or in connection with, the discharge or purported discharge of its obligations under the Act or this Rules.

##### **1.6.3 Disclaimer of Warranties.**

All warranties and conditions, both express and implied as to condition, description, quality, performance, durability, or fitness for the purpose or otherwise of any of the Exchange Systems or any component thereof are excluded except as required by law. The Exchange does not warrant or forecast that the Exchange Systems, any component thereof or any services performed in respect thereof will meet the requirements of any user, or that operation of the Exchange Systems will be uninterrupted or error-free, or that any services performed in respect of the Exchange Systems will be uninterrupted or error-free.

##### **1.6.4 Index Related Disclaimers.**

The Exchange, Index Provider and any other party involved in, or related to, making or compiling any index do not guarantee the originality, accuracy or completeness of such indices or any data included therein. Contracts on any index (“Index Contracts”) are not sponsored, guaranteed or endorsed by the Index Provider or any other party involved in, or related to, making or compiling such indices. Neither the Index Provider nor any other party involved in, or related to, making or compiling any index makes any representations regarding the advisability of investing in such Index Contracts. Neither the Index Provider nor any other party involved in, or related to, making or compiling any index makes any warranty, express or implied, as to the results to be obtained by any person or any entity from the use of such index or any data included therein. Neither the Index Provider nor any other party involved in, or related to, making or compiling any MSCI Index makes any express or implied warranty, and expressly disclaims all warranties of merchantability and fitness for a particular purpose or use with respect to such index or any data included therein. Without limiting any of the foregoing, in no event shall an Index Provider or any other party involved in, or related to, making or compiling any index have any liability for any direct, special punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages. In addition, neither the Exchange, an Index Provider nor any other party involved in, or related to, making or compiling any index shall have any liability for damages, claims, losses or expenses relating to any futures or options contracts that may be caused by any errors or delays in calculating or disseminating such index. “Index Provider” as used herein refers to MSCI, FTSE, IISL, NKS or such other index provider and their respective affiliates with whom the Exchange has or shall enter into agreements with for the creation and exploitation of indices and index-linked products.

##### **1.6.5 Notification to Customers.**

Members shall notify Customers of the above exclusion of liability and disclaimer of warranty by the Exchange either by way of inclusion in the contracts granting access to the Markets or such other manner as approved by the Exchange.