

**CLSA SINGAPORE PTE LTD -
FUTURES/OPTIONS TRADING SERVICES
ANNEX**

1. Definitions and Interpretation

- 1.1 Subject to Clauses 1.2 and 1.3 below, in this CLSA Singapore Pte Ltd Futures/Options Trading Services Annex, including the Schedule, capitalised terms have the meanings given to them in the "CLSA Asia-Pacific Terms of Business" (the "**Terms of Business**") and the Futures/Options Trading Services Annex. In addition, the following capitalised terms have the following meanings:

"**Clearing Rules**" means the Clearing Rules of the SGX-DC.

"**Exchange**" or "**SGX-DT**" means the Singapore Exchange Derivatives Trading Limited.

"**Futures/Options Trading Services Annex**" means the CLSA Asia-Pacific Futures/Options Trading Services Annex.

"**Futures Trading Rules**" means the Futures Trading Rules of the SGX-DT.

"**SFA**" means the Securities and Futures Act, Chapter 289.

"**SGX-DC**" means the Singapore Exchange Derivatives Clearing Limited.

- 1.2 This CLSA Singapore Pte Ltd - Futures/Options Trading Services Annex is referred to herein as "this Annex".
- 1.3 References in this Annex to "we", "us" and "our" mean, unless the context otherwise requires, CLSA Singapore Pte Ltd.

2. Effect of Terms of Business; Amendment

- 2.1 This Annex shall apply to you if you requested that we provide you with Futures/Options Trading Services.
- 2.2 The terms and conditions set out in this Annex shall apply to all Futures/Options Trading Services provided by us to you in addition to, and supplemental to, the terms and conditions set out in the Terms of Business and in the Futures/Options Trading Services Annex. Accordingly, the terms and conditions in this Annex are legally binding and take effect when you signify your acceptance by placing an order for a Futures/Options Contract with us following your receipt of our Terms of Business, the Futures/Options Trading Services Annex and this Annex.
- 2.3 These terms may be amended and/or supplemented from time to time, in accordance with the Terms of Business. You agree that the terms on which we will provide services to you will apply to any principals you represent.

3. Information on Derivative Products

Information on derivative products (including futures contracts or options), their product specifications, prospectus, offering documents, or information on their margin and liquidation may be provided on request.

4. Market Requirements

- 4.1 Without limitation to your obligations under the Terms of Business and the Futures/Options Trading Services Annex, you will comply at all times with the Market Requirements and the applicable rules and regulations of the SGX-DT, the SGX-DC and every other securities market in which we conduct transactions for you.
- 4.2 You agree that we may:-
- 4.2.1 do all such acts and things, including (without limitation) the provision of information to the relevant authorities and regulators, in order to comply with obligations imposed on us by applicable laws, Market Requirements and legal process; and
 - 4.2.2 in the provision of services by us hereunder (including as to entering into and terminating transactions) deal with your account and assets in a manner so as to comply with applicable laws, Market Requirements and trading and clearing rules in all relevant jurisdictions (including in a manner consistent with market industry practice) from time to time.
- 4.3 You further agree that you shall seek advice on and be aware of the laws and Market Requirements in your own country and in each jurisdiction in which you may from time to time require us to provide services to you hereunder (including as to the prohibited securities transactions and insider dealing), and we shall not be liable for any loss or liability imposed on you as a result of non-compliance with such laws, Market Requirements and applicable legal process.

5. Direct Market Access

If you have requested that we provide you with Direct Market Access Services in respect of Futures/Options Trading Services and we have approved such request, you acknowledge that we are obliged to assist the SGX-DT in any investigation into potential violations of the Futures Trading Rules and applicable laws. Such assistance shall be timely and may include, but is not limited to, requiring you to produce documents, to answer questions from the SGX-DT or to appear in connection with any investigation. You undertake to comply with such requirements as may be imposed by us in this connection for the purpose of enabling us to assist the SGX-DT in investigations.

6. Assets held outside Singapore

You acknowledge and agree that, where we hold moneys or assets on your behalf, such moneys or assets may at our discretion be deposited with or held in custody with banks, custodians or other financial institutions outside Singapore. In particular, this may be necessary where you wish to transact on exchanges or markets outside Singapore. You acknowledge that foreign laws may govern your rights to moneys or assets held with such offshore banks, custodians or other financial institutions and may not provide for the same degree of investor protection as Singapore law.

7. Disclosure Statement

You have confirmed in the Application Form that you acknowledge and confirm that the terms and conditions applicable to the Services and the disclosure statements in the "Disclosure Statement Schedule" to this Annex are and have been fully explained to you in a language that you understand and that you have read, understood and agree with them.

8. Consents

The "Consent Schedule" to this Annex sets out certain consents that we are required by applicable regulations to obtain from you. Please indicate your consent to the matters set out in the Consent Schedule by signing each section of the Consent Schedule or (where the Application Form refers to such consents) by indicating your consent in the relevant sections of the Application Form.

**CLSA Singapore Pte Ltd
Futures/Options Trading Services Annex
Disclosure Statement Schedule**

This Disclosure Statement Schedule does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature and fundamentals of the transactions and the markets underlying such transactions, the nature and the scope of the contractual relationships into which you are entering, the legal terms and conditions of the documents for the transactions, the extent of your exposure to risk and the potential losses that can be incurred, the income tax treatment and the accounting treatment of the transactions (which can be complex) and the regulatory treatment of the transactions. In particular, trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources, ability to bear risks and other relevant circumstances. Please read this Schedule carefully, and ask questions and take independent advice as you consider appropriate.

Part A: General Risks of Trading Futures and Options

There are various risks of a general nature associated with investing and transacting in futures contracts and options. These include but are not limited to the following.

Potential Losses

Your payments or receipts under a transaction will be linked to changes in the particular financial market or markets to which the transaction is linked, and you will be exposed to price, currency exchange, interest rate or other volatility in that market or markets. You may sustain substantial losses on the transactions if market conditions move against your positions. It is in your interest to understand fully the impact of market movements, in particular the extent of profit or loss you would be exposed to when there is an upward or downward movement in the relevant rates. Your position on various transactions may be liquidated at a loss and you will then be liable for any resulting deficit in your account with us. Under certain circumstances, it may be difficult to liquidate an existing position, assess the value, determine a fair price or assess your exposure to risk.

Liquidation of positions

Under certain market conditions you may find it difficult or impossible to liquidate a position. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, as it may be difficult or impossible to execute such orders without incurring substantial losses under certain market conditions. Strategies using combinations of positions, such as "spread" or "straddle" positions may be as risky as taking simple "long" or "short" positions.

Client Assets Received or Held Outside Singapore

Client assets received or held by the licensed person or registered outside Singapore are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from Singapore law. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Singapore.

Risks of Margin Trading

The risk of loss in financing a transaction by deposit of collateral is significant. The high degree of leverage that is often obtainable in margin trading can work against you as well as for you due to fluctuating market conditions. You may sustain large losses as well as gains in response to a small market movement. While the amount of the initial margin required to enter into a transaction may be small relative to the value of the transaction, a relatively small market movement would have a proportionately larger impact. You may sustain losses in excess of your cash and any other assets deposited as collateral with us. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. You may be called upon at short notice to make additional margin deposits or interest payments. You should be aware that you may not be entitled to an extension of time when a margin call is made. If the required margin deposits or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should be aware that we may liquidate your collateral without contacting you. Further, we may be entitled to decide which collateral to liquidate in order to best protect our interests. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

Risks of Electronic Trading Facilities

You understand that the electronic communication systems (including the internet) may not be a reliable medium of communication due to unpredictable traffic congestion or other reasons and that such unreliability is beyond our control. This may give rise to situations, including delays in transmission and receipt of your instructions or other information, delays in execution or execution of your instructions at prices different from those prevailing at the time your instructions were given, misunderstanding and errors in any communication between you and us and so on. Whilst we will take every possible step to safeguard our systems, client information, accounts and assets held for the benefit of our clients, you accept the risk of conducting transactions via electronic communication systems. You are also advised to adopt security precautions and practices to minimise risk in this area. These include:-

- Adopting a personal identification number (PIN) which is not easily identifiable by third parties
- Maintaining confidentiality in relation to the PIN, and changing it regularly
- Checking the authenticity of our website
- Installing anti-virus, anti-spyware and firewall software (including considering the use of encryption technology to protect highly sensitive data) in computers, particularly when they are linked via broadband connections, digital subscriber lines or cable modems, and updating the anti-virus and firewall products with security patches or newer versions on a regular basis
- Regularly backing up critical data

- Logging off the online session and turning off the computer when not in use
- Not installing software or programs of unknown origin, and not opening or retaining e-mails of unknown origin
- Not selecting the option on browsers for storing or retaining user name and password
- Not disclosing personal, financial or credit card information to little-known or suspect websites

Electronic trading facilities (including, without limitation, the Direct Market Access Services) 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. You understand that 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 or participant firms. Such limits may vary; you understand that you should ask us for details in this respect.

Trading on an electronic trading system (including, without limitation, through the Direct Market Access Services) may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you understand that you will be exposed to risks associated with the system including the failure of hardware and software. Markets and trading floors are exposed to the inherent risks associated with failures in computer-based facilities and systems. You understand that 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. For example:

- (a) market, order or transaction information transmitted to you through an electronic trading system may not be accurate, even if it appears to be real-time information. The price at which your order is executed may be different from the displayed quote at the time the order was entered;
- (b) you may not be able to enter new orders, or modify or cancel existing orders;
- (c) existing orders may not be executed according to the instructions given by you, or may not be executed at all. Such orders may be lost or modified, or their priority affected; and
- (d) where an order has been executed, you may experience delay in receiving confirmation of such execution, or may not receive a confirmation at all, or may receive inaccurate or conflicting information.

We are entitled and authorised to act upon, rely on or regard electronic instructions as if they were carried out or transmitted by you or your authorised persons. Whilst we use reasonable efforts to ensure that access to and use of our on-line services will be given only where a user accesses the service with a valid PIN, user authentication on electronic systems is generally difficult to establish. There is therefore a risk that use of electronic trading facilities may be subject to fraudulent or deceptive activity (including but not limited to unauthorised users falsely pretending to be your authorised representatives).

Although execution of an order that was entered electronically typically occurs only seconds after being sent to the market, sometimes orders can be delayed due to high volume or low liquidity. Prices can change very quickly, and even where the order is executed in seconds, you may not always receive the quoted price last seen before placing the order. To avoid entering into a transaction at a price higher or lower than is acceptable to you, you may consider using limit orders rather than market orders. A limit order is an order to enter into a transaction at no higher or lower than a specified price. However, using a limit order often results in the trade executions failing to occur when that specified price cannot be met.

Delays in executing trades may occur for other reasons. For example, we may manually review and enter an order. We may do this to verify that your account and margin requirements are in order, or to examine the order for trading restrictions.

Where there is delay in execution of an order, you may be tempted to cancel and resubmit an order. However, by cancelling and resubmitting an order in a fast market, you run the risk of entering duplicate orders.

Conversely, the fact that orders are sometimes executed quickly may be to your disadvantage, where you have erroneously placed an order; in this situation, you may not be able to withdraw or correct the erroneous order before it is executed and you may then be bound to perform your obligations under the erroneous trade.

Country and Foreign Exchange Risks

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 rules which may offer different or diminished investor protection. You agree that you will seek appropriate professional advice and be aware of the risks in relation to such markets before entering into any transactions in those markets. In addition, you should be aware that any imposition by a foreign regulatory authority of exchange controls or other restrictions may cause payments to be made in the local currency or may result in the inability of funds remittances, which may affect the value of the investment.

Fluctuations in foreign currency rates will have an impact on the value of your assets, profit or return where the transaction involves an element of foreign currency.

Liquidity Risks

You are aware that adverse market conditions may result in your not being able to effect transactions, liquidate all or part of your investment, assess a value or your exposure or determine a fair price, as and when you require. These may also arise as a result of the application of rules in a certain market.

Derivatives Trading Risks

Derivatives are financial contracts for which the price is derived from an underlying asset or benchmark, such as a share or share index. Derivatives may consist of a number of different elements and this often makes them difficult to understand. You should not deal in derivatives unless you have asked about and

have understood the nature of the contract you are entering into, the terms and conditions of the contract and the extent of your exposure to risk.

Part B: Notification of Rule 1.6 of the Futures Trading Rules

We are required under the Futures Trading Rules to notify you of the following Rule 1.6 of the Futures Trading Rules (Exclusion of Liability, Disclaimer of Warranties & Statutory Immunity).

Reproduction of Rule 1.6

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.

Part C: Notification of Rules 1.01.1 to 1.01.5 of the Clearing Rules

We are required by the Clearing Rules to notify you of the following rules of the Clearing Rules.

Reproduction of Rules 1.01.1 to 1.01.5 of the Clearing Rules

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

1.01.2 Except where the Clearing House otherwise expressly agrees with or expressly commits itself to any party, the benefit of any performance by the Clearing House of its obligations under:

- 1.01.2.1 this Rules, or
- 1.01.2.2 Directives, Practice Notes or Circulars issued by the Clearing House,

is restricted to only Members. The Clearing House shall have no liability to any other party. In particular, the Clearing House shall have no liability to any party affected or aggrieved by any alleged action or omission of the Clearing House or any of the directors, officers or employees of the Clearing House.

1.01.3 Without prejudice to Rule 1.01.2 or the benefit of any exclusion of liability in any contract or undertaking in favour of the Clearing House, the Clearing House accepts no duty to and therefore shall have no liability whatsoever to any Member or any Third Party in contract, tort, trust, as a fiduciary or under any other cause of action in respect of any damage, loss,

cost or expense of whatsoever nature suffered or incurred by a Member or any Third Party, as the case may be, as a result of:

- 1.01.3.1 any suspension, restriction or closure of any market whose contracts are cleared by or novated to the Clearing House (each a "Relevant Market"), whether for a temporary period or otherwise or as a result of a decision taken on the occurrence of a market emergency;
- 1.01.3.2 any failure by the Clearing House or any Relevant Market to supply each other with data or information in accordance with arrangements from time to time established between and/or amongst any or all such persons;
- 1.01.3.3 the failure of any systems, communications facilities or technology supplied, operated or used by the Clearing House;
- 1.01.3.4 the failure of any systems, communications facilities or technology supplied, operated or used by any Relevant Market;
- 1.01.3.5 the inaccuracy of any information supplied to and relied on by the Clearing House (including but not limited to any error in the establishment of a settlement price made by a Relevant Market) or a Relevant Market; and
- 1.01.3.6 any event which is outside the reasonable control of the Clearing House.

1.01.4 Without prejudice to Rule 1.01.2, and in addition to Rule 1.01.3, each Member should and must note that in connection with any index used or to be used by the Clearing House for clearing and settlement or in connection or by reference therewith, none of the Clearing House, its directors or officers or any relevant party that the Clearing House may contract with for the supply of the index or information in relation thereto (each of the foregoing, a "Relevant Party") assume any obligation or liability in connection with the clearing or settlement of any contract based on such index. Accordingly, none of the foregoing parties shall be in any way responsible for any losses, expenses or damages (in all cases direct or indirect) arising in connection with or referable to the clearing or settlement of any contract linked or referable to the said index, provided that nothing herein shall affect either obligations of the Clearing House or its Members as parties clearing or settling in any contract so linked or referable. None of the Relevant Parties guarantee or warrant or undertake in any manner the accuracy or completeness of any such index or any information or data included in or referable to it.

NONE OF THE RELEVANT PARTIES MAKES ANY WARRANTY OR GIVES ANY GUARANTEE OR UNDERTAKING, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF, OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE USE OF ANY SUCH INDEX, OR ANY INFORMATION OR DATA INCLUDED IN OR REFERABLE TO IT IN CONNECTION WITH ANY CLEARING OR SETTLEMENT OF ANY CONTRACTS OR FOR ANY OTHER USE. NONE OF THE RELEVANT PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO ANY SUCH INDEX, OR ANY INFORMATION OR DATA INCLUDED IN OR REFERABLE TO ANY SUCH INDEX.

1.01.5 All Members are to note the foregoing and ensure that they are taking on membership in and/or will carry on as Members of the Clearing House, transact and will transact by reference to the Clearing House or any Contract or information or action referable to the Clearing House or any of its directors or officers, only on the foregoing basis and will also ensure that they will not open or allow the continued operation of any account for any person with respect to any Contract unless such person has been notified of the foregoing provisions and has satisfied him/herself or itself that the same is acceptable and is accepted.

Part D: Rules for Omnibus Accounts

We are required to ensure that you are aware of the rules for omnibus accounts under Rule 3.3.21 of the Futures Trading Rules and Rule 2.19 of the Clearing Rules. These rules are reproduced below. You acknowledge that you are aware of these rules and undertake to comply with such requirements as may be imposed by us in connection with an omnibus account for the purpose of ensuring our compliance with these rules.

I. Reproduction of Rules 3.3.19 - 3.3.21 of the Futures Trading Rules

3.3.19 Omnibus Accounts.

A Member may carry Omnibus Accounts subject to such requirements and procedures as the Exchange may prescribe from time to time.

3.3.20 Limits on Omnibus Accounts.

The Exchange may place limitations on a Member carrying Omnibus Accounts depending on:

- (a) the number of Omnibus Accounts carried and volume of business of the Member; and
- (b) the financial condition of the Member and the Omnibus Account holders in light of requirements or standards determined by the Exchange. A Member that carries Omnibus Accounts shall ensure that the Omnibus Accounts are operated at all times in accordance with this Rules including the relevant rules on position limits and shall, without prejudice to any other liability it may incur, indemnify the Exchange in relation to any claim referable to such violation.

3.3.21 Disclosures Relating to Omnibus Accounts.

An Omnibus Account holder shall at all times disclose to the Member carrying that account the gross long and short positions held in that Omnibus Account in each contract. Such Member shall immediately notify the Exchange and shall promptly comply with all orders of the Exchange if the Omnibus Account holder fails to make such disclosure. A Member that carries Omnibus Accounts shall ensure that its Omnibus Account holders are aware of this Rule.

II. Reproduction of Rule 2.19 of the Clearing Rules

2.19 OMNIBUS ACCOUNT

2.19.1 Clearing Requirements

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

2.19.2 Restrictions

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

- 2.19.2.1 the number of Omnibus Accounts carried and volume of business of the Member;
- 2.19.2.2 the financial condition of the Member and the Omnibus Account Holder in light of requirements or standards determined by the Clearing House; and
- 2.19.2.3 the Member's clearing facilities and capacity.

2.19.3 Responsibility

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

2.19.4 Disclosure

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

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

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

Part E: Prohibited Trading Practices

This statement is being provided to you pursuant to Rule 3.3.5 of the Futures Trading Rules. This statement reproduces, for your information, provisions of the SFA and the Futures Trading Rules which prohibit certain trading practices. You acknowledge that you have read and understood this statement and undertake not to engage in any such prohibited trading practices. You further acknowledge that these provisions may be amended from time to time by the relevant authorities, and you should therefore refer to the relevant rules and regulations for the updated provisions on these prohibited trading practices.

I. Prohibited trading practices under the SFA

Section 206. False Trading

No person shall create, or do anything that is intended or likely to create, a false or misleading appearance of active trading in any futures contract on a futures market or in connection with leveraged foreign exchange trading, or a false or misleading appearance with respect to the market for, or the price of futures contracts on a futures market or foreign exchange in connection with leveraged foreign exchange trading.

Section 207. Bucketing

- (1) No person shall knowingly execute, or hold himself out as having executed, an order for the purchase or sale of a futures contract on a futures market, without having effected a bona fide purchase or sale of the futures contract in accordance with the business rules and practices of the futures market.
- (2) No person shall knowingly execute, or hold himself out as having executed, an order to make a purchase or sale of foreign exchange in connection with leveraged foreign exchange trading, without having effected a bona fide purchase or sale in accordance with the order.

Section 208. Manipulation of price of futures contract and cornering

No person shall, directly or indirectly:

- (a) manipulate or attempt to manipulate the price of a futures contract that may be dealt in on a futures market, or of any commodity which is the subject of such futures contract; or
- (b) corner, or attempt to corner, any commodity which is the subject of a futures contract.

Section 209. Fraudulently inducing persons to trade in futures contracts

- (1) No person shall:
 - (a) by making or publishing any statement, promise or forecast that he knows or ought reasonably to have known to be false, misleading or deceptive;

- (b) by any dishonest concealment of material facts;
 - (c) by the reckless making or publishing of any statement, promise or forecast that is false, misleading or deceptive; or
 - (d) by recording or storing in, or by means of, any mechanical, electronic or other device information that he knows to be false or misleading in a material particular, induce or attempt to induce another person to trade in a futures contract or engage in leveraged foreign exchange trading.
- (2) In any proceedings against a person for a contravention of subsection (1) constituted by recording or storing information as mentioned in subsection (1) (d), it is a defence if it is established that, at the time when the defendant so recorded or stored the information, he had no reasonable grounds for expecting that the information would be available to any other person.

Section 210. Employment of fraudulent or deceptive devices, etc.

No person shall, directly or indirectly, in connection with any transaction involving trading in a futures contract or leveraged foreign exchange trading:

- (a) employ any device, scheme or artifice to defraud;
- (b) engage in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person;
- (c) make any false statement of a material fact; or
- (d) omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Section 211. Dissemination of information about illegal transactions

No person shall circulate, disseminate, or authorise, or be concerned in the circulation or dissemination of, any statement or information to the effect that the price of a class of futures contracts or foreign exchange in connection with leveraged foreign exchange trading will, or is likely to, rise or fall or be maintained because of the market operations of one or more persons which, to his knowledge, are conducted in contravention of section 206, 207, 208, 209 or 210 if:

- (a) the person, or a person associated with the person, has conducted such market operations; or
- (b) the person, or a person associated with the person, has received, or expects to receive, directly or indirectly, any consideration or benefit for circulating or disseminating, or authorising or being concerned in the circulation or dissemination, the statement or information.

Section 218. Prohibited conduct by connected person in possession of inside information

- (1) Subject to this Division, where:
 - (a) a person who is connected to a corporation (referred to in this section as the connected person) possesses information concerning

that corporation that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities¹ of that corporation; and

- (b) the connected person knows or ought reasonably to know that:
 - (i) the information is not generally available; and
 - (ii) if it were generally available, it might have a material effect on the price or value of those securities,

subsections (2) to (6) shall apply.

- (2) The connected person must not (whether as principal or agent):
 - (a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or
 - (b) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.
- (3) Where trading in the securities referred to in subsection (1) is permitted on the securities market of a securities exchange or futures market of a futures exchange, the connected person must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the connected person knows, or ought reasonably to know, that the other person would or would be likely to:
 - (a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or
 - (b) procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.
- (4) In any proceedings against a connected person for a contravention of subsection (2) or (3), where the prosecution or plaintiff proves that the connected person was at the material time:
 - (a) in possession of information concerning the corporation to which he was connected; and
 - (b) the information was not generally available,it shall be presumed, until the contrary is proved, that the connected person knew at the material time that:
 - (i) the information was not generally available; and
 - (ii) if the information were generally available, it might have a material effect on the price or value of securities of that corporation.
- (5) In this Division, a person is connected to a corporation if:
 - (a) he is an officer of that corporation or of a related corporation;
 - (b) he is a substantial shareholder within the meaning of Division 4 of Part IV of the Companies Act (Cap. 50) in that corporation or in a related corporation; or

¹ For the purposes of section 218 and section 219 of the SFA, the term "securities" includes a futures contract if the commodity of the futures contract is a share, share index, stock or stock index (section 214 of the SFA).

- (c) he occupies a position that may reasonably be expected to give him access to information of a kind to which this section applies by virtue of:
 - (i) any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or
 - (ii) his being an officer of a substantial shareholder within the meaning of Division 4 of Part IV of the Companies Act in that corporation or in a related corporation.

- (6) For the purposes of subsection (5), "officer", in relation to a corporation, includes:
 - (a) a director, secretary or employee of the corporation;
 - (b) a receiver, or receiver and manager, of property of the corporation;
 - (c) a judicial manager of the corporation;
 - (d) a liquidator of the corporation; and
 - (e) a trustee or other person administering a compromise or arrangement made between the corporation and another person.

Section 219. Prohibited conduct by other persons in possession of inside information

- (1) Subject to this Division, where:
 - (a) a person who is not a connected person referred to in section 218 (referred to in this section as the insider) possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities; and
 - (b) the insider knows that:
 - (i) the information is not generally available; and
 - (ii) if it were generally available, it might have a material effect on the price or value of those securities,subsections (2) and (3) shall apply.

- (2) The insider must not (whether as principal or agent):
 - (a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or
 - (b) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.

- (3) Where trading in the securities referred to in subsection (1) is permitted on the securities market of a securities exchange or futures market of a futures exchange, the insider must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the insider knows, or ought reasonably to know, that the other person would or would be likely to:

- (a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or
- (b) procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.

II. Prohibited trading practices under the Futures Trading Rules

3.4.1 Market Manipulation

A Member, Approved Trader or Registered Representative shall not manipulate or attempt to manipulate the price of a contract or of any underlying, or corner, or attempt to corner, any underlying.

3.4.2 Churning

A Member, Approved Trader or Registered Representative is prohibited from churning or generating commissions through creating excessive transactions in a Customer's Account.

3.4.3 False Trading, Bucketing, Fraudulent Inducement to Trade and Employment of Fraudulent Device

A Member, Approved Trader or Registered Representative shall not:

- (a) engage in, or knowingly act with any other Person in, any act or practice that will or is likely to create a false or misleading appearance of active trading in any contract or a false or misleading appearance with respect to the price of any contract;
- (b) knowingly execute, or hold out as having executed, an order for the purchase or sale of a contract, without having effected a bona fide purchase or sale of the contract in accordance with this Rules;
- (c) induce or attempt to induce another person to trade in a contract:
 - (i) by making or publishing any statement, promise or forecast that it knows or ought reasonably to know to be false, misleading or deceptive;
 - (ii) by any dishonest concealment of material facts;
 - (iii) by the reckless making or publishing of any statement, promise or forecast that is false, misleading or deceptive; or
 - (iv) by recording or storing in any mechanical, electronic or other device information that is knowingly false or materially misleading; or
- (d) directly or indirectly in connection with any trading in a contract:
 - (i) employ any device, scheme or artifice to defraud;
 - (ii) engage in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception upon any Person;
 - (iii) make any false statement of a material fact; or

- (iv) omit to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

3.4.5 Dissemination of False or Misleading Information

A Member, Approved Trader or Registered Representative shall not disseminate false or misleading reports concerning market information or conditions that may affect the price of any contract, if the Member, Approved Trader or Registered Representative:

- (a) knows or ought reasonably to know that the information is false or misleading; or
- (b) is reckless about the truth of the information.

This prohibition includes circulation or aiding in the circulation in any manner of rumours which cast doubt on the integrity of any contract or underlying.

3.4.6 Professional Misconduct

A Member, Approved Trader or Registered Representative shall not:

- (a) permit the use of the Member's facilities or Membership privileges by another Member, Approved Trader or Registered Representative or non-Member in a manner that impairs the dignity or degrades the good name of the Exchange, or creates a market or other situation detrimental to the Exchange, or effectuates manipulations or cornerings or attempts at either, or to itself do any of the foregoing;
- (b) engage in any conduct which impairs or tends to impair the dignity or the good name of the Exchange;
- (c) commit an act which is substantially detrimental to the interest of the Exchange;
- (d) refuse to comply with an order of the Exchange, the Disciplinary Committee or the Appeals Committee;
- (e) refuse to comply with a final arbitration award;
- (f) fail to answer Customers' complaints promptly and in appropriate detail;
- (g) commit any fraudulent or dishonest act or any act of bad faith;
- (h) act in a dishonourable or uncommercial manner;
- (i) make a material mis-statement to the Exchange, the Disciplinary Committee or the Appeals Committee, or in any information supplied to the Exchange or its officers;
- (j) make, or cause to be made, a false or misleading entry in any books, records, reports, slips, documents or statements relating to the business, affairs, transactions, conditions, assets or accounts of the Member;
- (k) omit from making, for whatever reason, a material entry in any books, records, reports, slips, documents or statements relating to the business, affairs, transactions, conditions, assets or accounts of the Member;
- (l) alter or destroy any books, records, reports, slips, documents or statements relating to the business, affairs, transactions, conditions, assets or accounts of the Member without a valid reason;

- (m) make use of or reveal any confidential information obtained by reason of participating in any investigative proceeding or hearing;
- (n) refuse to appear before the Exchange, the Disciplinary Committee or the Appeals Committee at a duly convened hearing or in connection with any investigation; or
- (o) refuse to fully answer all questions or produce all books and records in relation to any audit, hearing or investigation.

3.4.9 Fictitious Transactions Without Change In Ownership

The creation of fictitious transactions or the placing of orders which do not involve any change in ownership, or the execution of such an order with knowledge of its character by a Member, Approved Trader or Registered Representative is prohibited. A Member, Approved Trader or Registered Representative shall not accept buying and selling orders at the same time and price from a Customer for the same contract month of the same futures contract or in the case of option contracts, a put or call option contract with the same class of options, the same strike price and expiration month. This Rule does not apply if orders are entered in the following circumstances:

- (a) the orders are from a fund manager whose instructions are intended to switch the contract from one (1) sub-account to another for legitimate commercial reasons;
- (b) the orders will be booked out finally to different beneficial owners; or
- (c) if the Member or the Approved Trader establishes to the Exchange that it was not a purpose of the orders to create a false market.

3.4.10 Overtrading by a Member, Approved Trader or Customer

The following provisions apply in relation to overtrading:

- (a) a Member shall not execute any trade beyond any limits imposed by that Member's sponsoring Clearing Member, the Exchange, the Clearing House or MAS. A Member shall ensure that its Customers do not trade beyond any limits. A Member shall be guilty of overtrading if such Member or its Approved Trader enters into any trade or trades beyond any limits imposed from time to time by its sponsoring Clearing Member, the Exchange or MAS. If a Member is charged with violating this Rule:
 - (i) the Exchange may at its discretion suspend that Member from trading until such time as the Disciplinary Committee or the Appeals Committee has completed the hearing in respect of such charge against such Member;
 - (ii) its sponsoring Clearing Member shall, upon being notified by the Exchange or the Clearing House as the case may be, withhold any profits due or owing to such Member from the transaction that resulted in overtrading, or such monies due or owing to such Member as directed by the Exchange or the Clearing House, and shall not release any such profits or monies until the Disciplinary Committee or the Appeals Committee has completed the hearing in respect of the charge against the Member; and
 - (iii) without prejudice to the foregoing, the Exchange may, in any case of overtrading, direct the Clearing House to withhold any profits due or owing to any Clearing Member from the transaction that

resulted in overtrading, or such monies due or owing to such Member, until the Disciplinary Committee or the Appeals Committee has completed the hearing in respect of the charge against the Member;

- (b) if overtrading by a Customer granted Bypass Privileges occurs, the sponsoring Clearing Member shall immediately inform the Exchange and if directed by the Exchange, arrange to terminate the Customer's connectivity to QUEST so as to prevent further trade execution by the Customer; and
- (c) each trade entered into beyond any limits imposed by a sponsoring Clearing Member, the Exchange, the Clearing House or MAS shall be deemed to be a distinct and separate violation of this Rule and shall be punishable as such. If a Member is charged by the Exchange for overtrading, it is not necessary for the Exchange to show that the Member intended to overtrade. The act of overtrading is sufficient to constitute an offence under this Rules.

**CLSA Singapore Pte Ltd
Futures/Options Trading Services Annex
Consents Schedule**

Part A: Form 13

SECURITIES AND FUTURES ACT (CHAPTER 289)

**SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS)
REGULATIONS
(Rg 10)**

**RISK DISCLOSURE STATEMENT REQUIRED TO BE FURNISHED UNDER
SECTION 128(1) AND TO BE KEPT UNDER REGULATION 39(2)(c) BY THE
HOLDER OF A CAPITAL MARKETS SERVICES LICENCE TO TRADE IN
FUTURES CONTRACTS OR LEVERAGED FOREIGN EXCHANGE CONTRACTS**

1. This statement is provided to you in accordance with section 128(1) of the Securities and Futures Act (Cap. 289) (the "**Act**").

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

(a) Futures and Leveraged Foreign Exchange Trading

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

Transactions in futures and leveraged foreign exchange carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract or leveraged foreign exchange transaction so that the transaction is highly 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of 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.

(ii) *Risk-Reducing Orders or Strategies*

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

positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

(b) Options

(i) *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 or leveraged foreign exchange transaction, the purchaser will have to acquire a futures or leveraged foreign exchange position, as the case may be, with associated liabilities for margin (see the section on Futures and Leveraged Foreign Exchange Trading 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 or a leveraged foreign exchange transaction, the seller will acquire a futures or leveraged foreign exchange position, as the case may be, with associated liabilities for margin (see the section on Futures and Leveraged Foreign Exchange Trading above). If the option is 'covered' by the seller holding a corresponding position in the underlying futures contract, leveraged foreign exchange transaction or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

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

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

(i) *Terms and Conditions of Contracts*

You should ask the corporation with which you conduct your transactions for the terms and conditions of the specific futures contract, option or leveraged foreign exchange transaction which you are trading and the associated obligations (e.g. the circumstances under which you may become obligated to make or take

delivery of the underlying interest of a futures contract or a leveraged foreign exchange transaction and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

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

Market conditions (e.g. illiquidity) 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, e.g., the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

(iii) *Deposited Cash and Property*

You should familiarise yourself with the protection accorded to any money or other property which you deposit for domestic and foreign transactions, particularly in 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 a rule 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 the regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you conduct your transactions for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

(f) *Currency Risks*

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

(g) Trading Facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the one or more parties, namely the system provider, the market, the clearing house 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 not executed at all.

(i) Off-Exchange Transactions

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

ACKNOWLEDGEMENT OF RECEIPT OF THIS RISK DISCLOSURE STATEMENT

This acknowledges that I/we have received a copy of this RISK DISCLOSURE STATEMENT and understand its contents.

Signature of customer:

Name of customer:

Designation*:

Corporation name*:

Signature of witness:

Name of witness:

Date:

*For corporations only.

Note:

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

Part B: Form 3

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 community futures market. You should therefore carefully study commodity futures trading, trading in commodity contracts and spot commodity trading before you trade.

ACKNOWLEDGMENT OF RECEIPT OF THIS RISK DISCLOSURE STATEMENT

This acknowledges that I/we received a copy of this RISK DISCLOSURE STATEMENT and understand its contents.

Signature of customer:

Name of customer :

Designation*:

Corporation name*:

Date:

*For corporations only.

Part C: Consent to Take the Other Side of an Order

Preamble

Pursuant to section 126 of the Securities and Futures Act, Chapter 289 read with rule 3.4.14 of the SGX-DT Futures Trading Rules, CLSA needs to secure your prior consent to effect a transaction to buy or sell any contract for its own account or for any account in which CLSA, any Approved Trader or Registered Representative has an interest, or for the account of any person associated with or connected to CLSA, any Approved Trader or Registered Representative (each a "**Connected Person**").

To avoid the need on each occasion where there is the possibility of CLSA or a Connected Person being on the opposite side of your order to seek your prior consent before your own order may be executed and so avoid delay in execution and filling of your order, please tick the box in item 12(b)(i) of the Account Application Form to confirm your consent to the foregoing.

Consent

We, having read and understood the preamble above, hereby agree to waive prior notice by CLSA and expressly consent to it assuming, from time to time the opposite side of my/our order(s) for its own account, an account of any Connected Person or an account in which it or a Connected Person has a direct or indirect interest.

We also confirm that our waiver and consent shall stand until and unless revoked by at least five working days' prior written notice to CLSA.

Part D: Hedge Account Agreement

To: CLSA Singapore Pte Ltd ("CLSA")

CLSA IS HEREBY NOTIFIED THAT ALL TRANSACTIONS TRANSACTED FOR OUR ACCOUNT(S) AND ALL TRANSACTIONS TAKEN IN THE ACCOUNT(S) WILL BE BONA FIDE HEDGING TRANSACTIONS.

We represent that positions carried in the account(s) will be strictly for hedge purposes, and not for speculation, and acknowledge that a separate account must be used to accommodate non-hedge trades, and further acknowledge that CLSA will rely on the representations that all trades made in the account(s) are bona fide hedges and that CLSA shall have no obligation to inquire into or verify the nature of such trades or incur any liability if, in fact, such trades may not be bona fide hedges.

We acknowledge that CLSA may be required to report to the Singapore Exchange Derivatives Trading Limited ("SGX-DT") the type of account(s) opened by its customers and will therefore be reporting to SGX-DT that the account(s) opened by us are hedge account(s).

This notification shall remain in force until cancelled by us in writing.

Part E: Approval for Negotiated Large Trades

To: CLSA Singapore Pte Ltd ("CLSA")

We acknowledge that we are aware of, and hereby approve of, the execution of our transaction orders via the Singapore Exchange Derivatives Trading Limited's Negotiated Large Trade ("**NLT**") facility. We acknowledge and agree that:

- (a) where CLSA receives an order from us that is not an NLT order, but meets the requirements of the NLT facility, CLSA may execute our order via the NLT facility;
- (b) CLSA will inform us if it may be or is a counterparty to our NLT. In this respect, we hereby approve of CLSA transacting as counterparty to any or all of our NLTs;
- (c) CLSA will disclose to us all NLTs executed in the contract notes sent to us;
- (d) CLSA has informed us that this approval for NLTs is subject to compliance with the rules, laws and regulations in our country of domicile;
- (e) we may be exposed to risks and liabilities in giving this approval for NLTs. In particular, in some instances, NLT orders may not be executed at the best possible price and the timeliness of order execution may be compromised. We further acknowledge and agree that we will be obligated to accept all NLTs executed pursuant to this approval; and
- (f) CLSA may withdraw any order of ours from QUEST (the electronic trading system of the Singapore Exchange Derivatives Trading Limited) and execute such order as an NLT notwithstanding that the price for the NLT is not equal to or better than the prevailing bid/offer quoted in QUEST at the time our order is withdrawn.

This approval shall remain in force until cancelled by us in writing.

- End -