

## AGREEMENT FOR CLEARING TRADES OF SGX TRADING MEMBER

---

This Agreement is made on the ..... day of .....

BETWEEN:

(A) KGI SECURITIES (SINGAPORE) PTE. LTD., a company incorporated in Singapore and having its registered office at 4 Shenton Way, #13-01, SGX Centre 2, Singapore 068807 (“**Company**”)

AND

(B) ..... a company incorporated in ..... and having its registered office at ..... (“**Trading Member**”).

### WHEREAS

- (a) The Company is a trading member and a clearing member of the Singapore Exchange Derivatives Trading Limited (“**SGX-DT**”) and Singapore Exchange Derivatives Clearing Limited (“**SGX-DC**”) respectively.
- (b) The Trading Member is a customer of the Company and a trading member of SGX-DT.
- (c) The rules of SGX-DT requires that all trades executed on the Markets (as defined in the rules of SGX-DT) shall be cleared exclusively by SGX-DC through a clearing member pursuant to the rules of SGX-DC and a trading member shall be required to have the requisite clearing arrangement with a clearing member.
- (d) The rules of SGX-DC states that in order to clear the trades of a trading member, a clearing member shall enter into a written agreement with the trading member setting out the terms and conditions governing their relationship, which shall include without limitation, risk management provisions such as the right to impose trading limits on the trading member.
- (e) The Trading Member has requested the Company to so qualify the Trading Member and provide the requisite clearing services in accordance with the rules of SGX-DT and SGX-DC, and the Company has agreed to do so upon the following terms and conditions that would govern this relationship.

NOW IT IS HEREBY AGREED as follows:-

#### 1. Qualification

The Company shall during the continuance of this Agreement provide the requisite guarantees and indemnities to SGX-DC and the appropriate members of SGX-DT, in accordance with the rules of SGX-DT in respect of the trades made by the Trading

Member on the Markets and shall if it considers desirable or necessary, provide clearing services for such trades.

2. **Fees**

The Trading Member shall promptly pay the Company for its services in accordance with the rates as shall be specified by the Company from time to time or as shall be agreed between the parties hereto from time to time.

3. **Duties of Trading Member**

3.1 The Trading Member shall observe and comply with all the rules of SGX-DT and all applicable laws, regulations and regulatory requirements and do all things necessary to facilitate the clearance of its trades through the Company.

3.2 The Trading Member shall also observe and comply with all terms and conditions in this Agreement governing the clearing arrangements and relationships, which shall include without limitation risk management provisions such as trading limits and any other terms and conditions which the Company deems fit or necessary to impose.

3.3 Unless otherwise directed by the Company in writing, the Trading Member shall place all trades and contracts executed on SGX-DT on the Company's books. The Trading Member undertakes to be responsible for resolving immediately all unmatched trades.

3.4 The Trading Member shall submit such information to the Company as may be required by SGX-DT and/or SGX-DC or applicable regulatory authority which include but not limited to information on ownership and control of positions in the Trading Member's accounts maintained in the books of the Company.

4. **Qualification by Other Clearing Members**

In the event that the Company shall be suspended or expelled from SGX-DT for whatever reason, the Trading Member may be qualified by another clearing member of SGX-DC. The Trading Member shall have no claim against the Company whatsoever in respect of or in connection with the Company's inability to qualify the Trading Member's trades or in respect of the losses sustained by the Trading Member as a direct or indirect result of the Company's inability.

5. **Securities**

The Trading Member shall provide to and maintain with the Company collaterals and securities for such amount and in such forms including but not limited to cash, fixed deposits as the Company may from time to time in its discretion require as security for its qualification of the Trading Member, the guarantees and indemnities to be given by the Company pursuant to such qualification in accordance with the rules of SGX-DT and/or SGX-DC, the performance of the obligations of the Trading Member under this Agreement and the payment of all sums of money which are now or shall at any time be owing to the Company anywhere on any account whatsoever whether from the Trading Member solely or jointly with any person or persons.

## 6. **General Lien**

Any property belonging to the Trading Member or in which it has an interest held by the Company or any related corporation of the Company or carried in any account with the Company or its related corporation shall be subject to a general lien for the discharge of the Trading Member's obligations to the Company, wherever or however arising and without regard to whether or not the Company has made advances with respect to such property, and the Company is hereby authorised to utilise, off-set, sell and/or purchase any and all such property without notice to satisfy such general lien if the Trading Member fails to fulfill its obligations hereunder. The Trading Member agrees that such general lien shall not cease to exist in the Company's favour in the event that the Company shall deposit any of the property with any exchange, market, clearing house or other bodies.

## 7. **Termination**

7.1 The Company shall be entitled to immediately terminate this Agreement and liquidate all outstanding positions in the Trading Member's account(s) upon such terms and by such methods which the Company deems fit in the event that:

- (a) the Trading Member intends to suspend or terminate its SGX-DT membership or has its membership of SGX-DT suspended or terminated or is in any other way disabled from trading on SGX-DT;
- (b) there shall be any misrepresentation or material omission or inaccuracy in the information submitted by the Trading Member to the Company prior to the signing of this Agreement; or
- (c) the Trading Member breaches any terms hereunder and if such breach is capable of being cured, fails to cure it within 7 days upon notice by the Company.

7.2 The Trading Member shall be entitled to terminate this Agreement by giving the Company 30 business days' prior written notice provided that no such termination shall take effect until the Company shall have been paid in full all amounts owing to it under or pursuant to this Agreement.

7.3 Upon termination of this Agreement, the Company shall in good faith take steps for the orderly cessation of the clearing of the Trading Member's trades and liquidation of any outstanding positions in the Trading Member's account(s) in accordance with the rules of SGX-DT and SGX-DC.

7.4 The termination of this Agreement shall not release either of the parties hereto from any breach or liability that shall have occurred or existed prior to such termination.

## 8. **Rights of the Company**

8.1 In the event of:-

- (a) the Trading Member failing to liquidate all outstanding positions upon the termination of this Agreement by either of the parties hereto;
- (b) the Trading Member failing to meet any margin requirement or breach any trading or position limits imposed by the Company or SGX-DT and/or SGX-DC or fulfil any of its obligations under this Agreement; or
- (c) the Company deeming it desirable for its or the Trading Member's protection including but not limited to an instance where a petition for bankruptcy or the appointment of a receiver is filed by or against the Trading Member, or an attachment is levied against the Trading Member's account(s) or any of the Trading Member's properties,

then without prejudice to the other rights and remedies of the Company, the Company may in its sole discretion and without notice to the Trading Member and act in good faith:

- (i) liquidate any or all of the Trading Member's positions at the Trading Member's sole risk;
- (ii) hedge and/or offset some or any of the Trading Member's positions at the Trading Member's sole risk;
- (iii) take and convert any deposits which the Trading Member may have with the Company;
- (iv) call upon any collateral security which may have been issued or furnished to the Company to secure the Trading Member's account(s);
- (v) combine, consolidate and set-off all the Trading Member's account(s); or
- (vi) sell, dispose or realise in any manner the Company deems fit anything including all property belonging to or deposited by the Trading Member and in the Company's possession or held by the Company and apply the proceeds thereof to extinguish or diminish the Trading Member's obligations towards the Company, including the payment of interest, commission and other costs and expenses.

8.2 Any action referred to in Clause 8.1 may be taken without demand for margin or additional margin, notice of disposal, or other notice and any such actions may be made at the Company's sole discretion on any exchange or market where such business is then usually or ordinarily transacted.

8.3 The Trading Member hereby undertakes to repay to the Company upon demand any deficiency remaining in the Trading Member's accounts after the action referred to in Clause 8.1 shall have been taken. In the event that the Company shall in its discretion decide not to take any of the actions referred to in Clause 8.1, the Company shall be entitled to demand the immediate repayment of all amounts owing to it.

8.4 The Company shall have the right from time to time to impose limits and other restrictions including position limits on the Trading Member's trading accounts and the Trading Member shall comply with such limits and restrictions. The Company shall be entitled to refuse to qualify such trades of the Trading Member as shall have exceeded the limits or restrictions imposed by the Company.

9. **Payment, Force Majeure and Indemnity**

9.1 The Trading Member shall pay to the Company on demand and with proper supporting evidence any sums owing to the Company on the Trading Member's accounts whatsoever from the Trading Member solely or jointly with any other person or persons with the Company.

9.2 The Company shall not be responsible or liable for any breach, non-performance, delays or any non-clearance of any trades or contracts due to events beyond the Company's control, including but not limited to strike, fire, accident acts or omissions by any government or governmental body, Act of God, emergencies (including those declared by SGX-DT or SGX-DC) or due to the mistake, misconduct or omission of the Trading Member or other members of SGX-DT or SGX-DC.

9.3 The Trading Member shall indemnify the Company and keep it indemnified, fully and completely at all times from and against any and all claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever including legal costs (on a solicitor and client basis) which the Company may suffer, incur or sustain in connection with this Agreement, its performance and observance of the terms of this Agreement and its qualification of the Trading Member.

10. **Arbitration**

Where there shall be any dispute between the parties hereto and which dispute is required by the rules of SGX-DT to be referred to arbitration then and only then would such dispute be so referred, provided however, that any amount owing by the Trading Member or alleged by the Company to be owing shall be promptly paid to the Company before any arbitration proceeding is initiated. Notwithstanding the foregoing, nothing in this Clause 10 shall be deemed to eliminate or diminish any claims or defenses of either of the parties hereto, and either of the parties hereto shall be entitled to make any claim or defenses after such payment are made.

11. **Governing Law**

The Agreement shall be governed by and construed in accordance with the laws of the Republic of Singapore. Unless otherwise provided hereunder, both parties agree to submit to the jurisdiction of the courts of the Republic of Singapore.

12. **Miscellaneous**

12.1. This Agreement embodies the entire understanding of the parties and supersedes all prior agreements or discussions with respect to the subject matter hereof.

- 12.2. This Agreement, including all authorisations, shall inure to the benefit of the Company its successors and assigns and shall be binding upon the Trading Member and the Trading Member's personal or authorized representatives, executors, trustees, administrators and successors.
- 12.3. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to the benefit of any terms and conditions of this Agreement.
- 12.4. If any part, term or provision of this Agreement is held by any body of competent jurisdiction, to be illegal or in conflict with any law or regulation, the validity of the remaining portions or provisions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular portion held to be illegal, in conflict or otherwise invalid.
- 12.5. The failure of either of the parties hereto, to exercise any right or authorisation granted by or contained in this Agreement will not constitute a waiver of that right or authorisation or any other right or authorisation in the future nor will it impose any liability on that party.
- 12.6. This Agreement may be executed in counterparts, each of which when executed shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been entered into the day and year first above written.

SIGNED by )  
 for and on behalf of )  
 KGI SECURITIES (SINGAPORE) PTE. LTD. ) \_\_\_\_\_  
 ) Name: Christopher Teo  
 ) Title: Executive Director

SIGNED by )  
 for and on behalf of )  
 \_\_\_\_\_ ) \_\_\_\_\_  
 (Name of Trading Member) ) Name:  
 ) Title: