

**ICE CLEAR
SINGAPORE
S-1 SUPPLEMENT**

ANNEX A-1(1)

Company No: 200702503C

CERTIFICATE CONFIRMING INCORPORATION OF COMPANY

This is to confirm that SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE. LTD. is incorporated under the Companies Act (Cap 50), on and from 12/02/2007 and that the company is a PRIVATE COMPANY LIMITED BY SHARES.

GIVEN UNDER MY HAND AND SEAL ON 14/02/2007.



**LINDA LEE
ASSISTANT REGISTRAR
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE**



First published in the Government *Gazette*, Electronic Edition, on 21st April 2014 at 5.00 pm.

No. 932 — SECURITIES AND FUTURES ACT (CHAPTER 289)

APPROVED CLEARING HOUSE

It is hereby notified for general information that, Singapore Mercantile Exchange Clearing Corporation Pte Ltd, which has been approved by the Monetary Authority of Singapore as an approved clearing house pursuant to section 51(1) of the Securities and Futures Act, has changed its name to ICE Clear Singapore Pte. Ltd. with effect from 22nd April 2014.

[MPI-MIS 07/2010 Vol. 1]

**ICE CLEAR
SINGAPORE
S-1 SUPPLEMENT**

ANNEX A-1(3)

REGISTRATION NO.
200702503C

THE COMPANIES ACT (CAP. 50)

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE. LTD.

INCORPORATED ON THE 12TH DAY OF FEBRUARY 2007

RAJAH & TANN
ADVOCATES & SOLICITORS
4 BATTERY ROAD
#15-01
BANK OF CHINA BUILDING
SINGAPORE 049908

Company No: 200702503C

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**LINDA LEE
ASSISTANT REGISTRAR
ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (ACRA)
SINGAPORE**





ACRA Officer
<ACRA_BIZFILE@acra.gov.sg>

02/12/2007 12:49 PM

To: PECK.LING.NG@RAJAHTANN.COM
cc:
Subject: Email Notification

Dear Sir/Madam,

Company Name : SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE.
LTD., Application No. : N0660257Z

Please pay for company incorporation. Please ignore this message if you have already paid the incorporation fees and have received the confirmation of incorporation. Expiry Date is :13/02/2007

Thank You

Accounting and Corporate Regulatory Authority (ACRA)
10 Anson Road
#05-01/15 International Plaza
Singapore 079903

This is a system-generated email. If you wish to communicate with us, please send your email to:

ACRA_IRD_Feedback@acra.gov.sg - Information Services
ACRA_BRU_Feedback@acra.gov.sg - Business Matters
ACRA_CRU_Feedback@acra.gov.sg - Company Matters
ACRA_CMD_Feedback@acra.gov.sg - Compliance Matters
ACRA_FMD_Feedback@acra.gov.sg - Financial Matters

THE COMPANIES ACT, CAP. 50

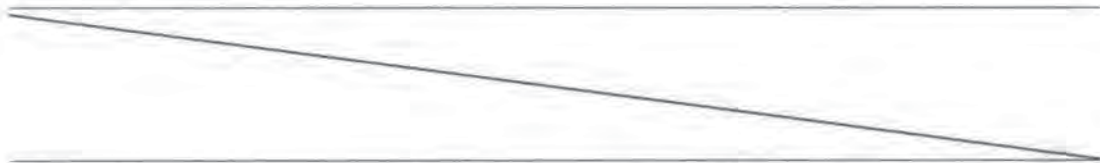
PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION


of

SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE. LTD.

1. The name of the Company is SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE. LTD.
2. The Registered Office of the Company will be situated in the Republic of Singapore.
3. The liability of the members is limited.

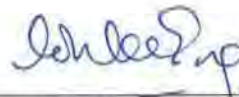


I/We, the person/several persons whose name(s), address(es) and description(s) are subscribed am/are desirous of being formed into a company in pursuance of this Memorandum of Association and I/we respectively agree to take the number of share(s) in the capital of the Company set opposite my name/our respective names.

Name(s), Address(es) and Description of Subscriber(s)	Number of Share(s) taken by the Subscriber(s)
<p style="text-align: center;">ABDUL JABBAR BIN KARAM DIN</p> <p>21 Siglap Hill Frankel Estate Singapore 456076</p> <p style="text-align: center;">ADVOCATE & SOLICITOR</p>	<p style="text-align: center;">ONE (1)</p> 
<p>TOTAL NUMBER OF SHARE(S) TAKEN</p>	<p style="text-align: center;">ONE (1)</p>

Dated this 9th day of February 2007.

Witness to the above signature(s):



Name: LOH LEE ENG
Title: A member of the
Singapore Association of the
Institute of Chartered
Secretaries and Administrators

THE COMPANIES ACT, CAP. 50

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE. LTD.

PRELIMINARY

1. The regulations contained in Table "A" in the Fourth Schedule to the Companies Act, Cap. 50 shall not apply to the Company, but the following shall subject to repeal, addition and alteration as provided by the Act or these Articles be the regulations of the Company.

Table "A"
not to apply.

2. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:-

Interpretation.

WORDS

MEANINGS

"The Act"	.. The Companies Act, Cap. 50 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act.
"These Articles"	.. These Articles of Association or other regulations of the Company for the time being in force.
"The Company"	.. The abovenamed Company by whatever name from time to time called.
"Directors"	.. The Director(s) for the time being of the Company or such number of them as have authority to act for the Company.
"Director"	.. Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.
"Dividend"	.. Includes bonus.

"Member"	..	A Member of the Company (which shall, where the Act requires, exclude the Company where it is registered as a member by virtue of its holding shares as treasury shares).
"Month"	..	Calendar month.
"Office"	..	The Registered Office of the Company for the time being.
"Paid Up"	..	Includes credited as paid up.
"Register"	..	The Register of Members.
"Seal"	..	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
"Secretary"	..	The Secretary or Secretaries appointed under these Articles and shall include any person entitled to perform the duties of Secretary temporarily.
"Singapore"	..	The Republic of Singapore.
"Writing" and "Written"	..	Includes printing, lithography, typewriting and any other mode of representing or reproducing words in a visible form.
"Year"	..	Calendar Year.

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Cap. 1 shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

BUSINESS

3. Subject to the provisions of the Act, the Memorandum of Association of the Company or these Articles, any branch or kind of business may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

Any branch of business may be undertaken by Directors.

PRIVATE COMPANY

4. The Company is a private company, and accordingly:-

- (a) the number of the Members of the Company (not including persons who are in the employment of the Company or of its subsidiary and persons who having been formerly in the employment of the Company or of its subsidiary were while in the employment and have continued after the determination of that employment to be Members of the Company) shall be limited to fifty Provided that for the purposes of this provision where two or more persons hold one or more shares in the

Limited number of members and restrictions on transfer of shares.

Company jointly they shall be treated as a single Member; and

- (b) the right to transfer the shares of the Company shall be restricted in the manner hereinafter appearing.

SHARES

5. Except as is otherwise expressly permitted by the Act, the Company shall not give, whether directly or indirectly and whether by means of the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise, any financial assistance for the purpose of, or in connection with, the acquisition or proposed acquisition of shares or units of shares in the Company or its holding company.

Prohibition against financial assistance.

6. The Company may, subject to and in accordance with the Act, purchase or otherwise acquire ordinary shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. The Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act (including without limitation, to hold such share as a treasury share).

Company may acquire its own issued ordinary shares.

7. Save as provided by Section 161 of the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to the provisions of these Articles, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions (subject to the provisions of the Act) and at such time as the Company in General Meeting may approve.

Issue of Shares.

8. (a) The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum of Association or these Articles. Without prejudice to any special right previously conferred on the holders of any existing shares or class of shares but subject to the Act and these Articles, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors determine.

Special Rights.

(b) Notwithstanding anything in these Articles, a treasury share shall be subject to such rights and restrictions as may be prescribed in the Act and may be dealt with by the Company in such manner as may be permitted by, and in accordance with, the Act. For the avoidance of doubt, save as expressly permitted by the Act, the Company shall not be entitled to any rights of a Member under these Articles.

Treasury shares

9. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be person(s) at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll Provided always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned, within two months of the Meeting shall be as valid and effectual as a Special Resolution, carried at the Meeting.

Variation of rights.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith. Creation or issue of further shares with special rights.
11. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. Power to pay commission and brokerage.
12. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or the provisions of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. Power to charge interest on capital.
13. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder. Exclusion of equities.
14. If two or more persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares. Such joint holders shall be deemed to be one Member and the delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. Joint holders.
15. No person shall be recognised by the Company as having title to a fractional part of a share or otherwise than as the sole or a joint holder of the entirety of such share. Fractional part of a share.
16. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. Payment of instalments.
17. The certificate of title to shares in the capital of the Company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and shall bear the autographic or facsimile signatures of at least one Director and the Secretary or a second Director or some other person appointed by the Directors, and shall specify the number and class of shares to which it relates and the amount paid on the shares, the amount (if any) unpaid on the shares and the extent to which the shares are paid up. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company. Share Certificates.
18. Every person whose name is entered as a Member in the Register shall be entitled within two months after allotment or within one month after the lodgment of any transfer to one certificate for all his shares of any one class or to several certificates Entitlement to certificates.

in reasonable denominations each for a part of the shares so allotted or transferred. Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding \$2/- for each such new certificate as the Directors may determine.

19. If any certificate or other document of title to shares or debentures be worn out or defaced, then upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof. For every certificate so issued there shall be paid to the Company the amount of the proper duty, if any, with which such certificate is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding \$2/- as the Directors may determine. Subject to the provisions of the Act and the requirements of the Directors thereunder, if any certificate or document be lost or destroyed or stolen, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, and on the payment of the amount of the proper duty with which such certificate or document is chargeable under any law for the time being in force relating to stamps together with a further fee not exceeding \$2/- as the Directors may determine, a new certificate or document in lieu thereof shall be given to the person entitled to such lost or destroyed or stolen certificate or document.

New certificates may be issued.

RESTRICTION ON TRANSFER OF SHARES

20. Subject to the restrictions of these Articles, any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form, or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed both by the transferor and by the transferee, and by the witness or witnesses thereto and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.

Form of Transfer.

21. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

Retention of Transfers.

22. No share shall in any circumstances be transferred to any infant or bankrupt or person of unsound mind.

Infant, bankrupt or unsound mind.

23. The Directors may, in their absolute discretion, decline to register any transfer of shares on which the Company has a lien or to a person of whom they do not approve but shall in such event, within one month after the date on which the transfer was lodged with the Company send to the transferor and transferee notice of the refusal. If the Directors refuse to register a transfer they shall within one month of the date of application for the transfer by notice in writing to the applicant state the facts which are considered to justify the refusal to register the transfer.

Directors' power to decline to register.

24. The Directors may decline to register any instrument of transfer of shares unless:-

Instrument of transfer.

- (a) such fee not exceeding \$2/- or such other sum as the Directors may from time to time require under the provisions of these Articles, is paid to the Company in respect thereof;
- (b) the amount of proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamps is paid; and

- (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do.

25. The Company shall provide a book to be called "Register of Transfers" which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares.

Register of Transfers.

26. The Register may be closed at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty days in any year.

Closure of Register.

TRANSMISSION OF SHARES

27. In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him.

Transmission on death.

28. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.

Persons becoming entitled on death or bankruptcy of Member may be registered.

29. Save as otherwise provided by or in accordance with these Articles a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in respect of the share.

Rights of unregistered executors and trustees.

30. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding \$2/- as the Directors may from time to time require or prescribe.

Fee for registration of probate etc.

CALLS ON SHARES

31. The Directors may from time to time make such calls as they think fit upon the Members in respect of any moneys unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to

Calls on shares.

receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

32. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. Time when made.

33. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. Interest on calls.

34. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date, on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. Sum due on allotment.

35. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments. Power to differentiate.

36. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned the Company may pay interest at such rate not exceeding ten per cent per annum as the Member paying such sum and the Directors agree upon. Payment in advance of calls.

FORFEITURE AND LIEN

37. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued. Notice requiring payment of calls.

38. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited. Notice to state time and place.

39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. Forfeiture on non-compliance with notice.

40. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any Sale of shares forfeited.

other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.

41. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at ten per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.

Rights and liabilities of Members whose shares have been forfeited or surrendered.

42. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and on all dividends from time to time declared in respect of the shares. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.

Company's lien.

43. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.

Sale of shares subject to lien.

44. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

Application of proceeds of such sale.

45. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share under Seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

Title to shares forfeited or surrendered or sold to satisfy a lien.

ALTERATION OF CAPITAL

46. Subject to any special rights for the time being attached to any existing class of shares, any new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon

Rights and privileges of

the creation thereof shall direct and if no direction be given as the Directors shall determine subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

new shares.

47. Unless otherwise determined by the Company in General Meeting any original shares for the time being unissued and any new shares from time to time to be created shall before issue be offered in the first instance to all the then holders of any class of shares in proportion as nearly as may be to the number of shares held by them. In offering such shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may dispose of or not issue any such shares which by reason of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Article.

Issue of new shares to Members.

48. Except so far as otherwise provided by the conditions of issue or by these Articles all new shares shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

New shares otherwise subject to provisions of Articles.

49. The Company may by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital;
- (b) cancel any shares which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital accordingly;
- (c) subdivide its shares or any of them (subject nevertheless to the provisions of the Act) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (d) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.

Power to consolidate, cancel and subdivide shares.

50. The Company may reduce its share capital in accordance with the provisions of the Act and any other applicable law.

Power to reduce capital.

STOCK

51. The Company may by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares.

Power to convert into stock.

52. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.

Transfer of stock.

53. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any number of stock units which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Rights of stockholders.

54. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expressions herein shall include "stock" or "stockholder".

Interpretation.

GENERAL MEETINGS

55. In accordance with and subject to the provisions of the Act, the Company shall hold a general meeting as its Annual General Meeting (unless such meeting has been dispensed with in accordance with the provisions of the Act) in addition to any other meetings in that year.

Annual General Meeting.

56. (a) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Extraordinary General Meetings.

(b) The time and place of any General Meeting shall be determined by the Directors.

Time and Place.

57. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

Calling Extraordinary General Meetings.

NOTICE OF GENERAL MEETINGS

58. Subject to the provisions of the Act as to Special Resolutions and special notice, at least fourteen days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-

Notice of Meetings.

- (a) in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice to, or the non-receipt by, any person entitled thereto shall not invalidate the proceedings at any General Meeting.

59. (a) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.

Contents
of notice.

(b) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

(c) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

60. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

Routine
Business.

- (a) Declaring dividends;
- (b) Reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;
- (c) Appointing Auditors and fixing the remuneration of Auditors or determining the manner in which such remuneration is to be fixed; and
- (d) Fixing the remuneration of the Directors proposed to be paid under Article 86.

PROCEEDINGS AT GENERAL MEETINGS

61. (a) No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two Members shall form a quorum, but in the event of the Company having only one Member (whether an individual or a corporation being beneficially entitled to the whole of the issued capital of the Company), such individual Member or a person representing such corporation shall be a quorum and shall be deemed to constitute a Meeting. If applicable, the provisions of Section 179 of the Act shall apply. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Provided that (a) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (b) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum.

Quorum.

(b) If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Meeting shall be dissolved. No notice of any such adjournment as aforesaid shall be required to be given to the Members.

Adjournment
if quorum
not present.

62. Subject to the provisions of the Act, the Members may participate in a General Meeting by conference telephone or by means of a similar communication

Participation in
a Meeting

equipment whereby all persons participating in the meeting are able to hear each other in which event such Members shall be deemed to be present at the meeting. A Member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Such a meeting shall be deemed to take place where the largest group of Members present for purposes of the meeting is assembled or, if there is no such group, where the Chairman is present.

by conference telephone.

63. A resolution in writing may be passed by the Members in accordance with the provisions of the Act and may consist of several documents in the like form, each signed by one or more of such Members.

Resolution in writing.

64. The Chairman of the Board of Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any Meeting he be not present within fifteen minutes after the time appointed for holding the Meeting or be unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting or, if no Director be present or if all the Directors present decline to take the Chair, one of their number present, to be Chairman.

Chairman.

65. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

Adjournment.

66. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded:-

Method of voting.

- (a) by the Chairman (being a person entitled to vote thereat); or
- (b) by at least one Member present in person or by proxy or by attorney or in the case of a corporation by a representative and entitled to vote thereat; or
- (c) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting; or
- (d) by a Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative, holding shares in the Company conferring a right to vote at the Meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

67. If a poll be duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll.
68. If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. Votes counted in error.
69. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote. Chairman's casting vote.
70. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Time for taking a poll.
71. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded. Continuance of business after demand for a poll.

VOTES OF MEMBERS

72. Subject to the Act, these Articles and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands every Member who is present in person or by proxy or attorney or in the case of a corporation by a representative shall have one vote (provided that in the case of a Member who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll every such Member shall have one vote for every share of which he is the holder. Voting rights of Members.
73. Where there are joint registered holders of any share any one of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto and if more than one of such joint holders be so present at any Meeting that one of such persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof. Voting rights of joint holders.
74. A Member of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty eight hours before the time appointed for holding the Meeting. Voting rights of Members of unsound mind.

75. Subject to the provisions of the Act and these Articles, every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. Right to vote.
76. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive. Objections.
77. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Votes on a poll.
78. An instrument appointing a proxy shall be in writing and:- Appointment of proxies.
- (a) in the case of an individual shall be signed by the appointor or by his attorney; and
- (b) in the case of a corporation shall be either under the common seal or signed by its attorney or by an officer on behalf of the corporation.
- The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.
79. A proxy need not be a Member of the Company. Proxy need not be a Member.
80. An instrument appointing a proxy or the power of attorney or other authority, if any, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting not less than forty-eight hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine. Deposit of proxies.
81. An instrument appointing a proxy shall be in the following form with such variations if any as circumstances may require or in such other form as the Directors may accept and shall be deemed to include the right to demand or join in demanding a poll:- Form of proxies.

SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE. LTD.

"I/We,
of
a Member/Members of the abovenamed Company
hereby appoint
of
or whom failing
of
to vote for me/us and on my/our behalf
at the (Annual, Extraordinary or Adjourned,
as the case may be) General Meeting of
the Company to be held on the day
of and at every adjournment

thereof.
Dated this day of 20 .”

An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

82. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of these Articles shall also include a power of attorney) shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

Intervening
death or
insanity of
principal not
to revoke proxy.

83. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company.

Corporations
acting by
representatives.

DIRECTORS

84. Subject to the other provisions of Section 145 of the Act, the Company shall have at least one Director, and all Directors shall be natural persons.

Number of
Directors.

85. A Director need not be a Member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in General Meeting but shall be entitled to attend and speak at General Meetings.

Qualification.

86. Subject to Section 169 of the Act, the remuneration of the Directors shall be determined from time to time by the Company in General Meeting, and shall be divisible among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for the proportion of remuneration related to the period during which he has held office.

Remuneration of
Directors.

87. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Travelling
expenses.

88. Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may, subject to Section 169 of the Act, be paid such extra remuneration as the Directors may determine.

Extra
Remuneration.

89. Other than the office of Auditor (or Secretary in the case of the Company having only one Director), a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his

Power of
Directors to
hold office of
profit and to
contract with
Company.

office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

90. Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. Subject to such disclosure, a Director shall be entitled to vote in respect of any transaction or arrangement in which he is interested and he shall be taken into account in ascertaining whether a quorum is present.

Directors to observe Section 156 of the Act.

91. (a) A Director may be or become a director of or hold any office or place of profit (other than as Auditor or Secretary in the case of the Company having only one Director) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.

Holding of office in other companies.

(b) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

Directors may exercise voting power conferred by Company's shares in another company.

MANAGING DIRECTORS

92. The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places.

Appointment of Managing Directors.

93. A Managing Director shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause he shall ipso facto and immediately cease to be a Managing Director.

Resignation and removal of Managing Director.

94. The remuneration of a Managing Director shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participation in profits or by any or all of these modes.

Remuneration of Managing Director.

95. The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any of such powers.

Powers of Managing Director.

VACATION OF OFFICE OF DIRECTOR

96. The office of a Director shall be vacated in any one of the following events, namely:-

Vacation of office of Director.

- (a) if he becomes prohibited from being a Director by reason of any order made under the Act;
- (b) if he ceases to be a Director by virtue of any of the provisions of the Act or these Articles;
- (c) if he resigns by writing under his hand left at the Office;
- (d) if he has a receiving order made against him or suspends payments or compounds with his creditors generally; or
- (e) if he is found lunatic or becomes of unsound mind.

APPOINTMENT AND REMOVAL OF DIRECTORS

97. The Company may by Ordinary Resolution remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement between the Company and such Director.

Removal of Directors.

98. The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article.

Appointment in place of Director removed.

99. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles.

Directors' power to fill casual vacancies and to appoint additional Director.

ALTERNATE DIRECTORS

100. (a) Any Director may at any time by writing under his hand and deposited at the Office or by telefax, telex, cable or electronic mail sent to the Secretary appoint any person to be his Alternate Director and may in like manner at any time terminate such appointment. Any appointment or removal by telefax, telex, cable or electronic mail shall be confirmed as soon as possible by letter, but may be acted upon by the Company meanwhile.

Appointment of Alternate Directors.

(b) A Director or any other person may act as an Alternate Director to represent more than one Director and such Alternate Director shall be entitled at Directors' meetings to one vote for every Director whom he represents in addition to his own vote if he is a Director.

(c) The appointment of an Alternate Director shall ipso facto determine on the happening of any event which if he were a Director would render his office as a Director to be vacated and his appointment shall also determine ipso facto if his appointor ceases for any reason to be a Director.

(d) An Alternate Director shall be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally, if his appointor

is absent from Singapore or is otherwise unable to act as such Director, to perform all functions of his appointor as a Director (except the power to appoint an Alternate Director) and to sign any resolution in accordance with the provisions of Article 106.

(e) An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under these Articles but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote Provided that he shall not constitute a quorum under Article 103 if he is the only person present at the meeting notwithstanding that he may be an Alternate to more than one Director.

(f) An Alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

(g) An Alternate Director shall not be required to hold any share qualification.

PROCEEDINGS OF DIRECTORS

101. (a) The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Subject to the provisions of these Articles questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

Meetings
of Directors.

(b) Any Director or his Alternate may participate at a meeting of the Directors by conference telephone or by means of a similar communication equipment whereby all persons participating in the meeting are able to hear each other in which event such Director or his Alternate shall be deemed to be present at the meeting. A Director or his Alternate participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Such a meeting shall be deemed to take place where the largest group of Directors present for purposes of the meeting is assembled or, if there is no such group, where the Chairman is present.

Participation in
a Meeting
by conference
telephone.

102. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors but it shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Singapore.

Convening
meetings
of Directors.

103. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two, save where the Company has only one Director, such sole Director shall be a quorum and shall be deemed to constitute a meeting. A meeting of the Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors.

Quorum.

104. The continuing Directors may act notwithstanding any vacancies in their body but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings of the Company but not for any other purpose. If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.

Proceedings in
case of
vacancies.

105. The Directors may from time to time elect a Chairman and if desired a Deputy Chairman and determine the period for which he is or they are to hold office. The Deputy Chairman will perform the duties of the Chairman during the Chairman's absence for any reason. The Chairman and in his absence the Deputy Chairman shall preside as Chairman at meetings of the Directors but if no such Chairman or Deputy Chairman be elected or if at any meeting the Chairman and the Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

Chairman
of Directors.

106. A resolution in writing signed by a majority of the Directors for the time being and being not less than are sufficient to form a quorum shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided that where a Director has appointed an Alternate Director, the Director or (in lieu of the Director) his Alternate Director may sign. The expressions "in writing" and "signed" include approval by telex, telefax, cable, telegram or via electronic mail by any such Director.

Resolutions
in writing.

107. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

Power to
appoint
committees.

108. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

Proceedings at
committee
meetings.

109. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

Validity of acts of
Directors in spite
of some formal
defect.

GENERAL POWERS OF THE DIRECTORS

110. The management of the business of the Company shall be vested in the Directors who (in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them) may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and of these Articles and to any regulations from time to time made by the Company in General Meeting provided that no regulations so made shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made and in particular and without prejudice to the generality of the foregoing the Directors may at their discretion exercise every borrowing power vested in the Company by its Memorandum of Association or permitted by law together with collateral power of hypothecating the assets of the Company including any uncalled or called but unpaid capital; provided that the Directors shall not carry into effect any proposals for disposing of the whole or substantially the whole of the Company's undertaking or property unless those proposals have been approved by the Company in General Meeting.

General powers
of Directors
to manage
Company's
business.

111. The Directors may from time to time by power of attorney appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.

Power to
appoint attorneys.

112. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by Resolution determine.

Signature of
cheques and bills.

BORROWING POWERS

113. The Directors may borrow or raise money from time to time for the purpose of the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures or otherwise as they may think fit.

Directors'
borrowing
powers.

SECRETARY

114. The Secretary or Secretaries shall and a Deputy or Assistant Secretary or Secretaries may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act and in particular Section 171 thereof.

Secretary.

115. Where the Company has only one Director, such Director may not hold the office of the Secretary.

Sole Director
not to act as
Secretary

SEAL

116. (a) The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or a committee of Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall (subject to the provisions of these Articles as to certificates for shares) be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors in place of the Secretary for the purpose.

Seal.

(b) The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors.

Official Seal.

(c) The Company may have a duplicate Common Seal as referred to in Section 124 of the Act which shall be a facsimile of the Common Seal with the addition on its face of the words "Share Seal".

Share Seal.

AUTHENTICATION OF DOCUMENTS

117. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager and other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

Power to authenticate documents.

118. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of Directors which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

Certified copies of resolution of the Directors.

DIVIDENDS AND RESERVES

119. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.

Payment of dividends.

120. Subject to the rights of holders of shares with special rights as to dividend (if any), and the Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this Article, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share.

Apportionment of dividends.

121. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.

Payment of preference and interim dividends.

122. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

Dividends not to bear interest.

123. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith.

Deduction of debts due to Company.

124. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Retention of dividends on shares subject to lien.

125. The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore

Retention of dividends on

contained entitled to become a Member or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.

shares pending transmission.

126. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Unclaimed dividends.

127. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways; and the Directors shall give effect to such Resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Payment of dividend in specie.

128. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder to any one of such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Dividends payable by cheque.

129. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.

Effect of transfer.

RESERVES

130. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

Power to carry profit to reserve.

CAPITALISATION OF PROFITS AND RESERVES

131. The Company may, upon the recommendation of the Directors, by Ordinary Resolution resolve that it is desirable to capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members holding shares in the Company in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company, such shares or debentures to be allotted and distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in one way and partly in the other.

Power to capitalise profits.

132. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

Implementation of resolution to capitalise profits.

MINUTES AND BOOKS

133. The Directors shall cause minutes to be made in books to be provided for the purpose:-

Minutes.

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
- (c) of all Resolutions and proceedings at all Meetings of the Company and of any class of Members, of the Directors and of committees of Directors.

134. The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to keeping a Register of Directors, Managers, Secretaries and Auditors, the Register, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and in regard to the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company.

Keeping of Registers, etc.

135. Any register, index, minute book, book of accounts or other book required by these Articles or by the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery.

Form of registers, etc.

ACCOUNTS

136. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of the Act.

Directors to keep proper accounts.

137. Subject to the provisions of Section 199 of the Act, the books of accounts shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company.

Location and inspection.

138. The Directors shall, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary (unless such meeting has been dispensed with in accordance with the provisions of the Act).

Presentation of accounts.

139. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by the Act to be annexed thereto) shall not less than fourteen days (or, where such meeting has been dispensed with in accordance with the provisions of the Act, twenty-eight days before the date such meeting was to be held) before the date of the Meeting be sent to every Member of, and every holder of debentures (if any) of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

Copies of accounts.

AUDITORS

140. Auditors shall be appointed (unless the Company is exempted from such requirement under the Act) and their duties regulated in accordance with the provisions of the Act. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act.

Appointment of Auditors.

141. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

Validity of acts of Auditors in spite of some formal defect.

142. The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting to which any Member is entitled and to be heard at any General Meeting on any part of the business of the Meeting which concerns them as Auditors.

Auditors' right to receive notices of and attend at General Meetings.

NOTICES

143. (a) Any notice may be given by the Company to any Member in any of the following ways:-

Service of notice.

- (i) by delivering the notice personally to him; or
- (ii) by sending it by prepaid mail to him at his registered address in Singapore or where such address is outside Singapore by prepaid air-mail; or
- (iii) by sending a cable or telex or telefax or by electronic mail containing the text of the notice to him at his registered address in Singapore or where such address is outside Singapore to such address or to any other address as might have been previously notified by the Member concerned to the Company; or
- (iv) by such other manner as may be prescribed by the Act (including without limitation, by electronic communication).

(b) Any notice or other communication served under any of the provisions of these Articles on or by the Company or any officer of the Company may be tested or verified by telex or telefax or electronic mail or telephone or such other manner as may be convenient in the circumstances but the Company and its officers are under no obligation so to test or verify any such notice or communication.

144. All notices and documents (including a share certificate) with respect to any shares to which persons are jointly entitled shall be given to whichever of such persons is named first on the Register and notice so given shall be sufficient notice to all the holders of such shares.

Service of notices in respect of joint holders.

145. Any Member with a registered address shall be entitled to have served upon him at such address any notice to which he is entitled under these Articles.

Members shall be served at registered address.

146. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address for the service of notice, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company shall have notice of the same) be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder.

Service of notices after death etc. of a Member.

147. (a) Any notice given in conformity with Article 143 shall be deemed to have been given at any of the following times as may be appropriate:-

When service effected.

- (i) when it is delivered personally to the Member, at the time when it is so delivered;
- (ii) when it is sent by prepaid mail to an address in Singapore or by prepaid airmail to an address outside Singapore, on the day

following that on which the notice was put into the post;

- (iii) when the notice is sent by cable or telex or telefax or electronic mail, the day it is so sent; and
- (iv) in the case of any notice given in any other manner, at such times as may be prescribed by the Act.

(b) In proving such service or sending, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter or airmail letter as the case may be or that a telex or telefax or electronic mail was properly addressed and transmitted or that a cable was properly addressed and handed to the relevant authority for despatch.

148. Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written.

Signature
on notice.

149. When a given number of days' notice or notice extending over any other period is required to be given the day of service shall not, unless it is otherwise provided or required by these Articles or by the Act, be counted in such number of days or period.

Day of service
not counted.

150. (a) Notice of every General Meeting shall be given in manner hereinbefore authorised to:-

Notice of
General Meeting.

- (i) every Member;
 - (ii) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the Meeting; and
 - (iii) the Auditor for the time being of the Company.
- (b) No other person shall be entitled to receive notices of General

Meetings.

151. The provisions of Articles 143, 147, 148 and 149 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors.

Notice of
meetings of
Directors or any
committee
of Directors.

WINDING UP

152. If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.

Distribution of
assets in specie.

INDEMNITY

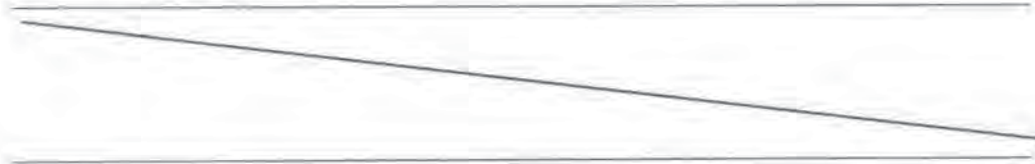
153. Subject to the provisions of the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto and in particular and without prejudice to the generality of the foregoing no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

Indemnity
of Directors
and officers.

SECRECY

154. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law.

Secrecy.



NAME(S), ADDRESS(ES) AND DESCRIPTION OF SUBSCRIBER(S)

ABDUL JABBAR BIN KARAM DIN

21 Siglap Hill
Frankel Estate
Singapore 456076

ADVOCATE & SOLICITOR



Dated this 9th day of February 2007.

Witness to the above signature(s):



Name: LOH LEE ENG
Title: A member of the Singapore
Association of the Institute of Chartered
Secretaries and Administrators

REGISTRATION NO.
200702503C

THE COMPANIES ACT (CAP. 50)

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

SINGAPORE MERCANTILE EXCHANGE CLEARING CORPORATION PTE. LTD.

RAJAH & TANN
ADVOCATES & SOLICITORS
4 BATTERY ROAD
#15-01
BANK OF CHINA BUILDING
SINGAPORE 049908



ICE Clear Singaporesm Clearing Rules

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Part 1 General Provisions

Rule 101 Definitions

The term "**Account**" means a Customer Account or a Proprietary Account, as the case may be, of a Clearing Member.

The term "**Accounting Standards**" means applicable accounting standards and principles.

The term "**Affected FM Party**" means a Person prevented, hindered or delayed by a Force Majeure Event.

The term "**Affiliated Person**" or "**Affiliate**" means, with respect to any specified Person, any other Person that Controls, is Controlled by, or is under common Control with, such specified Person.

The term "**Appeals Panel**" means the panel at which an appeal of a decision of a Disciplinary Panel is heard pursuant to Rule 1005.

The term "**Applicable Law**" means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, regulatory requirement, judgment or decision of a Governmental Authority and, for the avoidance of doubt, includes MAS Requirements and any rules, regulations, guidance and approach document of any other Regulatory Authority.

The term "**Approved Financial Institution**" means a Person which has been designated as an approved financial institution by the Clearing House for purposes of making and receiving cash transfers to and from the Clearing House and Payment Transfer Orders.

The term "**Assessment Amount**" means the total amount of all Assessment Contributions payable by Clearing Members pursuant to Rule 909(a) in respect of an Event of Default.

The term "**Assessment Contribution**" has the meaning set out in Rule 909(b).

The term "**Bank**" has the meaning given to the term "bank" in Section 2 of the Banking Act (Chapter 19 of Singapore).

The term "**Board**" means the board of Directors of the Clearing House and, in the context of any power, discretion or authority of the board of the Clearing House, includes any other body established thereunder or given powers or discretions thereby, whether called a board, a committee or otherwise.

The term "**Business Day**" means a day on which the Clearing House is open for business or, in relation to deliveries in respect of a particular Contract, has the meaning given in the Delivery Procedures or, in relation to certain Contract Terms, has the meaning given in or pursuant to the Contract Terms Procedures, ICE Futures Singapore Contract Terms or the ICE Futures Singapore Rules.

The term "**Buyer**" means, in relation to deliveries under Part 7, the Clearing Member or the Clearing House, whichever is obliged to receive delivery of a Deliverable (whether itself or through another Person).

The term "**Buying Counterparty**" means, in respect of a Contract: (a) the Clearing Member that was, before formation of a Contract, party to the corresponding Transaction as buyer (or, in relation to a Financially-Settled FX Contract, Reference Currency Buyer); (b) where a Clearing Member's Customer is a party to the corresponding Transaction as buyer, the Clearing Member that provides clearing services to that Customer in relation to the Transaction in question (or, if more than one such Clearing Member exists, the Clearing Member that was selected by the Customer for the initial booking of that Transaction); or (c) overriding any designation that would occur pursuant to (a) or (b) above, where one Clearing Member that would be the Buying Counterparty in accordance with (a) or (b) above has allocated a Transaction to another Clearing Member for clearing in accordance with Market Rules, the Clearing Member to whom such Transaction is allocated.

The term "**Capital**", means Base Capital or Net Head Office Funds (both as defined in the Membership Procedures), and such other classes of capital as are permitted at the Clearing House's discretion pursuant to the Membership Procedures.

The term "**Chairman**" means the chairman of the Board from time to time.

The term "**Circular**" means a publication issued by the Clearing House for the attention of all Clearing Members and posted on the Clearing House's website in accordance with Rule 109(g).

The term "**Clearing**" means the central counterparty and, where relevant, related risk, Open Contract Position, Margin, settlement, delivery, administrative, acceptance, transaction data, settlement price establishment and other functions of the Clearing House pursuant to these Rules.

The term "**Clearing House**" means ICE Clear Singapore Pte. Ltd., a company incorporated in the Republic of Singapore under registration number 200702503C.

The term "**Clearing House Account**" means an account of the Clearing House at an Approved Financial Institution.

The term "**Clearing House Contributions**" means the Clearing House GF Contribution and the Clearing House Initial Contribution.

The term "**Clearing House Event**" means a Failure To Pay or Insolvency occurring in respect of the Clearing House.

The term "**Clearing House GF Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance with Rule 908(b)(iii)(B) and as maintained pursuant to Rule 1103(f) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing House Initial Contribution**" means amounts allocated by the Clearing House as being available to be applied following an Event of Default in accordance with Rule 908(b)(ii) and as maintained pursuant to Rule 1103(f) including, where the context so requires, any proceeds of realisation of the same.

The term "**Clearing Member**" means a Person which: (i) is incorporated or otherwise established in Singapore, or has established a branch in Singapore; (ii) is a Bank or holds a CMS Licence; (iii) has entered into a Clearing Membership Agreement with the Clearing

House; (iv) has been admitted as a clearing member pursuant to Part 2 of these Rules; and (v) is authorised by the Clearing House to become party to Contracts.

The term "**Clearing Membership Agreement**" means an agreement between the Clearing House and a Clearing Member under which, *inter alia*, the Clearing House agrees to provide Clearing in respect of Contracts to that Clearing Member and that Clearing Member agrees to be bound by and subject to these Rules.

The term "**Clearing Organisation**" means any clearing house duly authorised, regulated, recognised or licensed under Applicable Laws in any jurisdiction, including any approved clearing house, recognised clearing house, recognised overseas clearing house, derivatives clearing organisation or similar entity.

The term "**Clearing Processing System**" means the clearing processing systems and platforms used by the Clearing House for Contracts.

The term "**CMS Licence**" means a capital markets service licence granted by the MAS pursuant to Section 86 of the SFA, which, for the avoidance of doubt, is a licence falling within Regulation 15(c) of the SF(FMR)R.

The term "**CNH**" means Renminbi, being the lawful currency of the People's Republic of China that is lawfully circulated and traded in any jurisdiction outside the territory of the People's Republic of China (and, for the avoidance of doubt, the territory of the People's Republic of China shall, for the purposes of this definition, exclude the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan), or any lawful successor currency or currencies thereto.

The term "**Collateral Offset Obligations**" means obligations of a Clearing Member arising pursuant to Rule 919 to pay the Clearing House, which offset obligations of the Clearing House to pay the Clearing Member or return assets in respect of Permitted Cover transferred to the Clearing House by the Clearing Member.

The term "**Concentration Bank**" means an Approved Financial Institution at which the Clearing House has an account or accounts for the purpose of making transfers between Clearing House Accounts.

The term "**Contract**" means a contract between the Clearing House and a Clearing Member arising in accordance with these Rules, and as amended, subject to netting or aggregation in accordance with these Rules, the terms and conditions of which are the relevant Contract Terms.

For the definition of the term "**Contract Position**", see 'Open Contract Position' below.

The term "**Contract Terms**" means all the terms and conditions of a Contract, as applicable, in: (i) the general conditions set out in the Contract Terms Procedures; (ii) the ICE Futures Singapore Rules; (iii) the ICE Futures Singapore Contract Terms; and (iv) (except in relation to Contracts which are settled only in cash) if such Contract becomes deliverable, the relevant Delivery Procedures for the class of Contract, the specified terms set out in the Contract Terms Procedures, ICE Futures Singapore Rules and ICE Futures Singapore Contract Terms.

The term "**Control**" has the meaning given to that term in Section 97A(6)(b) of the SFA, and its cognate terms shall be construed accordingly.

The term "**Controller**" means a Person who exercises Control over a Person, and its cognate terms shall be construed accordingly.

The term "**Custodian**" means any custodian, sub custodian, nominee, agent, depository or settlement system.

The term "**Customer**" means a Person who is a client or customer of a Clearing Member (which Customer may, subject to Applicable Law, be acting for one or more other clients or customers for purposes of the clearing of Contracts) provided that: (i) a Customer does not include a director, officer, employee or representative of the Clearing Member; (ii) a Customer shall only include a related corporation (as defined in Section 4(1) of the Companies Act (Chapter 50 of Singapore)) to the extent such related corporation acts for a client or customer who is not a related corporation of the Clearing Member; and (iii) a Customer does not include the Clearing Member itself.

The term "**Customer Account**" means any one customer account at the Clearing House opened in the name of a Clearing Member for the recording of Contracts to which that Clearing Member is a party as a result of it acting for one or more Customers, and related Margin (and in which no assets or positions relating to the Clearing Member's Proprietary Account are recorded, enabling the Clearing Member to distinguish the assets and positions in Contracts held for the account of its Customers from those held for its Proprietary Account). Each Customer Account comprises the related Customer Position Account and Customer Margin Account.

The term "**Customer Account Contract**" means a Contract recorded in a Customer Position Account.

The term "**Customer Account Position**" means an Open Contract Position as recorded in a Customer Position Account.

The term "**Customer-Clearing Member Agreement**" has the meaning set out in the Standard Terms.

The term "**Customer-CM Transaction**" means a Transaction between a Clearing Member and a Customer on economic terms similar to those of a corresponding Contract recorded in the Clearing Member's Customer Account (except, where applicable, the position of the Clearing Member as Buying Counterparty or Selling Counterparty and otherwise due to being governed by the Standard Terms).

The term "**Customer-CM Collateral**" means collateral provided by a Customer to a Clearing Member as collateral for the Customer's obligations (or, where applicable, other obligations) to the Clearing Member under Customer-CM Transactions.

The "**Customer Margin Account**" forms part of a Customer Account and the term means an account with the Clearing House opened in the name of a Clearing Member for the recording of debits and credits of Margin in respect of Customer Account Contracts recorded in the related Customer Position Account.

The "**Customer Position Account**" forms part of a Customer Account and the term means an account (if any) with the Clearing House opened in the name of a Clearing Member relating

to Contracts to which the Clearing Member is a party as a result of it acting for one or more Customers and in which the Clearing House records such Contracts.

The term "**Default Notice**" means a notice issued by the Clearing House under Rule 902(b).

The term "**Default Portability Preference**" means the identity of any one or more designated "preferred" Transferee Clearing Member(s) specified to the Clearing House by a Customer as being the Clearing Member to which it would prefer its Customer-CM Transactions (and related Contracts) to be Transferred pursuant to the Default Portability Rules in the case of an Event of Default.

The term "**Default Portability Rules**" means Rule 904 and any terms setting out the meaning of the defined terms used therein.

The term "**Defaulter**" means a Clearing Member or former Clearing Member in respect of whom a Default Notice has been issued.

The term "**Deliverable**" means any property, right, interest, register or book entry, commodity, certificate, property entitlement or Investment, which is capable of being delivered pursuant to a Contract or with respect to which settlement amounts are calculated.

The term "**Delivery Default**" means a Clearing Member failing to deliver or transfer to the Clearing House in full any Deliverable required to be delivered or transferred by that Clearing Member under or in connection with any Contract, including a failure to deliver or transfer a Deliverable in accordance with the applicable Delivery Procedures, unless such failure constitutes a Force Majeure Event affecting the relevant Clearing Member.

The term "**Delivery Facility**" means any Person or facility used for the delivery of Deliverables (excluding Transferors and Transferees).

The term "**Director**" means a director of the Clearing House.

The term "**Disciplinary Panel**" means a disciplinary panel established pursuant to Rule 1003.

The term "**Dispute**" means any dispute, difference, controversy or claim (of any and every kind or type, whether based on contract, tort, statute, regulation, or otherwise) arising out of, in relation to, or in connection with these Rules or any Contract, including any dispute as to the existence, construction, validity, interpretation, enforceability, termination or breach of these Rules or any Contract.

The term "**EFPs**" means 'exchange for physicals' under the ICE Futures Singapore Rules or any similar transaction under such rules.

The term "**EFSS**" means 'exchange for swaps' under the ICE Futures Singapore Rules or any similar transaction under such rules.

The term "**Eligible Currencies**" means EUR, SGD, USD, CNH and such other currencies as are specified as eligible in the Finance Procedures or otherwise by the Clearing House from time to time.

The term "**Encumbrance**" means any claim, charge, mortgage, security, lien, equity, beneficial interest, power of sale, option or other right to purchase, usufruct, hypothecation,

retention of title, right of pre-emption or other third party right or security interest of any kind or an agreement to create any of the foregoing.

The term "**EUR**" means the euro, or any lawful successor currency or currencies thereto.

The term "**Event of Default**" has the meaning set out in Rule 901 and the term "**Default**" shall be construed accordingly.

The term "**Exchange**" means any exchange or similar body duly authorised, regulated, recognised or licensed (to the extent necessary) under Applicable Laws in any jurisdiction, including, but not limited to, any recognised investment exchange, recognised overseas investment exchange, designated investment exchange, designated contract market, national securities exchange, swap execution facility, security-based swap execution facility, exempt commercial market, regulated market, alternative trading system, multilateral trading facility, swap execution facility, organised trading facility, systematic internaliser, trade affirmation or confirmation platform or similar entity.

The term "**Exchange Delivery Settlement Price**" in respect of a Set of Contracts or a Contract, means the closing, delivery or cash settlement price determined pursuant to Rule 701.

The term "**Exposure Limit**", of any Clearing Member or in respect of any Account, means the limit(s) on Open Contract Positions established by the Clearing House pursuant to Rule 601.

The term "**Failure To Pay**" means, in respect of a Contract, the failure of the Clearing House to make any payment when due pursuant to Part 3 of the Rules if such failure is not remedied on or before:

- (i) if no extension has been granted to the Clearing House pursuant to Rule 110(b) or Rule 110(c) prior to this date: the date falling 3 Business Days after notice of such failure is given to it by the Clearing Member to whom such payment or return is due; or
- (ii) if an extension has been granted to the Clearing House as referred to in paragraph (i) of this definition, 10 a.m. on the next Business Day after service of a notice of that failure to the Clearing House by the Clearing Member to whom such payment or return is due, provided that such notice is given no earlier than the final day of a period for which an extension has been granted to the Clearing House pursuant to Rule 110(b) or Rule 110(c),

save to the extent that any such failure to pay or return constitutes a Force Majeure Event affecting the Clearing House.

The term "**Financial Emergency**" means, with respect to any Clearing Member, any situation in which the financial or operational condition of such Clearing Member is not or is likely not to be, in either case determined at the discretion of the Clearing House, adequate for such Clearing Member to meet its obligations (including, without limitation, its obligations to comply with these Rules) or to engage in business, or is such that it would not be in the best interests of the Clearing House or the marketplace for such Clearing Member to continue to be a Clearing Member.

The term "**Financial Indebtedness**" means any indebtedness for or in respect of: (a) monies borrowed; (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with applicable accounting standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in (a) to (g) above.

The term "**Financially-Settled FX Contract**" means an FX Contract which provides for cash settlement in a single predetermined currency on the relevant FX Settlement Date based on the difference between the values on the FX Settlement Date of: (i) the purchase of an agreed amount in one currency by the Reference Currency Buyer from the Reference Currency Seller; and (ii) the purchase by the Reference Currency Seller of an agreed amount in a different currency from the Reference Currency Buyer.

The term "**Force Majeure Event**" means any occurrence outside the control of the Clearing House or the relevant Clearing Member, as applicable, which hinders or prevents the performance in whole or in part of any of its obligations hereunder (excluding an obligation to make a payment, except for a payment by the Clearing House to a Clearing Member that would be funded from a Clearing House Account at a Concentration Bank which Concentration Bank has not released or made available funds to the Clearing House when expected or required) (and, in relation only to any obligation of the Clearing House or a Clearing Member under a Contract, which obligation has not yet fallen due, such an occurrence which would hinder or prevent performance in whole or in part of any of its obligations thereunder were the occurrence or effects of the occurrence to continue until the date of performance of the relevant obligation), including, but not limited to, fire, flood, storm, earthquake, explosion, war, hostilities, accidents howsoever caused, strike, labour dispute, lockout, work to rule or other industrial dispute, lack of energy supply, criminal action, terrorist action, civil unrest, embargoes, acts of God, acts of a public enemy, unavailability or impairment of computer or data processing facilities, the actions or omissions of third Persons (including, without limitation, Repositories, Delivery Facilities, Approved Financial Institutions, Concentration Banks, bank or electronic transfer systems, Exchanges, Clearing Organisations, Governmental Authorities and Regulatory Authorities, but excluding the Clearing House in the case of a Force Majeure Event affecting the Clearing House and further excluding a Clearing Member, its Customers, Transferors and Transferees in the case of a Force Majeure Event affecting a Clearing Member); and in relation to delivery of a Deliverable pursuant to any Contract, any event that is an event of force majeure (or similar event, howsoever defined) for that Contract under the Contract Terms or Market Rules.

The term "**Future**" means a Contract that is a 'futures contract' under Section 2(1) of the SFA, (including, for the avoidance of doubt, short dated instruments on the same terms as futures that are entered into during the last week of trading) and including any similar contract treated as such under any Applicable Law.

The term "**FX**" means foreign exchange.

The term "**FX Contract**" means a Contract that is a foreign exchange contract that is subject to Clearing pursuant to these Rules.

The term "**FX Settlement Date**" means in relation to a Financially-Settled FX Contract, means the date on which the Reference Currency Buyer or Reference Currency Seller is obliged to make payment to the other party in order to discharge its obligations under the contract, which date may be expressed as a settlement, termination or payout date.

The term "**FX Transaction**" means an ICE Futures Singapore Transaction which is an FX transaction.

The term "**Goods and Services Tax**" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

The term "**Governmental Authority**" means any Regulatory Authority and any national, federal, supranational, state, regional, provincial, local or other government, government department, ministry, governmental or administrative authority, regulator, agency, commission, secretary of state, minister, court, tribunal, judicial body or arbitral body or any other Person exercising judicial, executive, interpretative, enforcement, regulatory, investigative, fiscal, taxing or legislative powers or authority anywhere in the world with competent jurisdiction (including, without limitation, the MAS).

The term "**Group Company**" means, with respect to any entity, a company which is a holding company, ultimate holding company or subsidiary of that entity or a subsidiary of any holding company or ultimate holding company of that entity. For the purposes of this definition, the expressions "holding company", "ultimate holding company" and "subsidiary" shall have the meanings given to them in Sections 5 and 5A of the Companies Act (Chapter 50 of Singapore), the expression "company" shall have the meaning given to it in Section 4 of the Companies Act (Chapter 50 of Singapore) and the expression "entity" shall have the same meaning as the expression "company".

The term "**Guaranty Fund**" means the guaranty fund established and maintained pursuant to Part 11 relating to ICE Futures Singapore Contracts.

The term "**Guaranty Fund Contribution**" means Permitted Cover transferred by a Clearing Member to the Clearing House as a contribution to the Guaranty Fund pursuant to Part 11 that has not been applied pursuant to Part 9 and includes, where the context so requires, any proceeds of realisation of the same.

The term "**Guaranty Fund Period**" for the Guaranty Fund, means such period as may be published from time to time by the Clearing House by Circular for which the total amount of Guaranty Fund Contributions for the Guaranty Fund is fixed (subject to any termination or suspension of any Clearing Member's membership or status as a Clearing Member, new Clearing Members making Guaranty Fund Contributions and the Clearing House's discretions pursuant to Part 11).

The term "**Guidance**" means guidance issued by the Clearing House pursuant to Rule 109(f).

The term "**ICE Futures Singapore**" means ICE Futures Singapore Pte. Ltd. (a company incorporated in the Republic of Singapore under registration number 200617072D) and the

approved exchange (as defined in the SFA) known as and operated by ICE Futures Singapore.

The term "**ICE Futures Singapore Block Contract**" means a Contract resulting from an ICE Futures Singapore Block Transaction.

The term "**ICE Futures Singapore Block Trade Facility**" means the block trade facility operated by ICE Futures Singapore in accordance with the ICE Futures Singapore Rules.

The term "**ICE Futures Singapore Block Transaction**" means an EFS, EFP or ICE Futures Singapore Block Trade Facility transaction reported through ICE Futures Singapore in accordance with the ICE Futures Singapore Rules.

The term "**ICE Futures Singapore Contract**" means an ICE Futures Singapore Block Contract or an ICE Futures Singapore Matched Contract.

The term "**ICE Futures Singapore Contract Terms**" means the contract terms and procedures of ICE Futures Singapore.

The term "**ICE Futures Singapore Matched Contract**" means a Contract resulting from an ICE Futures Singapore Matched Transaction.

The term "**ICE Futures Singapore Matched Transaction**" means a Transaction that occurs or occurred on the ICE Futures Singapore exchange in accordance with the ICE Futures Singapore Rules.

The term "**ICE Futures Singapore Rules**" means the rules of ICE Futures Singapore.

The term "**ICE Futures Singapore Transaction**" means an ICE Futures Singapore Matched Transaction or an ICE Futures Singapore Block Transaction where the related trade particulars or data submitted or provided to the Clearing House or ICE Futures Singapore by or on behalf of a Clearing Member (including by any Representative) will give rise to a Contract or Contracts if the relevant circumstances specified in Rule 401(a) occur.

The term "**ICE Group**" means the Clearing House and all of its Group Companies.

The term "**Illegality**" means where, after giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, these Rules, the Procedures and the applicable Contract Terms, due to an event or circumstance (other than any action taken by a Clearing Member) occurring after a Contract arises, it becomes unlawful under any Applicable Law on any day, or it would be unlawful if the relevant payment, delivery or compliance were required on that day (in each case, other than as a result of a breach by the Clearing Member of Rules 202 and 203), to perform any absolute or contingent obligation to make a payment or delivery in respect of such Contract, to receive a payment or delivery in respect of such Contract or to comply with any other material provision of the Rules and Procedures relating to such Contract.

The term "**Impossibility**" means where, after giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, these Rules, the Procedures and the applicable Contract Terms, due to an event or circumstance (other than any action taken by a Clearing Member) occurring after a Contract arises, it becomes impossible on any day, or it would be impossible if the relevant payment, delivery or compliance were required on that

day (in each case, other than as a result of a breach by the Clearing Member of Rules 202 and 203), to perform any absolute or contingent obligation to make a payment or delivery in respect of such Contract, to receive a payment or delivery in respect of such Contract or to comply with any other material provision of the Rules and Procedures relating to such Contract.

The term "**Insolvency**" means, in relation to any Person: a bankruptcy or winding-up application being presented; a bankruptcy order being made; a voluntary arrangement being approved; an Insolvency Practitioner being appointed or application or order being made for such an appointment; a composition or scheme of arrangement being approved by a court or other Governmental Authority; an assignment, compromise or composition being made or approved for the benefit of any creditors or significant creditor; an order being made or resolution being passed for winding up; dissolution; the striking off of that Person's name from a register of companies or other corporate bodies; a distress or execution process being levied or enforced or served upon or against property of that Person; a Governmental Authority making an order pursuant to which any of that Person's securities, property, rights or liabilities are transferred; a Governmental Authority exercising, as it appears it to be necessary upon the occurrence of a Specified Event, one or more of the powers prescribed under any Applicable Law in Singapore, including but not limited to the powers prescribed under the Banking Act (Chapter 19 of Singapore) and the Monetary Authority of Singapore Act (Chapter 186 of Singapore), in respect of that Person; or any event analogous to any of the foregoing in any jurisdiction (always excluding any frivolous or vexatious petition or solvent reorganisation, change of Control or merger notified to the Clearing House in accordance with Rule 204(a)(i)).

The term "**Insolvency Practitioner**" means a receiver, judicial manager, administrator, bank administrator, manager or administrative receiver, liquidator, conservator, examiner, trustee in bankruptcy, relevant officeholder (under Part III of the SFA) or any other Person appointed or with powers in relation to an Insolvency in any jurisdiction.

The term "**Intellectual Property**" means all intellectual property rights in any part of the world and for the entire duration of such rights, which shall be deemed to include, without limitation, copyright, trade marks, design rights, patents, domain names, database rights and know-how, in each case whether registered or unregistered and including applications to register and rights to apply for registration, and all similar or equivalent rights which may subsist anywhere in the world.

The term "**Investment**" means any financial instrument, including any forward contract and any instruments which are securities, as the term 'forward contract' and 'securities' are defined in Section 2(1) of the SFA.

The term "**Investment Losses**" means losses, liabilities, damages, costs, claims, shortfalls or expenses incurred or suffered by the Clearing House, to the extent that the same are not subjected to any power of assessment under Rules 909 to 911, arising in connection with the default or Insolvency of an Approved Financial Institution, any Concentration Bank, any other Bank acting as banker to the Clearing House, the default of the issuer of any instrument, security or unit or any service provider appointed by or on behalf of such issuer, any Custodian and/or the counterparty to any repurchase or reverse repurchase contract or similar transaction in all cases in respect of any investment(s) or re-investment(s) by the Clearing House of assets representing Original Margin, Guaranty Fund Contributions or Permitted Cover in respect thereof (including any such assets transferred by a Defaulter) or the proceeds

of any of the foregoing, other than any such losses, liabilities, damages, costs, claims, shortfalls or expenses resulting directly from a failure by the Clearing House to comply with its own investment policies.

The term "**Invoice Back**" means the process by which an offsetting Contract of the same Set as an existing Contract is created by the Clearing House pursuant to Rule 104(a)(i) or Rule 104(b) and Rule 401(a)(vi), with the role of Buying Counterparty or Selling Counterparty reversed and, at the Clearing House's discretion, a different price or premium and other terms as are determined by the Clearing House pursuant to Rule 104 or an existing Contract is terminated by the Clearing House pursuant to Rule 104(a)(i) or Rule 104(b) at a termination price and other terms as are determined by the Clearing House pursuant to Rule 104; and the terms "**Invoiced Back**", "**Invoicing Back**" and other similar expressions shall be construed accordingly.

The term "**IRAS**" means the Inland Revenue Authority of Singapore and any successor thereto.

The term "**Loss Assets**" means assets of the Clearing House of a value specified pursuant to Rule 919(p) which are intended to be applied towards Non-Default Losses or Investment Losses pursuant to Rule 919.

The term "**Margin**" means Permitted Cover required to be provided or actually provided (by way of title transfer pursuant to a Clearing Membership Agreement) to the Clearing House (or, in the case of Variation Margin, provided to or by the Clearing House, as the context may require or, in the case of Variation Margin provided pursuant to a transfer of cash) pursuant to a requirement for Original Margin, Variation Margin, or any other requirement under the Rules or the Finance Procedures and includes, where the context so requires, any proceeds of realisation of the same.

The term "**Margin Account**" means a Proprietary Margin Account or Customer Margin Account.

The term "**Market**" means the markets operated by ICE Futures Singapore.

The term "**Market Rules**" means the rules, regulations, procedures of, and agreements governing, a Market, including the ICE Futures Singapore Rules and the ICE Futures Singapore Contract Terms.

The term "**MAS**" means the Monetary Authority of Singapore or any successor entity.

The term "**MAS Requirements**" means all requirements, regulations, notices, directions, guidelines, codes, practice notes, circulars, policy statements, guidance, examples, waivers and other similar materials published or otherwise made by the MAS from time to time.

The term "**Monetary Default**" means a Clearing Member failing to transfer to, deposit with, or pay to, the Clearing House in full any Margin, Guaranty Fund Contribution, amount due under or in connection with any Contract or other amount due to the Clearing House or required by or pursuant to Market Rules, unless such failure constitutes a Force Majeure Event affecting the relevant Clearing Member.

The term "**Nominated Bank Account**" means a Nominated Customer Bank Account or a Nominated Proprietary Bank Account.

The term "**Nominated Customer Bank Account**" means an account (if any) of a Clearing Member at an Approved Financial Institution, nominated by the Clearing Member in accordance with the Finance Procedures, used by the Clearing Member for transfers to or from the Clearing House of amounts due in respect of its Customer Account which may be designated by a Clearing Member for payments in respect of such Customer Account. For the avoidance of doubt, a Nominated Customer Bank Account is not and does not form part of a Customer Account.

The term "**Nominated Proprietary Bank Account**" means an account of a Clearing Member at an Approved Financial Institution, nominated by the Clearing Member in accordance with the Finance Procedures, used by the Clearing Member for transfers to or from the Clearing House of amounts due in respect of its Proprietary Account, which may be designated for payments in respect of Contracts. For the avoidance of doubt, a Nominated Proprietary Bank Account is not and does not form part of a Proprietary Account.

The term "**Non-Default Losses**" means losses, liabilities, damages, costs, claims, shortfalls or expenses incurred or suffered by the Clearing House that are not Investment Losses, arising in connection with any event other than an Event of Default and which threaten the Clearing House's solvency.

The term "**Non-Transfer Positions**" in respect of a Customer Account of a Clearing Member, means the Customer Account Positions in respect of which either: (i) the relevant Customer has not made a Default Portability Preference; or (ii) a Default Portability Preference has been made by the relevant Customer but has not been communicated to the Clearing House by such Clearing Member or, where permitted, by such Customer, in each case in accordance with the Rules and the Procedures.

The term "**Open Contract Position**", in respect of each Set of Contracts for a Clearing Member from time to time, comprises the Contract Position and the Net Amount Position, where

(a) *Contract Position* means:

- (i) in relation to a Proprietary Position Account for Contracts that are Futures: where a Clearing Member is party to one or more Futures Contracts of a particular Set, the gross number of buy positions and the gross number of sell positions pursuant to those Contracts recorded in that account (subject to any netting pursuant to Rule 406);
- (ii) [Not used.];
- (iii) in relation to a Customer Position Account for Contracts that are Futures: where a Clearing Member is party to one or more Futures Contracts of a particular Set, the gross number of buy positions and the gross number of sell positions pursuant to those Contracts recorded in that account (subject to any netting pursuant to Rule 406);
- (iv) [Not used.];

in any case as calculated by the Clearing House from time to time based on data received by the Clearing House in respect of Contracts entered into by the Clearing

Member up to the close of business on the immediately preceding Business Day (or such other period determined by the Clearing House at its discretion); and

- (b) *Net Amount Position* for Contracts, means the price at which the Contract Position for any Set is recorded on the Clearing House's books based on Exchange Delivery Settlement Prices for each Contract.

The term "**Opening Days**" means the days upon which the Clearing House is operational, which may vary for different Contracts or between deliveries and other business, as notified by the Clearing House from time to time.

The term "**Opening Hours**" means the hours during which the Clearing House is operational, which may vary for different Contracts or between deliveries and other business, as notified by the Clearing House from time to time.

The term "**Original Margin**" means the Permitted Cover required to be provided or actually provided (by way of title transfer pursuant to a Clearing Membership Agreement) to the Clearing House as collateral for the obligations of a Clearing Member in respect of Contracts pursuant to Part 5 including any margin provided in relation to Contracts pursuant to Rule 502(g), in each case as calculated or permitted to be called in accordance with the risk policies of the Clearing House, but excluding in any case Variation Margin, and including where the context so requires, any proceeds of realisation of the same.

The term "**Permitted Cover**" means cash in Eligible Currencies and other assets determined by the Clearing House as permissible for Margin, Guaranty Fund Contributions or other financial resource requirements specified by the Clearing House and includes, where the context so requires, any such cash or assets transferred to the Clearing House and any proceeds of realisation of the same. A particular kind of currency or asset may be determined by the Clearing House to be Permitted Cover only in respect of Proprietary Accounts, Customer Accounts, Contracts or certain Sets of Contracts.

The term "**Person**" means any individual, partnership, firm, body corporate, association, trust, unincorporated organisation or other entity.

The term "**Position Account**" means a Proprietary Position Account or Customer Position Account.

The term "**Position Holder**" has the meaning set out in Rule 407.

The term "**Potential Event of Default**" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

The term "**President**" means the president of the Clearing House from time to time.

The term "**Procedures**" means the procedures of the Clearing House from time to time, as amended pursuant to Rule 109(e) and any reference to the "**Business Continuity Procedures**", "**Clearing Procedures**", "**Complaint Resolution Procedures**", "**Default Auction Procedures**", "**Delivery Procedures**", "**Finance Procedures**", "**Contract Terms Procedures**", "**Membership Procedures**", or any other section of the Procedures shall be interpreted accordingly.

The term "**Proprietary Account**" refers to a proprietary account at the Clearing House which may be designated for Contracts and all related Margin and comprises a Proprietary Position Account and Proprietary Margin Account.

The term "**Proprietary Account Contract**" means a Contract recorded in a Proprietary Position Account (or any sub-account thereof).

The "**Proprietary Margin Account**" forms part of a Proprietary Account and the term means an account with the Clearing House which is not a Customer Margin Account, opened in the name of a Clearing Member for the recording of debits and credits of Margin in respect of Proprietary Account Contracts recorded in the related Proprietary Position Account, which may be divided for administrative convenience only into sub-accounts.

The "**Proprietary Position Account**" forms part of a Proprietary Account and the term means an account with the Clearing House which is not a Customer Position Account, opened in the name of a Clearing Member in which Proprietary Account Contracts entered into by the Clearing Member (whether directly or indirectly) and/or related Open Contract Positions are recorded, which may be divided for administrative convenience only into sub-accounts.

The term "**Reference Currency Buyer**" means, in respect of an FX Contract, the Clearing House if the Clearing Member who is party to that FX Contract (or its Customer) was the Reference Currency Seller under the corresponding FX Transaction, or the Clearing Member who (or whose Customer) was party to the corresponding FX Transaction as Reference Currency Buyer.

The term "**Reference Currency Seller**" means, in respect of an FX Contract, the Clearing House if the Clearing Member who is party to that FX Contract (or its Customer) was the Reference Currency Buyer under the corresponding FX Transaction, or the Clearing Member who (or whose Customer) was party to the corresponding FX Transaction as Reference Currency Seller.

The term "**Reference Price**" in respect of Contracts, means the reference price determined by the Clearing House on the basis of data provided by the relevant Market or otherwise pursuant to Rule 802.

The term "**Regulatory Authority**" means any Governmental Authority which exercises a regulatory or supervisory function under the laws of any jurisdiction in relation to financial services, the financial markets, Exchanges or Clearing Organisations (including, without limitation, the MAS and the IRAS).

The term "**Repository**" means a trade repository (as defined in the SFA) used and specified by the Clearing House for the reporting of Contracts (which may also be used for the recording of Transactions submitted for Clearing).

The term "**Representative**" means any Person that carries out or is responsible for (or purports to carry out or be responsible for) any of the functions of another Person, and any Persons that either such Person employs, authorizes or appoints to act on its behalf, including without limitation any director, partner, officer, executive, employee, Affiliate, Customer, contractor or agent of that other Person (provided, in the case of a Clearing Member, that a Customer will only be treated as a Representative of a Clearing Member in respect of any act,

omission, conduct or behaviour in its capacity as a Customer to the extent that the Clearing Member is bound by the conduct of such Customer pursuant to Rule 102(j)).

The term "**Rule Change**" means any amendment, alteration, restatement, addition, deletion or other change to the Rules (excluding, for purposes of this definition, any Guidance or any Circular) made in accordance with Rule 109.

The term "**Rules**" means these rules, together with the Procedures, as interpreted in accordance with Guidance and Circulars.

The term "**Seller**" means, in relation to deliveries under Part 7, the Clearing Member or the Clearing House, whichever is obliged to make delivery of a Deliverable (whether itself or through another Person).

The term "**Selling Counterparty**" means, in respect of a Contract: (a) the Clearing Member that was, before formation of a Contract for Clearing, party to the corresponding Transaction as seller (or, in relation to Financially-Settled FX Contract, Reference Currency Seller); or (b) where a Clearing Member's Customer is party to the corresponding Transaction as seller the Clearing Member that provides clearing services to that Customer in relation to the Transaction in question (or, if more than one such Clearing Member exists, the Clearing Member that was selected by the Customer for the initial booking of that Transaction); or (c) overriding any designation that would occur pursuant to (a) or (b) above, where one Clearing Member that would be a Selling Counterparty in accordance with (a) or (b) above has allocated a Transaction to another Clearing Member for clearing in accordance with Market Rules, the Clearing Member to whom such Transaction is allocated.

The term "**Sequential Guaranty Fund Depletion**" in respect of a particular Clearing Member that is not a Defaulter, means circumstances in which: (i) there have been two or more Events of Default relating to different Clearing Members within a period of 20 or fewer Business Days; (ii) Guaranty Fund Contributions have been applied in respect of at least two such Events of Default; and (iii) the total amount that the Clearing Member has paid the Clearing House to replenish its Guaranty Fund Contributions exceeds the total amount of Guaranty Fund Contributions standing to the credit of that Clearing Member in the Clearing House's accounts prior to the first Event of Default.

The term "**Set**" means for Futures Contracts, a set or class of Contracts that are identical as to their terms (including the Deliverable or currency pair to which such Contract relates and settlement date; but excluding any amount paid or to be paid for entry into the Contract and any amount paid or to be paid in respect of entry into settlement or delivery of a Contract).

The term "**SFA**" means the Securities and Futures Act (Chapter 289 of Singapore).

The term "**SF(CF)R**" means the Securities and Futures (Clearing Facilities) Regulations 2013.

The term "**SF(FMR)R**" means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations.

The term "**SF(LCB)R**" means the Securities and Futures (Licensing and Conduct of Business) Regulations.

The term "**SGD**" means the lawful currency from time to time of the Republic of Singapore.

The term "**SIAC**" means the Singapore International Arbitration Centre or any successor thereto.

The term "**SIAC Rules**" means the arbitration rules of the SIAC.

The term "**Specified Event**" means a situation where:

- (a) a Person is or is likely to become unable to meet its obligations;
- (b) a Person is or is likely to become subject to an Insolvency;
- (c) a Person has suspended or is about to suspend payments;
- (d) a Person has contravened the provisions of any Applicable Law of Singapore, including but not limited to the provisions of the SFA, the Banking Act (Chapter 19 of Singapore) and the Monetary Authority of Singapore Act (Chapter 186 of Singapore);
- (e) a Person has failed to comply with any condition attached to any license, approval or exemption granted to it under any applicable laws of Singapore, including but not limited to any licenses granted to it under the SFA, the Banking Act (Chapter 19 of Singapore) and any approvals granted to it under the Monetary Authority of Singapore Act (Chapter 186 of Singapore);
- (f) a Person informs any Governmental Authority that one or more of the Specified Events in sub-paragraphs (a), (b) and (c) has occurred;
- (g) any Governmental Authority is of the opinion that one or more of the Specified Events in sub-paragraphs (a), (b) (c), (d) and (e) has occurred;
- (h) any Governmental Authority is of the opinion that a Person is carrying on its business in a manner likely to be detrimental to the interests of such persons as may be prescribed, in relation to the relevant Person, by any applicable laws of Singapore; or
- (i) any Governmental Authority considers the exercise of one or more of the powers prescribed under any applicable laws of Singapore, including but not limited to the powers prescribed under the Banking Act (Chapter 19 of Singapore) and the Monetary Authority of Singapore Act (Chapter 186 of Singapore), in respect of a Person to be in the public interest.

The term "**Standard Terms**" means the form of Customer-CM Transactions Standard Terms as published by the Clearing House from time to time as an Exhibit to these Rules, but which do not form part of these Rules, which are applicable as between each Clearing Member and each of its Customers in relation to Clearing, as amended from time to time in accordance with the Standard Terms.

The term "**Summary Disciplinary Committee**" means a summary disciplinary committee established pursuant to Rule 1004(c).

The term "**Surplus Collateral**", in respect of a Clearing Member or particular Account or account for Guaranty Fund Contributions at any time, means any Permitted Cover transferred to the Clearing House that is not required to satisfy the current or most recently calculated applicable requirements in respect of Margin or Guaranty Fund Contributions at such time.

The term "**Termination Close-Out Deadline Date**" means: (i) in respect of termination of clearing membership under Rule 209(c)(i)(A), the date falling 30 Business Days after the Termination Notice Time; or (ii) notwithstanding (i), in any case, such later date as the Clearing House may at its discretion permit and notify in writing to the affected Clearing Member.

The term "**Termination Close-Out Time**" means the time at which a Clearing Member that is terminating its membership ceases to be party to any open Contracts with the Clearing House.

The term "**Termination Date**" means the later of: (i) where applicable, the Termination Close-Out Deadline Date; (ii) the date of the Termination Close-Out Time; or (iii) the time of expiry of the termination notice period.

The term "**Termination Notice Time**" means the time of service by a Clearing Member of a termination notice under Rule 209(c)(i)(A) or (C).

The term "**Transaction**" means, in respect of the Clearing of Contracts, any ICE Futures Singapore Transaction. For the avoidance of doubt: (A) an ICE Futures Singapore Transaction will be valid and constitute a Transaction for purposes of this definition regardless of whether it reflects a binding contract or transaction between two Clearing Members or between a Clearing Member and its Customer and an ICE Futures Singapore Transaction shall include any trade particulars or any data resulting from the matching of any trade or block orders; and (B) in the case of an ICE Futures Singapore Transaction made on or reported to a Market, the Transaction need not yet have been reported to the Clearing House in order to give rise to an ICE Futures Singapore Contract.

The term "**Transaction Rights or Obligations**" means the rights, liabilities or obligations (if any) of a Clearing Member relating to, or arising out of or in connection with any Transaction, whether pursuant to contract, tort, equity, restitution or otherwise, whether joint or several, pursuant to the laws of any jurisdiction, which fall or fell due for performance to any Person other than as between a Customer of a Clearing Member in relation to the Transaction in question and such Clearing Member (to which the Standard Terms shall apply).

The term "**Transfer**" has the meaning given to that term in Rule 904(a).

The term "**Transferee**" means a Person nominated by a Buyer to whom a transfer or delivery is to be made under an ICE Futures Singapore Contract and includes reference to the Buyer where transfer or delivery is to be made to the Buyer.

The term "**Transferee Clearing Member**" means a Clearing Member which becomes party to a Contract as a result of a transfer, novation, sale or termination and replacement pursuant to Part 9 of the Rules.

The term "**Transferor**" means a Person nominated by a Seller by whom a transfer or delivery is to be made under an ICE Futures Singapore Contract and includes reference to the Seller where transfer or delivery is to be made by the Seller.

The term "**Tribunal**" means an arbitral tribunal established under Rule 117.

The term "**USD**" means the lawful currency from time to time of the United States of America.

The term "**Variation Margin**" means the cash required to be provided or actually provided by a Clearing Member to the Clearing House or by the Clearing House to a Clearing Member related to the market value of a Clearing Member's Open Contract Positions relating to ICE Futures Singapore Contracts, as determined pursuant to Rule 503(e) and the Finance Procedures and includes, where the context so requires, any proceeds of realisation of the same.

The term "**Withdrawal Date**" means, if at any time the Clearing House decides to terminate its services, either generally or in relation to a significant part of its business or certain categories of Contract, the date on which that termination will take effect.

Rule 102 *Interpretation*

- (a) Any reference to a statute, statutory provision or rule shall include any notice, order, guidance, regulation or subsidiary legislation made from time to time under that statute, statutory provision or rule which is in force from time to time. Any reference to a statute or statutory provision shall include such statute or provision as from time to time amended, modified, re-enacted or consolidated from time to time and (so far as liability thereunder may exist or can arise) shall include also any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which was applicable at the time of any relevant action or omission.
- (b) References to any rules or any agreement are references to such rules or agreement as amended or restated from time to time, provided that such amendments or restatements are made in accordance with these Rules.
- (c) The Interpretation Act (Chapter 1 of Singapore) shall apply to these Rules in the same way as it applies to an enactment.
- (d) When a reference is made in these Rules to a rule, part, paragraph or procedure, such reference is to a Rule, Part, paragraph, Procedure of, or made under these Rules, unless otherwise indicated.
- (e) The headings in these Rules are for reference purposes only and do not affect in any way the meaning or interpretation of these Rules.
- (f) To the extent there is any conflict between any of the provisions of these Rules, a Clearing Membership Agreement, the Procedures (including all exhibits, attachments and appendices thereto), any Guidance or Circular or Market Rules or between any of the foregoing, the provision of the first document specified in the paragraphs below shall prevail, control, govern and be binding upon the parties:
 - (i) these Rules (excluding the Procedures, Contract Terms (save to the extent that the Contract Terms are in the Rules but excluding Contract Terms that are in the Procedures) and any other document incorporated by reference);
 - (ii) the Clearing Membership Agreement;
 - (iii) [Not used.]

- (iv) [Not used.]
 - (v) [Not used.]
 - (vi) [Not used.]
 - (vii) in the case of Contracts traded on ICE Futures Singapore, in relation to those aspects of the ICE Futures Singapore Rules that include Contract Terms only, the ICE Futures Singapore Rules;
 - (viii) in the case of Contracts traded on ICE Futures Singapore, in relation to those aspects of the ICE Futures Singapore Contract Terms that include Contract Terms only, the ICE Futures Singapore Contract Terms;
 - (ix) [Not used.]
 - (x) the Contract Terms other than those set out in these Rules or Market Rules (except as set out in Rule 102(f)(i)) (excluding the Rules and any other document incorporated by reference);
 - (xi) the Procedures (excluding any Contract Terms set out in the Procedures);
 - (xii) Market Rules other than those referred to above (excluding any document described in Rule 102(f)(i) to (xi) incorporated by reference);
 - (xiii) any Guidance;
 - (xiv) any Circular (except for a Circular communicating an amendment to any of the above documents in accordance with these Rules, in which case the amendments communicated in such Circular shall be binding on the effective date specified in the Circular as if such amendments were one of those documents); and
 - (xv) [Not used.]
 - (xvi) in the case of Contracts recorded in a Customer Account, the Standard Terms (solely to the extent that the Standard Terms may be of interpretative relevance to the Rules or a Contract).
- (g) [Not used.]
 - (h) All references to timings or times of day are to Singapore times, unless indicated otherwise. Business hours shall occur only on Business Days and shall be construed accordingly.
 - (i) All references to "**tax**" shall include, without limitation, any tax, levy, impost, duty, or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying the same).
 - (j) Each Clearing Member shall be bound by any act, omission, conduct or behaviour ("**conduct**") of its Representatives and of its Customers and clients of such Customers but only in any instance in which:

- (i) any such Customer or client of such Customer is permitted by the Clearing Member to have access to any system or interface of any Market or the Clearing House which access enables or results in the entry into of Contracts and relates to Clearing by that Clearing Member for such Customer or client (which access, without limitation shall be deemed to have been granted by the Clearing Member if the Customer or client in question has been nominated to the Clearing House as an "Eligible Person" pursuant to the Clearing Membership Agreement to which such Clearing Member is a party);
- (ii) any such Customer or client of such Customer is permitted by the Clearing Member to have access to any system or interface of any Market or the Clearing House which relates to Clearing by that Clearing Member for such Customer or client and which is used for the enriching of data held by the Clearing House relating to Contracts, the post-trade management of Contracts, allocations from one Clearing Member to another Clearing Member under Rule 401(a)(viii) or Rule 401(e), the transfer of Contracts between a Proprietary Account (or any sub-account thereof) or Customer Account of a Clearing Member, position transfers, novations or assignments under Rule 408(a), the service of any notice, the closing-out, expiry or termination of any Future or the netting, combining or offsetting of any Contract recorded in a particular account;
- (iii) any such Representative, Customer or client of such Customer is nominated by a Clearing Member as a Transferee or Transferor for purposes of delivery under an ICE Futures Singapore Contract; or
- (iv) any such Representative, Customer or client of such Customer is otherwise duly appointed to carry out such conduct as an agent of the Clearing Member.

If a Customer or client of a Customer or any of their Representatives would have breached the Rules in respect of any instance listed in (i), (ii), (iii) or (iv) above if it were a Clearing Member, then such Customer, client or Representative or their Clearing Member may be subject to disciplinary proceedings, in which Rule 1003(u) applies.

In addition, a Clearing Member shall be bound by and responsible for any conduct of or by any of the following Persons (including for purposes of disciplinary proceedings under Part 10):

- (A) the Clearing Member itself (including its directors, officers, employees or partners); and
- (B) the Clearing Member's Representatives (excluding Customers and their Customers' clients), as if such conduct were the conduct of the Clearing Member itself (but this provision shall not, for the avoidance of doubt, apply to determine any liability of a Clearing Member or Defaulter for losses of the Clearing House or any of its Affiliates or any Market or any of their Directors or directors (as the case may be), officers, employees, committees (or any individual committee member), which liabilities are governed solely by Rule 111 and Rule 905(f)).

- (k) Pursuant to Rule 102(f), a Clearing Member's liability under clause 3.5 of the Clearing Membership Agreement shall be limited by Rule 102(j).
- (l) Any capitalised term used in these Rules that is not defined in Rule 101 or elsewhere herein shall have the meaning given to it (in order of priority) in the Procedures, the Clearing House's standard form Clearing Membership Agreement and any relevant Market Rules.
- (m) Each of the Rules shall, unless the context otherwise requires, be construed as an independent provision and shall be in addition and without prejudice to any other provision of the Rules.
- (n) If any provision of these Rules (or part of any provision) is found by any court or other Governmental Authority to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of the Rules, and the validity, legality or enforceability of the other provisions of these Rules shall not be affected.
- (o) The Rules, together with the applicable Clearing Membership Agreement, and other documents listed in Rule 102(f) that are given contractual force pursuant to these Rules, (other than the Standard Terms) form a contract between the Clearing House and each Clearing Member. All obligations of the Clearing House hereunder are solely to Clearing Members. No Person other than the Clearing House has any obligation to Clearing Members pursuant to these Rules except as expressly provided in any provisions of these Rules, the Procedures or any of the Standard Terms purporting to create or define rights and obligations as between Clearing Members or between Clearing Members and their Customers (each a "**Bilateral Obligation**"). Subject to any Bilateral Obligation or Applicable Laws in respect of which the relevant Clearing Members or Customers (as applicable) shall have the right to enforce the relevant provisions of these Rules, Procedures or Standard Terms against one another or under which these Rules form a contract between each Clearing Member and every other Clearing Member, and except as provided in Rule 102(v), no Person shall have any right pursuant to the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any provision of these Rules or the Procedures.
- (p) Any matter or right stated to be in, of or at the Clearing House's discretion shall be subject to the Clearing House's sole, unfettered and absolute discretion and such discretion may be exercised at any time. Where there is a provision that the Clearing House (or its Directors, officers, employees or committees) may make further directions upon or in relation to the operation of a Rule or may make or authorise any arrangement, direction or procedure thereunder, the Clearing House may make such direction or make or authorise such arrangement or procedure in relation to or under the whole or any part of the Rule and may make or authorise different directions, arrangements or procedures in relation to different Persons and may make or authorise such directions, arrangements or procedures generally or in relation to a particular Person or particular occasion and in all cases subject to such conditions as it may think fit. Any action taken at the discretion of the Clearing House may not be challenged by any Person (subject to the requirements of Rule 111(c) and the right of such Person to make a complaint pursuant to the Complaint Resolution Procedures or Part 10).

- (q) Without prejudice to the requirements of any Applicable Laws, nothing in these Rules shall have the effect of enabling, requiring or implying that any Margin or other amounts deposited in relation to a Clearing Member's or Defaulter's Customer Account be used to meet a loss or shortfall on that Clearing Member's or Defaulter's Proprietary Account.

Without prejudice to the requirements of any Applicable Law, nothing in these Rules shall have the effect of enabling, requiring or implying that any Contracts recorded in a Clearing Member's or Defaulter's Customer Account be netted, combined or offset with any Contract recorded in that Clearing Member's or Defaulter's Proprietary Account (except as expressly provided under the Rules and to the extent permissible under Applicable Laws).

For the avoidance of doubt and ease of reference, the third and fourth sentences of clause 5.3 of the Clearing Membership Agreement also apply in respect of a Clearing Member's Customer Account.

- (r) The Rules shall at all times be observed, interpreted and given effect to in the manner most conducive to the promotion and maintenance of:
- (i) the Clearing House's status as an approved clearing house under Section 51(1)(a) of the SFA and any other legal or regulatory status it has from time to time under any other Applicable Law;
 - (ii) the good reputation of the Clearing House (and Clearing Members);
 - (iii) high standards of integrity and fair dealing in accordance with MAS Requirements and other Applicable Law;
 - (iv) [Not used.]
 - (v) proper protection for all Persons interested in the performance of Contracts; and
 - (vi) the safe and efficient functioning of the Clearing House and the protection of the interests of the investing public.

To the extent that the Clearing House or any Clearing Member has any right under these Rules which may on its face be performed in a manner that goes beyond that which is permitted by Applicable Law, that right may only be exercised to the extent permitted under Applicable Laws. For the avoidance of doubt, no reference in these Rules to Applicable Laws (including the expressions 'without prejudice to Applicable Laws', 'subject to Applicable Laws' or similar), shall be construed as restricting or negating the applicability of any provision of the SFA or any MAS Requirements thereunder or any obligation or liability of the Clearing House, a Clearing Member, a Customer or a Governmental Authority under the SFA or any MAS Requirements.

- (s) These Rules, each Contract and all non-contractual obligations arising out of or in connection with these Rules or any Contract, shall be governed by and construed in accordance with the laws of the Republic of Singapore.

- (t) These Rules may be supplemented by processes established pursuant to documents governing the internal governance of the Clearing House and its committees.
- (u) References in these Rules to Singapore legislation shall be interpreted as references to such legislation as implemented in the Republic of Singapore, including by the relevant Singapore Governmental Authorities.
- (v) Notwithstanding Rule 102(o), nothing in these Rules shall preclude a Customer or any other Person from agreeing to the application of these Rules or any provision of these Rules in their agreements with any Clearing Member or third party, in which case the Clearing House shall be entitled to enforce any provision of these Rules (including, without limitation, Rule 111 as a third party with rights pursuant to the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore)).
- (w) To the extent permitted by Applicable Laws and without prejudice to Rule 408, a Clearing Member may outsource performance of any of its obligations under the Rules to an Affiliate or other Person, but will remain fully liable to the Clearing House for such performance notwithstanding the outsourcing, provided that a Clearing Member may nominate another Person to perform its responsibilities with respect to the submission of end-of-day prices and participation in default auctions and such other obligations as permitted by the Clearing House, if such Person is acceptable to the Clearing House and enters into an agreement with the Clearing Member and Clearing House on such terms and conditions as are specified by the Clearing House. In any circumstances in which a Person performs pursuant to an outsourcing arrangement or such a nomination, such Person will act as the Clearing Member's Representative.
- (x) If a Person with obligations under these Rules or a Contract is a partnership, the liability of each partner in the partnership under or in connection with these Rules or the Contract shall be joint and several. In the event of any circumstances which would be operation of Applicable Law give rise to the dissolution of the partnership, or entitle a partner to seek an order to dissolve the partnership, the obligations of the partners shall remain in full force and effect.
- (y) Any provision of these Rules referring to a Concentration Bank shall only be operative as from the date that, pursuant to Rule 301(m), the Clearing House publishes details of the appointment of a Concentration Bank.
- (z) Any provision of these Rules referring to a Clearing Member that is not a Bank or does not have a CMS Licence shall not take effect until such time as the Clearing House publishes a Circular otherwise and amends the definition of 'Clearing Member' in these Rules.

Rule 103 *Delay in performance by the Clearing House*

Subject to the provisions of the Contract Terms and further subject as set out in the Procedures, where an obligation of the Clearing House must be performed immediately, promptly or by or prior to a specified time or date but is not so performed, the Clearing House shall not be in breach of these Rules if, having used all reasonable endeavours to perform such obligation by such specified time or date, it performs the relevant obligation promptly after such specified time or date.

Rule 104 *Invoicing Back and Specification of Terms*

- (a) Other than in circumstances in which Rule 912 applies and subject to Rules 104(c) to 104(f), if a Force Majeure Event, Illegality or Impossibility affects Contracts of a particular Set, the Clearing House shall have the right, in consultation with the relevant Market (if any) to:
 - (i) Invoice Back Contracts of such Set; or
 - (ii) specify or over-ride the price or other terms of Contracts of such Set.
- (b) The Clearing House shall in addition have the right, in consultation with the relevant Market, to Invoice Back a Contract that is subject to delivery or tender in the circumstances and in the manner set out in the Delivery Procedures.
- (c) Any instance of Invoicing Back or specification or over-riding of price or other terms under Rule 104(a) must, subject to Rule 109(c), be approved in advance by an affirmative vote of the Board at a quorate meeting, at which meeting the facts giving rise to the Force Majeure Event, Illegality or Impossibility, as the case may be, will be considered and at which the Board decides that it would be appropriate to exercise the right in question. Any exercise of such a right will further be undertaken subject to any additional processes established pursuant to documents governing the internal governance of the Clearing House and its committees.
- (d) Neither Invoicing Back rights nor specification or over-riding of price or other terms rights under Rule 104(a) or Rule 104(b) are to be exercised by the Clearing House to deal with the general management of an Event of Default (such as for the purpose of changing the amount of any liability of the Clearing House to a Defaulter (or deemed defaulter) or to a Clearing Member which would be a Defaulter on the making of the relevant declaration by the Clearing House under Rule 901(a) or of any liability of any Defaulter (or deemed defaulter) or any such Clearing Member to the Clearing House) or as an alternative to applying the process in Part 10 *et seq.* in circumstances in which such provisions apply. However, nothing in this Rule 104(d) shall prevent the Clearing House from exercising its rights under Rule 104(a) or Rule 104(b) in respect of a Contract to which a Defaulter is party where, in the case of Rule 104(a), a Force Majeure Event, Illegality or Impossibility affects a Contract of a particular Set to which a Defaulter is party in a similar way to that in which it affects Contracts of the same Set to which non-defaulting Clearing Members are party, where the Clearing House takes similar action in respect of Contracts of the same Set of non-defaulting Clearing Members in accordance with this Rule 104 or where, in respect of Rule 104(b) and a Contract that is subject to delivery or tender, the Delivery Procedures provide for Invoicing Back to take place of a Defaulter's Contract.
- (e) Where the Clearing House exercises any of its rights under Rule 104(a) or Rule 104(b), it will do so in good faith and in accordance with Rule 102(r).
- (f) The Clearing House will not exercise any rights under Rule 104(a) or Rule 104(b) to Invoice Back or specify or over-ride the price or other terms of any Contract to which a Clearing Member is party unless there is an objective justification for it doing so and such an approach is applied objectively. The price at which any Invoicing Back or specification or over-riding of price or other terms under Rule 104(a) or

Rule 104(b) is executed shall be determined in a commercially reasonable manner and, in respect of a Contract that is subject to delivery or tender, in accordance with the Delivery Procedures. The process established in Rule 109(k) shall apply to any class of Contract whenever the Clearing House exercises its rights under Rule 104(a), *mutatis mutandis*.

- (g) Provided that any rights exercised under this Rule 104 are exercised in accordance with this Rule 104, any resulting Invoicing Back, specification or over-riding of price or other terms by the Clearing House shall be final and binding for the purposes of these Rules and not be subject to challenge by any Person under these Rules or otherwise, except in the case of manifest error, negligence or fraud.

Rule 105 *Termination*

- (a) If at any time the Clearing House decides to cease acting as a clearing house, either generally, in relation to a particular Exchange or in relation to a class of Contracts (including if it determines, following loss of any authorisation, approval or recognition from a Regulatory Authority that it is unable to continue its business), it shall give advance notice of the proposed Withdrawal Date by Circular. In the event of a complete cessation of services or of services in relation to a particular Exchange or any class of Contracts, at least four months' notice shall be necessary. In any other event for which there is a Withdrawal Date, at least one month's notice shall be necessary. The Clearing House shall be entitled to postpone any such Withdrawal Date, generally or in respect of any individual Clearing Member, Exchange or class of Contract.
- (b) If, at any Withdrawal Date, any affected Contracts have not been finally settled, the Clearing House shall be entitled to terminate any or all such Contracts and require any such Contracts to be cash settled on terms specified by the Clearing House in accordance with Rule 104.
- (c) Rule 209(e) shall apply in relation to the Clearing House's services, whether generally or in relation to the Contracts in question, as applicable, in the event of any termination under this Rule 105.

Rule 106 *Confidentiality and Information*

- (a) The Clearing House shall be entitled to keep records in an electronic or durable medium of all data or information available to it under these Rules or otherwise concerning Clearing Members (including financial statements filed with the Clearing House), Customers, Accounts, Margin, Transactions, Contracts, past or current Open Contract Positions, deliveries and settlement.
- (b) The following information received or held by the Clearing House shall be held in confidence by the Clearing House and shall not be made known to any other Person, subject to paragraph (c):
 - (i) information concerning Transactions, Contracts or past or current Open Contract Positions held with the Clearing House;

- (ii) information concerning positions with any other Clearing Organisation for a Clearing Member or relating to any Customer;
 - (iii) information concerning Margin payments between the Clearing House or any other Clearing Organisation and a Clearing Member, including in relation to a Customer;
 - (iv) information concerning deliveries made by or to a Clearing Member or any of its Transferors or Transferees;
 - (v) any financial statements filed with the Clearing House by any Clearing Member; or
 - (vi) any other information relating to a Clearing Member or Customer provided by a Clearing Member or Customer to the Clearing House at the Clearing House's request, or pursuant to the Rules or Applicable Laws.
- (c) Clearing Members and Customers are given notice that the Clearing House is subject to Section 64(1) of the SFA (subject to the exemptions to the obligation to maintain confidentiality set out in Section 64(2) of the SFA and Regulation 15(1) of the SF(CF)R). Subject, at all times, to such Applicable Laws, the Clearing House may, notwithstanding paragraph (b), make the following disclosures of confidential information subject to such terms and conditions as the Clearing House may from time to time deem appropriate:
- (i) to a Regulatory Authority or Governmental Authority where a request is formally made to the Clearing House by or on behalf of the same or pursuant to Applicable Laws or where disclosure is required under Applicable Laws or is necessary for the making of a complaint or report under Applicable Laws for an offence alleged or suspected to have been committed under Applicable Laws;
 - (ii) in the case of a breach by a Clearing Member of: (i) any clearing membership criteria established by the Clearing House, whether as a breach of Rule 202(a)(iv) or otherwise; or (ii) in the case of a Clearing Member, such Clearing Member's obligation to publicly disclose prices and fees associated with the clearing services it provides and/or its obligation to provide Customers with separate access to each specific service it provides; to the public;
 - (iii) pursuant to an order of a competent court or other Governmental Authority or otherwise to such other Persons, at such times and in such manner as may be required by Applicable Law;
 - (iv) to any member of the ICE Group, any Exchange or Clearing Organisation and any of their or the Clearing House's Representatives, committees, experts, Delivery Facilities, auditors, advisers or lawyers including (without limitation) for audit, compliance, making or taking delivery, market surveillance or disciplinary purposes for the purposes of an arbitration pursuant to Rule 117 or any proceedings in support of such an arbitration, or in relation to any possible

or actual Event of Default or the termination or suspension of any clearing membership;

- (v) to any Person in the business of providing data processing or similar services for the purposes of performing computations or analysis, or of preparing reports or records, for the Clearing House;
 - (vi) to any Person who has provided or is considering entering into a loan, insurance policy, guarantee or other financial arrangement with the Clearing House or any of its Affiliates, provided that information identifying the positions or name of a Clearing Member or any of its accounts or the name of any of a Clearing Member's Customers will not be so disclosed, except, in the case of a Clearing Member and its accounts only, as is necessary to respond to any enquiries of such a Person concerning the Clearing House's or any of its Affiliates' potential losses or exposures relating to an Event of Default (whether or not declared);
 - (vii) to any Insolvency Practitioner and any other Person having responsibility for any matter arising out of or connected with an Event of Default;
 - (viii) in the case of information relating to any Transaction or Contract (including details of the parties thereto and related Margin), to a Repository or Governmental Authority for purposes of transaction reporting;
 - (ix) to any Person or to the public as a result of its complaints procedure or disciplinary proceedings;
 - (x) to any Person if the information comes into the public domain, other than as a result of a breach of this Rule by the Clearing House or its Representatives;
 - (xi) [Not used.]
 - (xii) in the case of information concerning any Customer, to any Clearing Member with a relationship with such Customer in respect of its Customer Account;
 - (xiii) otherwise with the specific written consent of the Person or Persons to whom the confidential information relates; or
 - (xiv) otherwise to any Person permitted under Section 64(2) of the SFA or Regulation 15(1) of the SF(CF)R, in accordance with such provisions.
- (d) The Clearing House is a data controller in relation to Personal Data provided to it by Clearing Members, Customers and their Representatives and may collect and use such Personal Data for the purposes of operating an approved clearing house in accordance with these Rules. Each Clearing Member shall ensure that:
- (i) any and all of its Representatives in relation to whom Personal Data are provided to the Clearing House ("Data Subjects") have consented in advance to such data being collected, used, disclosed and Processed by the Clearing House or, if not a natural person, have agreed to procure such consent to the extent necessary;

- (ii) the disclosure of Personal Data by the Clearing Member or its Representatives is in all respects and in each case lawful; and
 - (iii) the information set out in Rule 106(e) has been provided to each Data Subject prior to collection, use or disclosure of Personal Data relating to such Data Subject to the Clearing House.
- (e) The Clearing House shall have the right to disclose Personal Data to such Persons and for such purposes as are set out in Rules 106(a) to (c). The Clearing House and other Persons referred to in Rules 106(a) to (c) may transfer Personal Data outside Singapore subject to Applicable Law.
- (f) Data Subjects have the right, (subject to Applicable Law): (i) on payment of a small fee to the Clearing House, to receive a copy of Personal Data held by the Clearing House; (ii) to have any errors or inaccuracies in such Personal Data rectified; and (iii) to submit questions to the Clearing House in relation to collection, use or disclosure by the Clearing House of Personal Data in relation to such Data Subject. Any request should be addressed to the Clearing House's registered office.
- (g) In this Rule 106 only, the terms "Process" (and derivations thereof) and "Personal Data" each have the meaning given to such terms in the Personal Data Protection Act 2012 (Act 26 of 2012).
- (h) Each Clearing Member and the Clearing House:
- (i) consents to the recording of telephone conversations between the trading, clearing and other relevant personnel of the Clearing Member and the Clearing House or their Group Companies in connection with the Rules and any Contract, potential Contract or Transaction;
 - (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its and its Group Companies' relevant personnel;
 - (iii) agrees, to the extent permitted by Applicable Law, that recordings may be submitted as evidence in any Dispute; and
 - (iv) agrees that the remainder of this Rule 106 shall apply to any such recordings made by the Clearing House.

Rule 107 *Conversion to other Eligible Currency*

The Clearing House shall be entitled to direct Approved Financial Institutions to convert any cash standing to the debit or credit of any Clearing Member into such other Eligible Currency as the Clearing House, in its discretion, determines is appropriate or expedient. Any such conversion shall be effected at a reasonable exchange rate determined by the Clearing House at its discretion or such Approved Financial Institution.

Rule 108 *Maintenance of Records; Return of Documents and other Materials*

- (a) Clearing Members and other Persons that provide or present any documentation or other materials to the Clearing House are required to make a copy (whether electronic or physical) prior to doing so and must maintain each such copy for at least ten years.

Clearing Members that are authorised and regulated by the MAS will be deemed to satisfy this requirement if they comply with all applicable MAS Requirements relating to record-keeping in relation to their activities connected with the Clearing House provided that they must also keep relevant records required under MAS Requirements for the full ten-year retention period.

- (b) The Clearing House shall not be obliged to return or provide a copy of any document or other materials presented or provided by any Clearing Member or other Person to the Clearing House, except where an express right to such copy or return is set out in these Rules.

Rule 109 *Alteration of Rules, Procedures, Guidance and Circulars*

- (a) The Clearing House shall provide details (which, where appropriate, will include a reasoned account) of any Rule Change in a Circular. A Rule Change shall take effect and be binding on the Clearing House, Clearing Members and other Persons who have agreed to be bound by the Rules on the relevant date specified by the Clearing House in a Circular. Where the reason for any Rule Change is not manifest in the amended text of the Rules, the Clearing House will seek to provide an appropriate reasoned account of the Rule Change.
- (b) The Clearing House shall be entitled, at its discretion, to make any Rule Change at any time and without consulting Clearing Members or any other Persons where such Rule Change:
 - (i) is of a minor nature and relates to Rules of an administrative or commercial nature;
 - (ii) is of a limited, technical nature, if a consultation is reasonably considered by the Clearing House not to be appropriate;
 - (iii) relates to the Clearing House's fees, if a consultation is reasonably considered by the Clearing House not to be appropriate;
 - (iv) is considered by the Clearing House to be necessary as a result of an Event of Default, Force Majeure Event or Financial Emergency which has been recognised by an affirmative vote of the Board at a quorate meeting (subject always to Rule 109(c)) and subject to any processes established pursuant to documents governing the internal governance of the Clearing House and its committees;
 - (v) is required to ensure compliance by the Clearing House or any Clearing Member or Customer with Applicable Laws, Accounting Standards or the requirements of any Governmental Authority or Regulatory Authority or is necessary or desirable to maintain the Clearing House's status as an approved clearing house under Section 51(1)(a) of the SFA or any other legal or regulatory status it has under any other Applicable Law;
 - (vi) concerns the parameters for Margin or the Guaranty Fund or classes of or haircuts for Permitted Cover, if a consultation is reasonably considered by the Clearing House not to be appropriate;

- (vii) results from, and is or can be implemented solely by, a change in:
 - (A) Market Rules made by the relevant Market; or
 - (B) any other document that is not published by the Clearing House but which is incorporated into or forms part of the Contract Terms of any Contract in circumstances in which, pursuant to the Rules, upon such document being amended there results in a change to the Contract Terms without the need for any further step by the Clearing House,

which changes, for the avoidance of doubt shall take effect upon the relevant Market Rules or other document itself being amended without the need for any Circular or notice on the part of the Clearing House;
- (viii) involves a technical or operational specification of any Contract Term previously published in a Circular or found in a Clearing House policy or procedure but which is not set out in the Rules or otherwise in the Procedures;
- (ix) involves the removal of an existing Contract Set or the addition of a new Contract Set; or
- (x) is considered by the Clearing House to be of an urgent nature (provided that the Clearing House may consult Clearing Members in relation to the continued applicability of the Rule Change after the urgent event or circumstance has concluded or ended), of a nature that would not affect significantly the rights of Clearing Members or of a nature where a consultation would otherwise not be appropriate or necessary;

provided that, in any such case, the requirements of Regulation 30 of the SF(CF)R would not prevent such Rule Change from being made.

- (c) In relation to the determination of an Event of Default, a Force Majeure Event or a Financial Emergency pursuant to Rule 109(b)(iv) or, in relation to a Force Majeure Event only, Rule 112(b), or in relation to an approval of Invoicing Back under Rule 104(a), in the event that the Clearing House is unable to convene a meeting of the Board sufficiently promptly in the circumstances, any Director, officer, employee or committee of the Clearing House designated by the Board from time to time for purposes of the applicable determination or approval may make such determination or approval, as the case may be, provided that the Clearing House shall convene a meeting of the Board as soon as practicable thereafter to ratify such determination or approval, rescind such determination or approval (only where, if rescission is desired, this is possible and practicable) or, where rescission is desired but not possible and practicable, to amend such determination or approval as appropriate.
- (d) In cases other than those described in Rule 109(b), prior to any proposed Rule Change taking effect, the Clearing House will issue a consultation paper by Circular. In cases where this Rule 109(d) applies, the Clearing House will seek to provide at least 14 days from the date of the relevant Circular for Persons to respond to the consultation. The contents of responses and the names of Persons who respond to any consultation may be made publicly available by the Clearing House, unless the Clearing House receives a request to the contrary by a Person making a response. If

the Clearing House receives any such requests for confidentiality or anonymity, the Clearing House may state that an anonymous response was made and may make public a summary of the contents of any response but the response will otherwise be subject to Rule 106. Clearing Members are encouraged, where appropriate, to inform their Customers of proposed Rule Changes.

- (e) The Clearing House may at any time amend the Procedures, subject to any processes established pursuant to documents governing the internal governance of the Clearing House and its committees. Any such amendment shall have immediate effect or shall take effect at such time as is specified by the Clearing House, provided that, in any such case, the requirements of Regulation 30 of the SF(CF)R would not prevent such Rule Change from being made. The Clearing House will issue a Circular in respect of any amendment to the Procedures.
- (f) The Clearing House may issue, amend or revoke interpretative Guidance in relation to any aspect of the management of the Clearing House, its action under these Rules or the conduct of business of the Clearing House, Clearing Members or Customers at any time at its discretion and without prior consultation.
- (g) The Clearing House may issue Circulars or amend or revoke the contents of Circulars in connection with Clearing, the Rules or any action taken by it under the Rules at any time at its discretion and without prior consultation.
- (h) None of the following (whether proven, evidenced or alleged) shall invalidate any Rule Change, Procedures amendment or the contents of any Circular or Guidance in respect of any Person:
 - (i) omission by the Clearing House to give any notice or publish any Circular which may be required under these Rules;
 - (ii) non-receipt of any Circular by a Person or any of its Representatives;
 - (iii) lack of awareness on the part of the Person or any of its Representatives;
 - (iv) lack or inadequacy of any reasoned account; or
 - (v) failure by the Clearing House to comply with its obligations under Rule 109(d).
- (i) Without prejudice to the generality of Rule 109(h), in the event of any of the circumstances in Rule 109(h)(i), (iv) or (v) occurring, the Clearing House will consider what action should appropriately be taken in relation to the Rule Change which may (or may not) include the Clearing House:
 - (i) opening a second or subsequent consultation on the past Rule Change, subject to the procedures required by this Rule 109 *mutatis mutandis*; or
 - (ii) allowing Clearing Members to make representations or submissions in relation to a past Rule Change and considering whether to propose a new Rule Change in accordance with this Rule 109.

- (j) In accordance with paragraph 2 of the Standard Terms, a change may be made to the Standard Terms in the same way as a Rule Change is made pursuant to this Rule 109.
- (k) The Clearing House may specify a one-off irreversible payment under Contracts of a particular relevant Set by Buying Counterparties or Selling Counterparties (which in any case shall also include an irreversible payment by the Clearing House to the extent that it takes a similar position in the affected Set), if it has made or proposes to make any Rule Change or other change to Contract Terms which the Clearing House determines, pursuant to documents governing the internal governance of the Clearing House and its committees, materially affects Exchange Delivery Settlement Prices of such Set. In such circumstances, the amount payable, the party that is obliged to make such payments, and the date of payments (which may be by reference to the date of introduction of a particular future Rule Change or change to Contract Terms) shall be specified by the Clearing House in a Circular. In making such determinations, the Clearing House may have reference to a poll of, or to price submissions by, Clearing Members or Market prices, the need and process for which is to be determined in any case pursuant to documents governing the internal governance of the Clearing House and its committees.

Rule 110 *Extension or Waiver of Rules*

- (a) The performance by any Clearing Member of any of its obligations under the Rules or any Contract may be waived by the Clearing House subject to such conditions as the Clearing House thinks fit, provided that the Clearing House is satisfied that compliance with the relevant requirement would be unduly burdensome to the Clearing Member or Person concerned or that compliance with the relevant requirement would not be in the interests of the Clearing House or if the Clearing House in its discretion considers that such waiver is necessary or in the best interests of the Clearing House. Any waiver or variation of a requirement of a Rule must not disadvantage other Clearing Members or create unacceptable risks for the Clearing House. Waivers or variations of requirements may be publicised at the discretion of the Clearing House.
- (b) Subject to Rule 110(c), the time fixed by the Rules for filing any report or other document, for submitting any information or for making transfers, deposits or payments may be extended by the Clearing House whenever in its discretion it considers that such extension is necessary or in the best interests of the Clearing House. Any such extension may continue in effect after the event or events giving rise thereto.
- (c) Any extension of the time for making transfers, deposits, payments or performance for any length of time longer than 3 Business Days after such transfer, deposit, payment or performance is due must be approved by the Clearing House in advance by an affirmative vote of the Board at a quorate meeting, at which meeting the facts giving rise to the proposed use of this provision will be considered and the meeting shall decide whether it would be appropriate to use this power, and provided further that the use of this power will be undertaken subject to any processes established pursuant to documents governing the internal governance of the Clearing House and its committees.

- (d) Any waiver of any right or consent given by the Clearing House under these Rules is only effective if it is in writing, applies only in the circumstances for which it is given and shall not prevent the Clearing House from subsequently relying on the relevant provision. No delay or failure to exercise by the Clearing House of any of its rights or pursuing any of its remedies hereunder shall constitute a waiver. No single or partial exercise of any right or remedy by the Clearing House shall prevent any further exercise of the same or any other right or remedy.
- (e) If any extension of any length of time is approved in respect of any payment, deposit, transfer or performance under this Rule 110, any notice given to the Clearing House prior to the end of such extension period shall be deemed not to have been given.
- (f) The Clearing House shall be entitled without breach of these Rules to delay the making of a payment to any Clearing Member in respect of a Variation Margin call in respect of all or any of a Clearing Member's accounts on an intra-day basis without following the procedure set out in Rule 110(a) to (e) in circumstances in which:
 - (i) another Clearing Member or Clearing Members has or have been or will be asked to make payment in respect of a Variation Margin call occurring at or around the same time;
 - (ii) that other Clearing Member has, or those other Clearing Members have failed to pay the Clearing House; and
 - (iii) the total amount of such failure or failures to pay exceeds the Original Margin for each Proprietary Account or Customer Account to which the unpaid call relates provided by the Clearing Member or Clearing Members that has or have failed to pay the Clearing House.

Rule 111 *Liability*

- (a) Each Clearing Member shall indemnify and hold harmless the Clearing House against any and all losses, liabilities, damages, injuries, costs and expenses (excluding any consequential losses, liabilities, damages, injuries, costs or expenses) incurred or suffered by the Clearing House or any of its Directors, officers, employees or committees (or any individual committee member) arising out of or in connection with any of the following:
 - (i) a breach (or an allegation made by the Clearing House or any Governmental Authority of a breach) by such Clearing Member of any of its obligations under these Rules, the Procedures, its Clearing Membership Agreement or any Contract;
 - (ii) such Clearing Member's conduct (excluding conduct attributed to a Clearing Member solely as a result of the conduct of a Customer under Rule 102(j)), excluding conduct which the Clearing Member is obliged to perform and has performed in accordance with the Rules or Procedures or its Clearing Membership Agreement;
 - (iii) a breach by such Clearing Member of any Customer-CM Transaction, agency relationship or other contract with its Customer or a failure to perform by such

Clearing Member in breach of any other obligation to such Customer (including, without limitation, any failure by such Clearing Member in whole or in part to pass on or credit to any Customer equivalent performance under a Customer-CM Transaction or other contract with its Customer to that which such Clearing Member has received under a Customer Account Contract from the Clearing House where such failure constitutes a breach or failure to perform as aforementioned);

- (iv) [Not used.]
- (v) (A) any claim made or alleged against the Clearing House by, or any liability of the Clearing House to, an Eligible Person (as defined in the relevant Clearing Membership Agreement), Transferor, Transferee or Customer of that Clearing Member; or (B) such Clearing Member's conduct to the extent that the same is not covered by Rule 111(a)(ii); or
- (vi) a breach (or an allegation made by the Clearing House or any Governmental Authority of a breach) by the Clearing Member of any Applicable Law,

provided that a Clearing Member shall not indemnify or hold harmless the Clearing House or any of its Directors, officers, employees or committees (or any individual committee member) to the extent that any such loss, liability, damage, injury, cost or expense arises out of or in connection with:

- (A) a breach by the Clearing House of any of its obligations under these Rules, the Procedures or any Contract;
 - (B) fraud, bad faith, gross negligence or wilful misconduct by the Clearing House or any of its Directors, officers, employees or committees (or any individual committee member); or
 - (C) personal injury or death resulting from negligence, recklessness or an intentional act or omission of the Clearing House or any of its Directors, officers, employees or committees (or any individual committee member).
- (b) The provisions of this Rule 111 shall apply:
- (i) without prejudice to the liability of any other Person subject to the Rules or the rules of any Exchange for the same conduct;
 - (ii) in the case of inconsistency with any other provision of the Rules, in priority to that other provision;
 - (iii) whether or not the Clearing Member's Representative(s) are subject to the Rules; and
 - (iv) whether or not the Clearing Member's Representative(s) can be conclusively identified (provided that it is established that the relevant conduct was in fact carried out by a Clearing Member's Representative, albeit an unidentified Clearing Member's Representative).

- (v) [Not used.]
- (c) Neither the Clearing House nor any of its Representatives, its Affiliates or its Affiliates' Representatives shall be liable to any Clearing Member or any other Person in respect of any loss, liability, damage, injury, cost or expense incurred or suffered by such Clearing Member or Person, whether in contract, tort or restitution, as a fiduciary or under any other cause of action, arising out of or in connection with any of the following:
 - (i) any suspension, restriction or closure of the Clearing House or its services;
 - (ii) any failure or malfunction of or inability to use any systems, communication lines or facilities or technology supplied, operated or used (directly or indirectly) by the Clearing House or any Exchange or the suspension, restriction or closure of any Market or Exchange;
 - (iii) any act or omission of any Exchange, any Clearing Member or any other third party including any error in relation to price data;
 - (iv) any Force Majeure Event affecting the Clearing House (including, in relation to a delivery, a Force Majeure Event affecting a Person making or taking delivery on behalf of the Clearing House);
 - (v) any dispute relating to the validity, existence or terms of any Contract;
 - (vi) the exercise (or failure to exercise) by the Clearing House of any discretion or right conferred upon it pursuant to these Rules;
 - (vii) the exercise (or failure to exercise) by any Exchange of any discretion or right conferred upon it pursuant to its rules (including, without limitation, in relation to error trades);
 - (viii) any indirect or consequential loss, liability, damage, injury, cost or expense, any loss of profit (whether direct or indirect) or any loss of bargain;
 - (ix) any action in libel, defamation or slander in connection with the issue of any Default Notice, conduct of any proceedings relating to an Event of Default, the timing of termination of any Contracts or the manner in which or the price at which any Contracts are terminated following an Event of Default;
 - (x) rejection of any application to become a Clearing Member;
 - (xi) any Contract being void pursuant to Rule 403 or avoided pursuant to Rule 404, including (without limitation) the causes and consequences of such Contract being void or voidable;
 - (xii) any action or inaction on the part of a Transferor or Transferee;
 - (xiii) in respect of a Contract subject to tender, delivery or physical settlement:
 - (A) a tender given by the Clearing House;

- (B) any documents accompanying a tender as required by Market Rules or the Procedures;
- (C) the performance by the Clearing House of its obligations to make delivery of a Deliverable under a Contract or to pay the price or Exchange Delivery Settlement Price; or
- (D) any other loss, liability, damage, injury, cost or expense arising under the terms of a Contract in relation to tender, delivery or physical settlement,

unless, the relevant Clearing Member gives notice of its loss, liability, damage, injury, cost or expense within seven Business Days of either the day on which relevant documents must be taken up and paid for by the Clearing Member (whether or not the Clearing Member fulfils that obligation) or the Clearing Member must take delivery of the Deliverable, whichever is the earlier;

- (xiv) as a result of any action taken by it pursuant to Market Rules on the basis that Market Rules are to any extent invalid or *ultra vires* or that a determination or request made by the Market or any agreement made by the Market, is *ultra vires* or incompatible with Market Rules;
- (xv) any express or implied representations or warranties in relation to the Clearing House's systems, including, but not limited to, representations or warranties of good title, merchantability and fitness for purpose or for a particular use;
- (xvi) any statement, representation, assurance or warranty of the Clearing House or any other Person other than as expressly set out in the Rules, Procedures, Contract Terms or a Clearing Membership Agreement; or
- (xvii) any action, suit or proceeding brought against the Clearing House over one year after the time that a cause of action, suit or proceeding has accrued,

provided that neither this Rule 111(c) nor any other provision of these Rules shall affect the application of Section 74 of the SFA nor exclude or restrict the liability of the Clearing House or any other Person for:

- (xviii) fraud, bad faith, gross negligence or wilful misconduct;
- (xix) personal injury or death resulting from negligence, recklessness, or an intentional act or omission;
- (xx) obligations under Contracts (except that, other than as provided in Part 7 and the Procedures, the Clearing House shall have no obligation physically to make or accept delivery of any Deliverable and shall have no liability arising out of the failure or lateness of another Clearing Member (or its Transferor or Transferee) physically to make or accept any such delivery or make any such payment); or
- (xxi) any liability which in accordance with Applicable Laws cannot be excluded, to the extent such liability cannot lawfully be excluded.

- (d) Any possible action, suit or proceeding against the Clearing House must be notified to the Clearing House as soon as reasonably practicable, including all relevant details then known and supporting documentation.
- (e) [Not used.]
- (f) Save for any liability which it cannot exclude pursuant to Applicable Laws, the Clearing House shall not be liable pursuant to these Rules or any Clearing Membership Agreement to any Person who is not a Clearing Member. Without prejudice to the generality of the foregoing, the Clearing House shall not be liable (save for any liability which it cannot by law exclude) to any Transferor or Transferee (that is not the Seller or Buyer under a Contract, respectively) or to any Customer of a Clearing Member.
- (g) If the Clearing House is found liable to a Clearing Member in respect of a Contract and another Clearing Member is also found liable to the Clearing House in respect of a Contract which arose pursuant to the same Transaction as the first Contract, then the liability of the Clearing House under the first Contract shall be deemed to be a foreseeable consequence of the breach by the Clearing Member of the second Contract and the Clearing House shall be entitled to be indemnified by such Clearing Member in accordance with this Rule 111.
- (h) Damage or loss to the property of the Clearing House or any other property on the Clearing House's premises will be paid for by the Clearing Member causing such damage or loss.
- (i) [Not used.]

Rule 112 *Force Majeure and similar events*

- (a) Neither the Clearing House nor a Clearing Member shall be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under these Rules or of any Contract if and to the extent that such failure, hindrance or delay arises as a result of a Force Majeure Event.
- (b) On the occurrence of any Force Majeure Event (and, where the Force Majeure Event affects the Clearing House, an affirmative vote of the Board at a quorate meeting recognising such Force Majeure Event (subject always to Rule 109(c)):
 - (i) the Affected FM Party shall immediately notify the Clearing House of the same (or, if the Affected FM Party is the Clearing House, the Clearing House shall issue a Circular in relation to the Force Majeure Event);
 - (ii) the Clearing House shall be entitled to require any Contracts affected by the event or circumstance to be performed in accordance with directions issued by the Clearing House or to be Invoiced Back;
 - (iii) the Clearing House shall be entitled to require any Clearing Member to take such action as the Clearing House may direct in respect of Contracts affected by the event or circumstance;

- (iv) the Clearing House shall be entitled to require Clearing Members to comply with any directions issued by the Clearing House regarding the performance of, or otherwise in respect of, such affected Contracts as are specified by the Clearing House; and, upon receipt of such an invoice, settlement of all affected accounts shall be due immediately and shall be made forthwith in discharge of such Contracts;
 - (v) a Clearing Member affected by a Force Majeure Event shall use all reasonable endeavours to mitigate the effects of the same upon its ability to perform its obligations to the Clearing House and if the Clearing House is affected by a Force Majeure Event, it shall use all reasonable endeavours to mitigate the effects of same upon its ability to perform such obligations to Clearing Members; and
 - (vi) the Affected FM Party shall notify the Clearing House immediately as soon as its ability to perform is no longer affected by the Force Majeure Event (or, if Affected FM Party is the Clearing House, the Clearing House shall issue a Circular in relation to the cessation of the Force Majeure Event).
- (c) If a Market determines in accordance with Market Rules that an excessive position or unwarranted speculation or any other undesirable situation or practice is developing or has developed which is affecting or capable of affecting the Market, the Clearing House may take such action as is requested of it by that Market in respect of one or more Contracts.

Rule 113 *Notices*

- (a) The delivery by hand, electronic transmission, facsimile or telephone of any notice, order or other communication to a Clearing Member at the address, facsimile number or telephone number last designated by it shall be good and sufficient delivery thereof to such Person (unless another method of delivery is specified in the Rules or in relation to any Contract). The publication of a Circular shall amount to good and sufficient delivery of the contents of the Circular to all Clearing Members.
- (b) Any notice, document, communication, filing or form to be served on, filed with, made to or provided to the Clearing House pursuant to these Rules or in relation to any Contract shall be served, filed, made or provided at the address, fax number or e-mail address (or through such other communication system) as is specified by the Clearing House from time to time in accordance with the Procedures and shall be marked for the attention of such person or department as is specified by the Clearing House from time to time in accordance with the Procedures. Unless another form or method is specified in the Rules or the Procedures for the notice, document, communication, filing or form in question, a notice, document, communication, filing or form must be served, filed, made or provided in writing.
- (c) Any notice, document, communication, filing or form, unless otherwise specified in the Rules or the Procedures, will only be effectively served, filed, made or provided and delivered to the Clearing House for the purposes of these Rules:

- (i) if sent by post, on the third Business Day (or tenth Business Day in the case of airmail) after the day on which it was deposited in the post, full postage prepaid, in a correctly addressed envelope; or
 - (ii) if delivered in person or by courier, at the time of delivery or, if not delivered during business hours on a Business Day, on the following Business Day.
- (d) Unless otherwise specified in the Rules or Procedures, any notice by fax or electronic communication shall not be effective until hard copy confirmation is served pursuant to Rule 113(c).
- (e) Each Clearing Member that is not incorporated or registered in Singapore shall appoint and maintain an agent in Singapore to act as its agent to accept service of process issued out of the courts of Singapore in relation to any arbitration commenced pursuant to Rule 117 or the Clearing Membership Agreement and shall deliver to the Clearing House an agreement substantially in the form specified by the Clearing House relating to such appointment countersigned by such agent. No Clearing Member shall give any notice of revocation to, or otherwise terminate the appointment of, any such agent unless prior to such termination it has validly appointed a replacement agent in Singapore reasonably acceptable to the Clearing House to accept service of process issued out of the courts of Singapore in relation to any arbitration commenced pursuant to Rule 117, the Clearing Membership Agreement and has delivered to the Clearing House a copy of that agent's acceptance of that appointment substantially in the form specified by the Clearing House countersigned by such agent. If for any reason any agent appointed under this Rule 113(e) ceases to be such an agent, the Clearing Member shall forthwith appoint a replacement agent in Singapore and deliver to the Clearing House a copy of the new agent's acceptance of that appointment substantially in the form specified by the Clearing House countersigned by such agent within ten Business Days of such appointment. Nothing in these Rules, the Procedures, the Clearing Membership Agreement or any Contract shall affect the right of the Clearing House to serve process in any other manner permitted by Applicable Law.

Rule 114 *Action by the Clearing House*

- (a) Except as otherwise specifically set out herein, any action permitted or required to be taken by the Clearing House may be taken by the Board, the Chairman, the President, any other Director or any other employee, officer or committee to whom or which authority has been delegated by the Clearing House, the Board, the Chairman, the President or any committee.
- (b) Where there is a provision to the effect that an action may be taken or power exercised by the Clearing House, any action taken or power exercised by the Clearing House shall be without prejudice to the right of the Clearing House to exercise such powers and take such other steps (or not as the case may be) as it may think fit upon that or any other occasion.
- (c) The Clearing House may outsource operational functions, services or activities. If it does so, this shall not affect the Clearing House's responsibilities and liabilities under these Rules, any Clearing Membership Agreement or Applicable Laws.

Rule 115 *Relations with Governmental Authorities and other Persons*

- (a) With a view to maintaining its status as an approved clearing house under Section 51(1)(a) of the SFA, the Clearing House may:
 - (i) make arrangements with any Person for monitoring compliance with and investigating alleged breaches of the Rules (and arrangements, Procedures and directions made, authorised or given thereunder); and
 - (ii) co-operate generally with any Governmental Authority.
- (b) Without prejudice to the generality of Rule 115(a) and subject to Rule 106:
 - (i) this may include making arrangements for the sharing of information with Governmental Authorities; and
 - (ii) the Clearing House may, where appropriate, at any time refer a complaint or any other matter coming to its attention to one or more Exchanges, Clearing Organisations or Regulatory Authorities for its or their comment or investigation and may, pending the result of such reference, either suspend or continue with (in whole or in part) its own investigation, proceedings or other actions.

Rule 116 *Opening Hours*

The Clearing House will give notice of any changes to its Opening Days, Opening Hours and Business Days from time to time by Circular.

Rule 117 *Dispute Resolution*

- (a) Any Dispute between the Clearing House and the Clearing Member(s) that is not subject to the procedures of Part 10 shall be referred to and finally resolved by arbitration under the SIAC Rules, which rules are deemed to be incorporated into this Rule 117. In the event of a conflict between any provision of the SIAC Rules and this Rule 117, this Rule 117 shall prevail.
- (b) The seat of arbitration will be Singapore and the language of the arbitration proceedings shall be English.
- (c) The Tribunal will comprise three arbitrators appointed in accordance with the SIAC Rules. Tribunal members shall not be current or former employees or directors of any Clearing Member that is a party to the arbitration, current or former employees of the Clearing House or any person or persons with a material interest or conflict of interest in the outcome of the Dispute.
- (d) The Tribunal shall have the power on the application of any party to an existing arbitration, to require one or more Clearing Members to be joined to an existing arbitration. Each Clearing Member agrees that it may be joined as an additional party to an arbitration involving the Clearing House and another Clearing Member.
- (e) If more than one arbitration is begun under these Rules and the Clearing House or a Clearing Member that is a party to an arbitration so concerned serves notice upon the

Tribunals concerned that it believes two or more arbitrations are substantially related and that the issues should be heard in one set of proceedings, the Tribunal appointed in the first-filed of such proceedings shall have the power to determine whether, in the interests of justice and efficiency, the proceedings should be consolidated and heard together before that Tribunal.

- (f) In the case of such joinder or consolidation, the Tribunal shall make a single, final award determining all Disputes between the relevant parties in those proceedings. Each Clearing Member and the Clearing House irrevocably waives any right to challenge any award or order of any Tribunal by reason of the fact that it arises from a joined or consolidated arbitration. In addition to the waiver of challenge on the basis of joinder set out in clause 8.5 of the Clearing Membership Agreement, each Clearing Member and the Clearing House hereby irrevocably waives any right to challenge any award or order of any tribunal appointed under the Clearing Membership Agreement by reason of the fact that it arises from a consolidated arbitration.
- (g) The award of the arbitral Tribunal will be final and binding on the Clearing House and any Clearing Member from the day it is made. Judgment upon the award may be entered or the award enforced through any other procedure in any court of competent jurisdiction.
- (h) No arbitral proceedings under this Rule 117 may be instigated where arbitral proceedings could have been instigated in respect of the same Dispute under Market Rules.
- (i) The provisions of this Rule 117 may not be varied by any Clearing Member or Clearing Members save where each Clearing Member that is a party to the Dispute or arbitration proceedings and the Clearing House agree in express written terms.
- (j) The commencement of any arbitral proceedings shall be without prejudice to and shall not limit in any way the right of the Clearing House to instigate any procedure under Part 9 or Part 10 of these Rules, including without limitation in relation to any Event of Default, any investigation, disciplinary proceedings or the imposition of a sanction.
- (k) Each Clearing Member that now or hereafter has a right to claim sovereign immunity from suit or sovereign immunity from enforcement for itself or any of its assets shall be deemed to have irrevocably waived any such immunity to the fullest extent permitted by Applicable Laws. Such waiver shall apply in respect of any immunity from:
 - (i) any proceedings commenced pursuant to this Rule 117;
 - (ii) any judicial, administrative or other proceedings to aid an arbitration commenced pursuant to this Rule 117; and
 - (iii) any effort to confirm, enforce, or execute any decision, settlement, award, judgment, service of process, execution order or attachment (including pre-judgment attachment) that results from any judicial or administrative proceedings commenced pursuant to this Rule 117.

- (l) The rights and obligations of a Clearing Member under the Rules and in relation to any Contract are of a commercial and not a governmental nature.
- (m) No Clearing Member shall raise or in any way whatsoever assert a defence of sovereign immunity in relation to any claim or enforcement proceedings arising from a Dispute under these Rules.
- (n) All Permitted Cover standing to the credit of a Clearing Member who is party to one or more Contracts subject to a Dispute or difference to which this Rule 117 or Market Rules applies, whether or not such Permitted Cover is held with respect to a disputed Contract, may be retained by the Clearing House until the Dispute in question is finally disposed of.
- (o) [Not used.]
- (p) [Not used.]
- (q) [Not used.]
- (r) Any arbitration or reference to arbitration made under this Rule 117 shall be deemed to be an arbitration or reference under the International Arbitration Act (Cap 143A).

Part 2 Clearing Membership

Rule 201 *Clearing Membership Criteria*

- (a) In order to attain and maintain membership as a Clearing Member, a Person must, at a minimum, as from the date on which it is proposed that it becomes a Clearing Member:
 - (i) have paid the Clearing House's (non-refundable) application fee (if applicable) and provided completed membership application forms;
 - (ii) meet such additional financial resources requirements as are specified in the Membership Procedures;
 - (iii) (if proposing to become a Clearing Member in relation to ICE Futures Singapore Transactions) be a member of ICE Futures Singapore;
 - (iv) [Not used.]
 - (v) be a user of at least one Repository (if any) for the Contracts it proposes to clear where such Contract is required to be reported to a Repository under Applicable Law;
 - (vi) [Not used.]
 - (vii) have nominated a Person, satisfactory to the Clearing House, who: (A) is a director, general partner, trustee, officer or employee of the applicant (or Person occupying a similar status or performing similar functions); (B) is responsible for the clearing operations of the applicant; (C) is authorised to act on behalf of the applicant in all transactions with or involving the Clearing House; and (D) has all authorisations, registrations, licences, permissions, non-objections, consents or approvals required under Applicable Law in any jurisdiction in order to act as a representative for the relevant Clearing Member's business in connection with the Clearing House, or benefits from any exemption(s) and/or exclusion(s) from the requirement to obtain any of the same under Applicable Law (including, without limitation, pursuant to the SFA, the Financial Adviser's Act and MAS Requirements, and have nominated a second Person who meets the requirements of (A) to (D) above and who is authorised to act on behalf of the applicant in the event of the death, incapacity or other inability of the first Person to so act;
 - (viii) maintain sufficient Capital in accordance with Rule 206;
 - (ix) [Not used.]
 - (x) be party to a Clearing Membership Agreement with the Clearing House;
 - (xi) have in place all necessary regulatory authorisations, licences, permissions and approvals in its country of origin, Singapore and any other jurisdiction in which it conducts business;

- (xii) have sufficient qualities of financial, compliance and managerial responsibility, operational capacity, business integrity, reputation and competence as the Clearing House, in its discretion, considers necessary or appropriate and satisfy the Clearing House that its directors, officers, employees and Controllers also satisfy such tests, including having adequate separation policies to mitigate concentration risk of critical business functions and compliance oversight in place to enable it to meet its obligations as a Clearing Member;
- (xiii) satisfy the internal stringent credit criteria established by the Clearing House, such satisfaction to be confirmed by an examination of its books and records; provided further that this requirement may, at the discretion of the Clearing House, be met by a Controller of the Clearing Member if such Controller provides a guarantee in accordance with the Finance Procedures;
- (xiv) have such facilities, equipment, operational capability, personnel, hardware and software systems as are capable of supporting the proper performance of its business as a Clearing Member, including such IT links to the Clearing House and software as in the judgment of the Clearing House are necessary or desirable;
- (xv) have appropriate business continuity arrangements in place to enable it to meet its obligations as a Clearing Member (and, where applicable, satisfy any minimum requirements of the MAS and any other Regulatory Authority);
- (xvi) have a sufficient level of knowledge about the types of Contracts that it intends to clear and any risks involved in relation to the same;
- (xvii) have demonstrated its ability to make available to the Clearing House sufficient Margin and make Margin payments as required pursuant to these Rules;
- (xviii) have made the required Guaranty Fund Contributions;
- (xix) not be subject to an Insolvency;
- (xx) not be a natural person;
- (xxi) demonstrate operational competence in respect of the classes of contracts that it proposes to clear;
- (xxii) [Not used.]
- (xxiii) if it is not incorporated in Singapore, have appointed an agent for the service of process pursuant to Rule 113(e);
- (xxiv) [Not used.]
- (xxv) if it is to clear transactions on behalf of Customers, have the necessary additional financial resources and operational capacity to perform this activity;

- (xxvi) not be subject to any circumstances pursuant to which an Event of Default could be declared were the applicant to be a Clearing Member;
- (xxvii) have provided details of an office which is staffed during normal business hours and sufficient for its proposed activities as a Clearing Member under the direct supervision and responsibility of an executive director or other executive officer of the Clearing Member to which all notices, orders and other communications from the Clearing House may be transmitted or delivered;
- (xxviii) satisfy the Clearing House that it, its directors, officers, employees, Representatives and substantial shareholders are fit and proper, in accordance with the criteria set out in the Guidelines on Fit and Proper Criteria issued by MAS;
- (xxix) hold a Nominated Bank Account or Accounts (as necessary) at one or more Approved Financial Institutions in relation to each of which a direct debit mandate has been established in favour of the Clearing House, and satisfy the Clearing House of the adequacy of its contingency banking arrangements in the event of an Insolvency of an Approved Financial Institution which affects the operation of a Nominated Bank Account or Accounts or a Clearing House Account;
- (xxx) if non-cash assets are to be used as Permitted Cover, have executed all necessary documentation relating to the transfer of such assets and not be in dispute with the Clearing House in relation to the ownership over or rights relating to such non-cash assets;
- (xxxi) either (A) be a Person in respect of whom 'simplified customer due diligence' may be applied pursuant to the MAS Notice to Capital Markets Intermediaries on the prevention of money laundering and countering the financing of terrorism ("**MAS Notice SFA04-N02**"); or (B) have been subject to customer due diligence measures under MAS Notice SFA04-N02 to the Clearing House's satisfaction;
- (xxxii) not be prevented from entering into any Contract or using the Clearing House as a result of any sanctions administered or imposed by any Governmental Authority in Singapore or the United Nations Security Council or any other relevant Governmental Authority affecting any Market, the Clearing House, any Clearing Member, any Customer or any of their assets;
- (xxxiii) be incorporated or registered in and access the Clearing House from only jurisdictions whose Applicable Laws relating to insolvency, the regulation of clearing houses, Markets or central counterparties, the enforceability of Contracts and the Rules and such other matters as the Clearing House specifies are acceptable to the Clearing House (and an applicant may be required to supply a legal opinion of external counsel, addressed to the Clearing House, addressing such issues, at its cost); and comply with any additional restrictions or requirements imposed by the Clearing House as a result of activities in any such jurisdictions; and

(xxxiv)not be subject to statutory disqualification under Applicable Law.

- (b) The Clearing House may at its discretion attach further objective conditions to any application for Clearing Member status prior to such status being granted, provided that such additional conditions are proportional to the risk brought by the applicant. The Clearing House may grant approval to an applicant conditional upon satisfying certain requirements, provided that the applicant has expressed its intention to meet such requirements and provided evidence of its ability to do so.
- (c) Applicants for membership must provide information or documentation to the Clearing House evidencing compliance (or lack thereof) with each of the criteria set out in or required pursuant to Rule 201(a). Failure by an applicant to supply such information or documentation may result in an application being rejected or Clearing Member status or access to particular services being revoked.
- (d) All information supplied to the Clearing House in respect of an application for membership shall be deemed to have been provided by the Clearing Member to the Clearing House on the day on which that Clearing Member becomes a Clearing Member, save to the extent that such information has been amended or revoked at least two Business Days prior to membership being granted.
- (e) If the Clearing House determines that an application for membership should be denied, the applicant will be given notice of such denial, with the membership criterion or criteria that were not met being specified. In such an event, the applicant may request an opportunity to be heard by the Clearing House's Board (or an appropriately constituted sub-committee of the Board) in relation to the matter and to present evidence as to why its application should not be denied or may raise a complaint which the Clearing House will deal with in the same way as if Part 10 applied to such complaint (notwithstanding that the Rules do not apply to the complaint).
- (f) Membership of the Clearing House does not entitle any Clearing Member to any shareholding or other similar interest in the Clearing House or any of the Clearing House's Affiliates. Nothing in these Rules is intended to, or shall be deemed to, establish any partnership or joint venture between any Clearing Member, the Clearing House or any other Person. Except for any provision relating to the relationships between a Clearing Member and its Representative, nothing in these Rules constitutes any Clearing Member, Customer or the Clearing House as the agent or principal of any other Person. Nothing in these Rules authorises any Person to make or enter into any commitments for or on behalf of any other Person (save in the case of a Clearing Member acting on behalf, or for the account, of and being liable for a Customer or as otherwise expressly provided herein).
- (g) Clearing Members shall be deemed to represent and warrant, upon their first date of membership and on each subsequent date that they are a Clearing Member, that they meet all of the membership criteria in Rule 201(a) and are in compliance with all of their obligations under these Rules.
- (h) [Not used.]
- (i) [Not used.]

- (j) [Not used.]
- (k) The references in Rule 201(g), Rule 202(a)(iv) and Rule 209(a)(iv) to satisfaction of the criteria for membership in or set out in Rule 201(a) include those criteria for membership which are required pursuant to (but not actually set out in) Rule 201(a).

Rule 202 *Obligations of Clearing Members*

- (a) In connection with these Rules, all and any Contracts, its membership of the Clearing House and its business and activities as a Clearing Member, each Clearing Member shall at all times:
 - (i) comply with these Rules and any agreement with the Clearing House;
 - (ii) comply with all Applicable Laws relating to its status and performance as a Clearing Member;
 - (iii) act in good faith in its dealings with the Clearing House;
 - (iv) continually satisfy the criteria for membership set out in or required pursuant to Rule 201(a);
 - (v) respond promptly to any direction by the Clearing House to provide information or documentation;
 - (vi) maintain at least the amount of Capital required pursuant to Rule 206;
 - (vii) pay all fees and other charges when due in accordance with Part 3;
 - (viii) provide Margin and make Margin payments to the Clearing House in accordance with Part 3 and Part 5;
 - (ix) make all such payments to the Guaranty Fund as are required pursuant to Part 11;
 - (x) respond promptly to all enquiries or requests for information made by the Clearing House;
 - (xi) maintain accounts at an Approved Financial Institution for the deposit of funds in Eligible Currencies and the deposit of securities required to be transferred to and from the Clearing Member pursuant to these Rules (whether by way of Margin, Guaranty Fund Contributions, fees, amounts due under Contracts or otherwise) and have arrangements with such Approved Financial Institutions satisfactory to the Clearing House for electronic transfer of funds and securities into and out of such accounts as is required under the Rules and Procedures, on the order of the Clearing House and without the need to seek the consent of such Clearing Member or any of its Customers;
 - (xii) if it is to have a Customer Account, consent to any Transferee Clearing Member and the Clearing House relying upon its customer due diligence in relation to all of its Customers and all other "beneficial owners" in respect of any Contracts entered into in respect of Customer business, Margin and

Contracts entered into in respect of Customer business recorded in its Customer Account or any other collateral subject to the Default Portability Rules, such consent only to be relied upon in the event of the Clearing Member becoming a Defaulter and the Default Portability Rules being applied;

- (xiii) if the Clearing House at its discretion so directs, allow formal audits or system tests of its operations related to its business with the Clearing House during reasonable business hours and on reasonable notice no more than twice annually, at the expense of the Clearing Member;
- (xiv) have adequate systems and controls in place in order to ensure that:
 - (A) its internal affairs are organised and controlled in a responsible and effective manner, including having adequate separation policies to mitigate concentration risk of critical business functions and compliance oversight in place to enable it to meet its obligations as a Clearing Member, adequate segregation of front and back office functions and adequate back office and compliance support, as required under Applicable Laws;
 - (B) it has adequate risk management systems and internal audit processes that are applied appropriately;
 - (C) its internal record-keeping is adequate;
 - (D) all of its Representatives are fit and proper, suitable, adequately trained and properly supervised;
 - (E) all clearing business conducted by it, including in relation to individual Contracts, complies with the Clearing Member's obligations under the Rules and Applicable Laws;
 - (F) it only enters into Contracts or accesses the Clearing House (through actions of its Representatives or otherwise) in or from jurisdictions on a list of acceptable jurisdictions published by the Clearing House from time to time and in accordance with all conditions and requirements as are specified by the Clearing House from time to time for entry into Contracts or access in or from that jurisdiction;
 - (G) it is able continuously to monitor communication facilities for receipt of communications from the Clearing House; and
 - (H) it is able promptly to review Circulars and other communications delivered or made available to the Clearing Member or its Representatives by the Clearing House;
- (xv) ensure that any power of attorney, appointment of any agent or Representative or other authorisation to transact business with the Clearing House given by a Clearing Member to any Person remains in effect on its original terms until not less than five Business Days after a written notice of change has been received by the Clearing House;

- (xvi) keep accurate records showing the details of each Transaction submitted for Clearing by or on behalf of such Clearing Member and such other information, in such form, as shall be required by the Clearing House from time to time and in accordance with Applicable Laws and Accounting Standards;
 - (xvii) gather and make available to the Clearing House basic information to identify, monitor and manage relevant concentrations of risk relating to the provision of services to Customers;
 - (xviii) upon request, inform the Clearing House about the criteria and arrangements adopted by it to allow clients access to Clearing with the Clearing House;
 - (xix) participate in default management simulations, new technology testing and other exercises, as notified by the Clearing House from time to time;
 - (xx) be responsible for ensuring that Customers comply with their obligations in the manner set forth in the Rules and Standard Terms; and
 - (xxi) without prejudice to Rule 202(a)(xiii) give such other access to the Clearing House (or any Person appointed by it) to its premises, records and personnel (or those of its Affiliates or service providers) to conduct any inspection, investigation or audit and allow the Clearing House or such Person to take copies of the accounts, books, contracts and any other records or documents of the Clearing Member, in order to facilitate discharge of the Clearing House's regulatory obligations or if required by MAS to do so, in any case at the cost of the Clearing Member.
- (b) Prior to making available services relating to Clearing of Contracts to any Customer, a Clearing Member is obliged to procure the agreement of such Customer to Standard Terms in such a way that:
- (i) the Standard Terms and/or Rules are duly cross-referenced (as being applicable to Customer-CM Transactions between such Customer and such Clearing Member) in an agreement between the Clearing Member and its Customer that has been duly executed and duly authorised by both of them; and
 - (ii) subject to Rule 202(c), the obligations of the Customer to the Clearing Member and the Clearing House under the Standard Terms constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application and to other matters which are standardly excluded, restricted or qualified in legal opinions (regardless of whether enforcement is sought in a proceeding in equity or at law)); and
 - (iii) automatic early termination does not apply under such agreement in respect of either the Clearing Member or its Customer and the relevant Customer-CM Transactions (unless the party, or each of the parties, to which automatic early

termination applies is incorporated in Switzerland, Germany or any other jurisdiction approved by the Clearing House for such purposes).

To the extent that it agrees to be bound by the Rules, a Customer of a Clearing Member will be deemed to be bound by the Standard Terms in such a manner.

- (c) Where:
- (i) the governing law of the agreement between a Clearing Member and its Customer incorporating the Standard Terms and/or Rules is the law of any jurisdiction of incorporation of any Clearing Member; and
 - (ii) each of the place of incorporation and relevant place of business of the Customer is the same as any jurisdiction or incorporation of any Clearing Member or any other jurisdiction specified for this purpose by the Clearing House,

the obligation in Rule 202(b)(ii) to procure that the obligations of the Customer under the Standard Terms are of a legal, valid and binding nature and enforceable will be deemed to be satisfied and there shall be no obligation on such Clearing Member to carry out any further enquiry as regards enforceability of the Standard Terms under Applicable Laws.

- (d) If the Clearing House so requests in writing and there are reasonable grounds for it making such a request, a Clearing Member will execute any documentation specified by the Clearing House which confirms its agreement to the Standard Terms relating to Contracts it clears for its Customer or any amendment to the Standard Terms made in accordance with those Standard Terms (either generally or in respect of any particular Customer).
- (e) Where a Customer of a Clearing Member has agreed or is deemed to have agreed to the application of the Standard Terms as set out in Rule 202(b) to Rule 202(c), the requirements of clause 3.2 of the Clearing Membership Agreement shall be deemed to have been satisfied by the Clearing Member in respect of such Customer.
- (f) [Not used.]

Rule 203 *Prohibitions on Clearing Members*

- (a) In connection with these Rules, any Contracts, its membership of the Clearing House or its business and activities as a Clearing Member, no Clearing Member shall at any time:
- (i) provide any information to the Clearing House (including information for the purpose of obtaining or reinstating membership) which is false, misleading or inaccurate in any material respect;
 - (ii) breach any Applicable Law relating to its status and performance as a Clearing Member;
 - (iii) commit any act of fraud;

- (iv) engage in any behaviour which amounts to market abuse, insider dealing, market manipulation, money laundering or which is in breach of any similar Applicable Laws;
- (v) except with the prior written consent of the Clearing House and otherwise than to terminate existing positions, continue to trade, enter into Contracts or provide or accept payments or transfers in respect of Margin when not in compliance with the Capital requirement then applicable;
- (vi) knowingly disseminate false, misleading or inaccurate reports concerning any Contract, product or market information or conditions that affect or tend to affect prices of Contracts;
- (vii) make or report a false or fictitious Transaction or Contract;
- (viii) [Not used.];
- (ix) enter into any Contract or fail to close out the same either intending to default in performance of the same or having no reasonable grounds for believing that it would be able to avoid such default (provided that it shall not be sufficient to have intended to comply with any contractual or other provision governing the consequences of default);
- (x) use or reveal any information confidential to the Clearing House or any of its Representatives when under a legal or contractual obligation to the Clearing House or any Applicable Law not to do so;
- (xi) use any information technology or any online services provided to it or made available to it pursuant to its membership of the Clearing House other than for the purposes of conducting its business and activities as a Clearing Member in accordance with these Rules;
- (xii) engage in any other event or practice which has developed or is developing on the Clearing House and is reasonably considered by the Clearing House to be capable of impairing the orderly conduct of business of the Clearing House or affecting the timely delivery or settlement of Contracts;
- (xiii) represent or hold out to any Person that membership of the Clearing House brings with it any stamp of approval, special status, hallmark, regulatory supervision or approval or confers any rights or protections to Customers or any other Person in relation to the Clearing Member's business, policies, financial standing or otherwise (although Clearing Members may inform their Customers, potential Customers and other Persons that they are a member of the Clearing House and details of their privileges);
- (xiv) participate in, facilitate, procure, counsel, incite, encourage, aid or abet any conduct by a third party which would be a violation or attempted violation of these Rules regardless of whether that third party is subject to these Rules;
- (xv) take any action or make any omission or knowingly or recklessly permit the use of its services, facilities or membership or clearing privileges by any

Person in a manner which in the reasonable opinion of the Clearing House is liable to:

- (A) bring the Clearing House or any of its Clearing Members into disrepute;
 - (B) impair the dignity or degrade the good name of the Clearing House;
 - (C) create or maintain or exacerbate actual or attempted breaches, infringements, manipulations or violations of the Rules (or arrangements, provisions or directions made or given thereunder) or market practice; or
 - (D) otherwise be substantially detrimental to the interests or welfare of the Clearing House;
- (xvi) engage in conduct that would render it unable to satisfy the membership criteria in Rule 201(a) or obligations on Clearing Members under Rule 202(a) or otherwise;
- (xvii) knowingly, negligently, recklessly or carelessly allow any Representative to engage in any conduct that might itself breach these Rules or render it unable to satisfy the membership criteria in Rule 201(a);
- (xviii) assign any of its rights or transfer by novation any of its rights and obligations under these Rules to a third party (or purport to do so) unless the Clearing House provides its prior written consent (which consent shall not unreasonably be withheld or delayed);
- (xix) breach any Contract Terms; or
- (xx) operate any account as banker or Custodian to the Clearing House in its role as a Clearing Member (provided that a Clearing Member may operate an account as banker or custodian to the Clearing House in a separate capacity (i.e. other than in its role as a Clearing Member)); and where any Clearing Member (or its Affiliates) operates any account as banker or Custodian to the Clearing House which is used for the holding or investment of the proceeds of Margin, or Guaranty Fund Contributions:
- (A) each such bank account and custodian account;
 - (B) such bank accounts or custodian accounts on the one hand, and the relevant Proprietary Account and Customer Account, on the other,

shall not be subject to any security, lien, other Encumbrance, right of set-off or counterclaim in respect of any sum owed by the Clearing House to the Clearing Member (or its Affiliates), provided that nothing in this Rule 203(a)(xx) shall preclude the Clearing House from agreeing to any Encumbrance over any bank account or custodian account designated as a fees account.

Rule 204 *Notifications by Clearing Members*

- (a) Each Clearing Member shall notify the Clearing House in writing without delay providing full particulars known to it:
 - (i) in relation to any change of Control, as soon as it becomes aware of that change or proposed change of Control and it is not prevented from disclosing the change of Control by Applicable Laws;
 - (ii) if it breaches any applicable Exposure Limit that has been notified to it;
 - (iii) if it ceases to have sufficient Capital and/or financial resources, as determined pursuant to Rule 206;
 - (iv) if its Capital for any reason is reduced by more than 10% from that shown on the latest financial statement filed by it with the Clearing House or if any of the notification requirements set out in Paragraph 5 of the Membership Procedures apply;
 - (v) prior to any payment, loan, distribution or redemption causing a reduction in Capital of the nature described in Rule 204(a)(iv), detailing the payment, loan, distribution or redemption involved and a description of the effect that the same will have on the Capital of the Clearing Member;
 - (vi) in the event that it fails to meet any obligation to transfer, deposit or pay any Margin when and as required by any Clearing Organisation of which it is a member (other than the Clearing House), excluding any matter subject to a dispute (where the Clearing Member is not in default) or resulting from manifest error;
 - (vii) in the event that it fails to comply with any applicable capital or financial requirements of any Governmental Authority, Regulatory Authority, Exchange, Clearing Organisation or Delivery Facility;
 - (viii) of an Insolvency affecting it or any of its Group Companies;
 - (ix) of any Event of Default affecting it;
 - (x) of any financial or commercial difficulty such as would give rise to a risk of an Event of Default occurring;
 - (xi) [Not used.]
 - (xii) of any breach by it (or any non-frivolous or non-vexatious investigation or allegation of a breach by it) of any Applicable Law relating to its status and performance as a Clearing Member or of the Rules, including full particulars of the breach; or
 - (xiii) of anything relating to the Clearing Member of which the Clearing House would reasonably expect notice (including of any matter, circumstance, change or occurrence which would cause a statement previously furnished pursuant to this Rule 204, any information supplied in connection with the

Clearing Member's application for membership or otherwise to be inaccurate, incomplete or superseded).

- (b) Where a Clearing Member is regulated by the MAS:
 - (i) Notifications under Rule 204(a)(i) shall only be required where a change of Control is notifiable to, or subject to the approval of, the MAS; and in such cases the Clearing Member should provide the Clearing House contemporaneously with a copy of all submissions sent to the MAS relating to the change of Control; and
 - (ii) Notifications under Rule 204(a)(xiii) (other than notifications of any matter, circumstance, change or occurrence which would cause a statement previously furnished pursuant to this Rule 204, any information supplied in connection with the Clearing Member's application for membership or otherwise to be inaccurate, incomplete or superseded) shall only be required if a notification is also required to the MAS under MAS Requirements.

Rule 205 *Financial Reporting*

- (a) Each Clearing Member must file with the Clearing House in relation to the Clearing Member and, if so notified by the Clearing House at its discretion, any Controller:
 - (i) an audited financial statement including profit and loss accounts and balance sheet, with the auditor's report, drawn up in accordance with Applicable Laws and Accounting Standards or otherwise following the requirements of the Clearing House within five months of the end of the Clearing Member's or relevant Controller's fiscal year;
 - (ii) a quarterly financial statement including management profit and loss accounts and balance sheet, drawn up in accordance with Applicable Laws and Accounting Standards or otherwise following the requirements of the Clearing House, within 14 days of the end of each quarter; and
 - (iii) in the case of Clearing Members or their Controllers that are licensed, authorised or regulated by a Regulatory Authority, a copy of all financial returns, reports, statements and notices provided to the relevant Regulatory Authority as soon as so provided and, if any such material is other than a routine periodic financial return, statement or report required under Applicable Laws, a written statement setting out (to the extent known) the reasons why such Clearing Member or relevant Controller is filing it.
- (b) [Not used.]
- (c) Each Clearing Member shall file with the Clearing House such financial or other relevant information, in addition to what is explicitly required by this Rule 205, as may be requested by the Clearing House at its discretion from time to time.
- (d) All qualifications and reports of Clearing Members' auditors in any financial report must be satisfactory to the Clearing House.

Rule 206 *Minimum Capital*

- (a) Each Clearing Member shall maintain at all times the requisite types and amounts of Capital and financial resources as required pursuant to the Membership Procedures, or otherwise as specified in writing by the Clearing House from time to time.
- (b) A Clearing Member must, upon request of the Clearing House, provide financial statements and other documentation supporting calculations of Capital or other financial resources requirements and details of the terms and conditions of any documentation relating to any Capital or other financial resources requirements (including, without limitation, subordinated loan agreements, legal opinions, information provided to Governmental Authorities and accounts and including in relation to any Controller) to the Clearing House.

Rule 207 *Clearing Member Status*

- (a) Each Clearing Member shall be authorised to enter into Contracts and hold an Open Contract Position with the Clearing House. Clearing Members may, at the Clearing House's discretion, be subject to restrictions in their business with the Clearing House, for example by reference to certain Contracts, Markets or the clearing of Contracts for Customers or using a Customer Account. The Clearing House shall be entitled to publish lists of Clearing Members including details of their privileges and restrictions from time to time.
- (b) Each Clearing Member shall have the privileges, rights and obligations provided for in these Rules. Such privileges, rights and obligations may be terminated or altered in any respect at any time as provided in these Rules.
- (c) [Not used.]
- (d) Each Clearing Member shall be liable to the Clearing House and responsible for all its obligations in respect of its Proprietary Account. Each Clearing Member shall be liable to the Clearing House and responsible for all its obligations in respect of its Customer Account as principal. No Customer Account recognised in the Clearing House's or any Clearing Member's books and records or those of any Approved Financial Institution nor any other Procedures or Rules of the Clearing House shall result in any obligation of the Clearing House towards any Customer of the Clearing Member or any other Person that is not a Clearing Member under Applicable Laws or otherwise except as required under the SFA and the SF(CF)R, including, without limitation, any trust obligation on the Clearing House arising pursuant to Regulation 23(3) of the SF(CF)R or on the Clearing Member arising pursuant to Regulations 16 and 26 of the SF(LCB)R. It is the responsibility of the Clearing Member (and not the Clearing House) to ensure that its Nominated Proprietary Bank Account and Nominated Customer Bank Account are linked appropriately to its Proprietary Account and its Customer Account and to ensure its own compliance with Applicable Laws relating to conduct of business, client money, segregation and use of client assets and segregation of Customer Transactions. Accordingly: (i) each Clearing Member with a Customer Account intends that it will be acting in a separate capacity in relation to its Customer Account to that in which it acts in relation to its Proprietary Account; and (ii) the Clearing House agrees with the Clearing Members

acting in such different capacities. A Clearing Member shall be eligible to have one Proprietary Account and one Customer Account.

- (e) [Not used.]
- (f) Subject to Market requirements (if any), a Clearing Member may appoint another Clearing Member to perform specific functions, including deliveries, on the first Clearing Member's behalf. In order to do so, the relevant Clearing Members, the Market (if any) and the Clearing House must be party to an agreement pursuant to which the second Clearing Member agrees to perform specific functions detailed in the agreement on behalf of the first Clearing Member. A Clearing Member intending to perform functions for another Clearing Member will represent and warrant to the Clearing House that it has sufficient authorisation from the MAS and under other Applicable Laws to carry on such function.
- (g) [Not used.]

Rule 208 *Suspension of Clearing Member*

- (a) A Clearing Member may be suspended:
 - (i) if one or more of the conditions set out in Rule 209(a)(i) to (vi) is satisfied;
 - (ii) upon any breach by the Clearing Member of these Rules;
 - (iii) if a Market suspends the Clearing Member or any of its trading privileges;
 - (iv) if the Clearing House at its discretion considers that suspension is necessary to protect the interests of the Clearing House or its Clearing Members (excluding the Clearing Member concerned); or
 - (v) in the event of any Financial Emergency or Force Majeure Event affecting the Clearing Member.
- (b) Any suspension may occur in relation to the Clearing Member's status as a Clearing Member or in respect of certain classes of Contracts or rights of a Clearing Member only. A Clearing Member that has been suspended shall, during the term of such suspension and thereafter, remain and continue to be:
 - (i) subject to and bound by these Rules and any agreements between it and the Clearing House;
 - (ii) obliged to pay all fees, fines, assessments or other charges imposed by the Clearing House;
 - (iii) liable pursuant to these Rules for all other obligations arising under Contracts and all obligations incurred before, during or after such suspension including, but not limited to, obligations to transfer, deposit, maintain and pay Margin and make Guaranty Fund Contributions; and
 - (iv) able to undertake such activities of a Clearing Member as are expressly permitted by the Clearing House and required to undertake such activities of a

Clearing Member as are required by the Clearing House, in each case subject to compliance with all reasonable instructions of the Clearing House in relation to those activities.

- (c) The Clearing House shall be entitled at its discretion to revoke the suspension of any suspended Clearing Member.
- (d) The Clearing House may publish details of any suspension or a copy of any suspension notice in or together with a Circular, at its discretion except to the extent that a notice is required by Rule 208(e).
- (e) The Clearing House will issue a Circular promptly following any suspension of a Clearing Member or the suspension of any Clearing Member's ability to clear ICE Futures Singapore Contracts specifying the name of the Clearing Member affected.

Rule 209 *Termination of Clearing Membership*

- (a) The Clearing House shall be entitled to terminate the membership of any Clearing Member upon written notice to the Clearing Member:
 - (i) following the occurrence of any Event of Default affecting that Clearing Member;
 - (ii) as a result of disciplinary proceedings brought against that Clearing Member pursuant to Part 10;
 - (iii) upon receipt of notice of termination of the Clearing Member's Clearing Membership Agreement from that Clearing Member;
 - (iv) following any material and unremedied breach by the Clearing Member of these Rules;
 - (v) upon such Clearing Member ceasing to meet, or being unable to satisfy the Clearing House that it is able to meet, any of the membership criteria set out in or required pursuant to Rule 201(a);
 - (vi) upon an Insolvency in relation to that Clearing Member or any of its Group Companies; or
 - (vii) taking effect no less than 30 Business Days after the date of service of the notice.
- (b) [Not used.]
- (c) (i) A Clearing Member shall be entitled to terminate its membership of the Clearing House:
 - (A) taking effect upon no less than 30 Business Days' prior written notice to the Clearing House; or
 - (B) [Not used.];

- (C) pursuant to Rule 909(h).
- (ii) The membership of a Clearing Member shall terminate automatically upon the occurrence of a Clearing House Event. In any such circumstances, Rule 912 applies.
- (iii) The membership of a Clearing Member shall terminate automatically upon the occurrence of a Failure to Pay in respect of the Clearing House. In any such circumstances, Rule 912 applies.
- (d) [Not used].
- (e) If a Clearing Member serves notice of termination of its membership under Rule 209(c)(i)(A) (other than if there is a termination pursuant to Rule 209(c)(i)(B)) it must use all reasonable endeavours, until such time as there is a subsequent Clearing House Event, to close out all of its open Contracts prior to the Termination Close-Out Deadline Date. Such a Clearing Member, after the Termination Notice Time, shall only be entitled to submit Transactions for clearing or become party to Contracts which it can demonstrate have the overall effect of reducing risks to the Clearing House associated with the Contracts to which that Clearing Member is party, whether by hedging, novating, transferring, terminating, liquidating or otherwise closing out such Contracts. If any such Clearing Member has any open Contracts with the Clearing House after the Termination Close-Out Deadline Date (and notwithstanding any provision of Rule 909 to the contrary) the Clearing Member shall as from the Termination Close-Out Deadline Date (and notwithstanding any provision of Rule 909 or Rule 209 to the contrary): (x) become liable to replenish any Guaranty Fund Contribution that would have fallen due for replenishment but has not been paid, to have applied any Guaranty Fund Contribution that would have been applied but was not so applied and to pay any Assessment Contribution that would have fallen due but has not been paid, in each case to the extent that the same would have been payable or applied but for its service of a notice to terminate and in each case in respect of any Event of Default affecting a Clearing Member and relating to Clearing that has occurred subsequent to the Termination Notice Time; (y) become liable for further obligations to replenish any Guaranty Fund Contribution, have any Guaranty Fund Contribution applied or pay Assessment Contributions in the same way as any other Clearing Member in respect of any Event of Default affecting a Clearing Member and relating to Clearing occurring prior to the Termination Date; and (z) (unless the termination was under Rule 209(c)(i)(A)) be reinstated as a Clearing Member without any need to follow the membership application process described in Part 2. For the avoidance of doubt, the Clearing House may call for additional Original Margin from a Clearing Member subject to this Rule 209(e), until such time as all of its open Contracts have been terminated, and such Clearing Member shall pay such additional Original Margin to the Clearing House. Following termination of all open Contracts to which a terminating Clearing Member (the "**Terminated Clearing Member**") was party in relation to its Customer Account or Proprietary Account, the Clearing House shall then declare a net sum (which may be declared in parts, as envisaged below) as due to or from the Terminated Clearing Member in accordance with Rule 905(f) and Rule 906, in the same way as if the Terminated Clearing Member were a Defaulter but with the following modifications:

- (i) references in Part 9 to "Default" and an "Event of Default" shall be read as references to a Terminated Clearing Member terminating its clearing membership and, in the case of a failure to close out relevant Contracts only in respect of its Customer Account or its Proprietary Account, shall be construed as applying only in respect of such account;
- (ii) any such net sum which is payable to the Terminated Clearing Member shall not be paid by the Clearing House to such Terminated Clearing Member until the later of:
 - (A) ten Business Days after the Termination Close-Out Time and the realisation or return of any Margin provided in respect of Contracts, Guaranty Fund Contributions or other assets remaining credited to the Terminated Clearing Member's Proprietary Account or Customer Account in respect of clearing or otherwise in the Clearing House's possession in respect of clearing is completed (subject always to Rule 102(q)); or
 - (B) if the Terminated Clearing Member has any unapplied Guaranty Fund Contributions, the expiry of the Guaranty Fund Period for the Guaranty Fund immediately following the Guaranty Fund Period current on the Termination Date;
- (iii) notwithstanding anything in Part 9 or elsewhere in these Rules:
 - (A) the Clearing House may at its discretion return amounts due to the Terminated Clearing Member in different currencies or by way of transfer or return of non-cash Permitted Cover to the Terminated Clearing Member;
 - (B) the Clearing House may further pay any net sum calculated under Rule 906 and payable to the Terminated Clearing Member in different amounts denominated in different currencies and is not required to pay a single sum in one currency; and
 - (C) the Clearing House may make part payment of any amounts due excluding the Guaranty Fund Contribution prior to the time specified in Rule 209(e)(ii)(B);
- (iv) it is acknowledged that any 'net sum' declared in accordance with this provision is not formally a 'net sum' for purposes of Division 4 of Part III of the SFA;
- (v) a Clearing Member subject to these provisions is not a Defaulter and no Default Notice will be issued or required to be issued in respect of such Clearing Member in order for the Clearing House to exercise its rights under this provision or for the Clearing Member in question to receive any payment or return of assets; and
- (vi) references to Part 9 in any other Rules or in the Procedures, Circulars and Guidance shall be construed in accordance with this Rule 209(e) when they

fall to be applied in relation to the termination of a Clearing Member's membership under Rule 209 and any action taken by the Clearing House following such termination taking effect.

- (f) After the Termination Date, a Person that was a Clearing Member shall remain and continue, in respect of all obligations, rights and liabilities relating to the Clearing Member's status as a Clearing Member:
 - (i) subject to any arbitration, investigations, panels or proceedings, and provisions of these Rules relating thereto, which relate in whole or in part to any acts or omissions of that Person while it was a Clearing Member;
 - (ii) bound to the Clearing House to perform all and any obligations and liabilities (which either have not been performed or have fallen due but are unpaid) resulting from its status as a Clearing Member, including obligations and liabilities relating to: fees, fines, charges and payments, obligations to pay Guaranty Fund Contributions (subject always to Rule 209(e) and Rule 909(h)), obligations to pay Assessment Contributions (subject always to Rule 209(e) and Rule 909(h)), Original Margin payments and Variation Margin payments; and
 - (iii) subject to Rule 909(h), in a position such that its Guaranty Fund Contributions may be applied in accordance with Part 9, until such time as the Clearing House returns such Guaranty Fund Contributions in accordance with Part 11 and Rule 209(e)(ii)(B).
- (g) The Clearing House may publish details of any termination or a copy of any termination notice in or together with a Circular, at its discretion except to the extent that a notice is required by Rule 209(h).
- (h) The Clearing House will issue a Circular promptly following any termination of membership of a Clearing Member, specifying the name of the Clearing Member affected.
- (i) With effect as from the Termination Notice Time in respect of a notice of termination served by a Clearing Member under Rule 209(c)(i)(A) the following provisions shall apply, *mutatis mutandis* subject to paragraph (j):
 - (i) the second, third and fourth sentences of Rule 909(h); and
 - (ii) provisions of Rule 209 referred to therein.
- (j) If:
 - (i) a Clearing Member has served a notice of termination under Rule 209(c)(i)(A);
 - (ii) either: (A) the Termination Close-Out Deadline Date has not yet passed; or (B) if the Termination Close-Out Deadline Date has passed, the Clearing Member closed out all of its open Contracts prior to the Termination Close-Out Deadline Date; and

- (iii) there is an Event of Default or Events of Default after the Termination Notice Time but prior to the Termination Date,

then the Clearing Member in question shall remain liable for the application of any then unapplied Guaranty Fund Contributions and further Assessment Contributions for all such Events of Default as are referred to in paragraph (iii) (as if all such Events of Default had been declared by the Clearing House prior to the Termination Notice Time), provided that:

- (A) the total amounts of Guaranty Fund Contribution applied in respect of all Events of Default referred to in paragraph (iii) shall not exceed the required Guaranty Fund Contribution as at the first day of the Guaranty Fund Period in which the Termination Notice Time fell; and
 - (B) the total amounts of Assessment Contributions for which the Clearing Member is liable in respect of all Events of Default referred to in paragraph (iii) shall not exceed an amount equal to two times the amount of the required Guaranty Fund Contribution referred to in paragraph (A).
- (k) Any termination notice issued by a Clearing Member under Rule 209(c)(i)(A) shall be irrevocable by the Clearing Member and clearing membership may only be reinstated pursuant to a new application for membership.
 - (l) In addition to the remedies set out or referred to in this Rule 209, if any Clearing Member has served a notice of termination under Rule 209(c)(i)(A) and has any open Contracts with the Clearing House after the last day of the relevant notice period, the Clearing House may exercise its rights under Part 9 to liquidate the open Contracts of such Clearing Member, as if such Clearing Member were a Defaulter. An Clearing Member subject to this provision is not a Defaulter and no Default Notice will be issued or required to be issued in respect of such Clearing Member in order for the Clearing House to exercise its rights under this provision.

Part 3 Financial Requirements and Payments

Rule 301 *Fees, Margin, Contract and other payment obligations*

- (a) Clearing Members shall be liable to pay such fees and charges as are levied by the Clearing House in accordance with published rates from time to time. Unless otherwise provided and without limitation, fees shall be payable on each Contract cleared by the Clearing House and the Clearing House shall be entitled to levy fees in respect of Permitted Cover. The Clearing House may amend its fees and charges and the bases for its fees at any time and will notify Clearing Members of any such amendments by means of a Circular prior to the same taking effect.
- (b) Fees charged to Clearing Members by the Clearing House may include the fees of any one or more Markets. The Clearing House shall be entitled to collect fees due from Clearing Members on behalf of all Markets of which a Clearing Member is a member or participant.
- (c) Clearing Members shall be liable to make any payment to the Clearing House that is required pursuant to these Rules at the time and in the amount specified by the Rules or required in accordance with the Rules. In particular, Clearing Members shall be liable to make payment in respect of Margin and Guaranty Fund Contributions from time to time in accordance with Part 5, Part 6 and Part 11 of the Rules at the times and in the amounts that are required pursuant to the instructions of the Clearing House made pursuant to Rule 302.
- (d) Clearing Members shall be liable to pay all amounts due under the Contract Terms, upon entering into a Contract, as Margin and upon delivery or settlement, as further described in these Rules and the Contract Terms at the time and in such amounts as are required pursuant to the Contract Terms. Without prejudice to the generality of the foregoing:
 - (i) in relation to each Contract that is a Future, the parties to such Contract shall be liable to make such payments upon settlement and delivery as are required pursuant to Part 7, the Contract Terms, the Delivery Procedures and the Finance Procedures; and
 - (ii) [Not used.]
- (e) Each Clearing Member will procure that the Clearing House has at all times the right to instruct, as agent for such Clearing Member, that Clearing Member's Approved Financial Institution to debit its Nominated Proprietary Bank Account (if any) and Nominated Customer Bank Account (if any) and any other account designated by that Clearing Member for the purposes of this Rule 301, for payment in respect of fees, charges, fines, penalties, Margin, Guaranty Fund Contributions, amounts due pursuant to Contracts (whether upon their formation, settlement or delivery) and any other amounts due to the Clearing House or due to any Market, with the Clearing House and any such Market being persons entitled to such amounts for the purposes of Regulation 21(a) of the SF(LCB)R or such payment otherwise being permitted under Regulation 21 of the SF(LCB)R.

- (f) All amounts payable to the Clearing House (except, with the prior written consent of the Clearing House, application fees) shall be payable by electronic transfer from an account at an Approved Financial Institution only. The Clearing Member shall continue to be liable for any amount due under these Rules and no payment obligation of a Clearing Member shall be treated as having been satisfied or discharged unless and until all of the following steps have taken place in respect of any payment of such amount:
- (i) the relevant electronic transfer of funds is actually received by the Clearing House in unencumbered, fully cleared and fully available funds in a Clearing House Account, being an account at an Approved Financial Institution which is not subject to an Insolvency;
 - (ii) if the Approved Financial Institution used by the Clearing Member is not a Concentration Bank, such Approved Financial Institution has fully performed its concentration function in respect of the payment in question, by completing the transfer of funds from the Clearing House's account at such Approved Financial Institution to the Clearing House's concentration account at a Concentration Bank (which Concentration Bank is not subject to an Insolvency), in which account the Clearing House has received unencumbered, fully cleared and fully available funds, in respect of:
 - (A) in the case of a payment under Rule 302(a), a net amount reflecting all payments processed through that Approved Financial Institution in respect of all calls on or payments to or from all Clearing Members using that Approved Financial Institution under Rule 302(a) in respect of the Business Day in question; or
 - (B) in the case of a payment other than a payment under Rule 302(a) (such as a payment following an intra-day call for Margin or an *ad hoc* transfer of additional cash Permitted Cover to the Clearing House), the amount received from the Clearing Member that is seeking to make the payment in question; and
 - (iii) in the case of a payment under Rule 302(a) only, that Approved Financial Institution (including if it is a Concentration Bank) has made all relevant payments under Rule 302(a) due to the Clearing Member and other Clearing Members (in its capacity as an Approved Financial Institution or Concentration Bank) in respect of the Business Day in question.

Nothing in this Rule 301(f) shall restrict or prevent the Clearing House or any Clearing Member from making any claim against an Approved Financial Institution which has failed to make a payment referred to under this Rule 301(f). In particular: (I) the Clearing House shall not be deemed to have had any loss, liability or shortfall made good or whole vis-à-vis an Approved Financial Institution by virtue of any further payment by a Clearing Member in addition to an attempted payment not credited to its account as a result of this Rule 301(f); and (II) an Approved Financial Institution which has failed to make any payment referred to in this Rule 301(f) shall remain fully liable to the Clearing House or relevant Clearing Member for any such failed payment or account balance notwithstanding a reimbursement or additional payment as between a Clearing Member and the Clearing House. In the event that:

- (x) a payment is received into a Clearing House Account at an Approved Financial Institution but the requirements of Rule 301(f)(ii) or Rule 301(f)(iii) are not satisfied;
- (y) an affected Clearing Member has satisfied its payment obligations through an additional payment which complies with the requirements of this Rule 301(f); and
- (z) the Clearing House makes a recovery or irrevocably receives any part or full payment from the Approved Financial Institution into one of its accounts at a Concentration Bank (which Concentration Bank is not subject to an Insolvency),

then the Clearing House will make payment to affected Clearing Members in respect of the recovery or receipt actually made by the Clearing House, net of the Clearing House's costs and expenses, *pro rata* in proportion to the amounts of the original missed payments of each affected Clearing Member.

No Clearing Member shall be declared subject to an Event of Default as a result of failing to make any payment due to the operation of either Rule 301(f)(ii) or Rule 301(f)(iii), unless and until the Clearing House has notified the Clearing Member of the failed payment in question and requested that the payment be made using alternative means and the Clearing Member has defaulted in making the latter payment (other than solely due to the operation of either Rule 301(f)(ii) or Rule 301(f)(iii)). Where the concentration function of an Approved Financial Institution that is not subject to an Insolvency is adversely affected by a non-payment (including by reason of an Event of Default, dispute or operational failure) of a particular Clearing Member, and the Clearing House is notified of such non-payment and the Clearing Member concerned, the Clearing House will re-issue new payment instructions for concentration payments excluding the non-payment of the relevant Clearing Member prior to requesting or requiring other Clearing Members to use a different Approved Financial Institution under this Rule 301(f).

- (g) Interest shall be paid by the Clearing Member to the Clearing House on any unpaid but due amount from the date on which the amount becomes due and payable until the date of payment at 1% above the rate per annum which is the cost (without proof or evidence of any actual cost) to the Clearing House if it were to fund the relevant amount, compounded daily.

- (h) In the event that the Clearing House determines that it will suffer or has suffered (directly or indirectly) any loss, liability or cost for or on account of any tax in connection with any Contract, any amount payable to the Clearing House or in respect of any future obligation, or these Rules, the Clearing Member counterparty to such Contract or the Clearing Member by which such amount is payable shall be liable to pay to the Clearing House, pursuant to Rule 302, an amount equal to such loss, liability, or cost.
- (i) All amounts set out in or expressed to be payable to the Clearing House in connection with any Contract or these Rules or otherwise and which constitute the consideration for a supply made by the Clearing House for the purposes of Goods and Services Tax, and the value of any supply made by the Clearing House for Goods and Services Tax purposes, shall be deemed to be exclusive of any Goods and Services Tax which is chargeable on that supply and accordingly if Goods and Services Tax is chargeable on any supply made by the Clearing House the relevant Clearing Member shall pay to the Clearing House (in addition to and at the same time as the consideration is paid or provided, or if no consideration is due, at the time the supply is made or an appropriate Goods and Services Tax invoice is issued, whichever is earlier) an amount equal to the amount of the Goods and Services Tax and the Clearing House shall issue an appropriate Goods and Services Tax invoice.
- (j) All amounts payable to the Clearing House or by the Clearing House in connection with any Contract or these Rules or otherwise shall be paid without any deduction or withholding for or on account of tax unless such deduction or withholding is required by Applicable Law. If a deduction or withholding for or on account of tax is required to be made in relation to an amount payable to the Clearing House, the amount of the payment due shall be increased to an amount which (after making the deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.
- (k) [Not used.]
- (l) Any payment due to a Clearing Member from the Clearing House will be recognised as having been duly made, and the Clearing House's obligations in respect thereof shall be treated as having been satisfied and discharged, at the time that the relevant Credit/Debit Payment Transfer Order arises relating to such payment provided that the Clearing House has reason to believe that the Clearing House Account from which payment is to be made has sufficient funds or credit on account.
- (m) The Clearing House will maintain a list of Concentration Banks and Approved Financial Institutions and will issue a Circular upon any change to Concentration Banks or Approved Financial Institutions.
- (n) [Not used.]
- (o) Each Clearing Member acknowledges that any rights it may have from time to time to any amount owed to it from the Clearing House in relation to a Customer Position Account shall be held on trust by it for the relevant Customer to the extent required pursuant to Regulations 16 and 26 of the SF(LCB)R.

Rule 302 *Mechanics for Payments*

- (a) Amounts payable to or by the Clearing House in a particular currency (as determined in accordance with the Finance Procedures) will be settled on a net basis (per Account), as set out below and in accordance with the Finance Procedures. The Clearing House shall advise each Clearing Member of amounts due to or from the Clearing Member in respect of its Proprietary Account and its Customer Account (if any) on each Business Day (or more frequently if the Clearing House determines to make an intra-day call in accordance with the Finance Procedures) and:
- (i) if the net amount for a Proprietary Account is due to the Clearing House, the Clearing House shall instruct the Clearing Member's Approved Financial Institution to transfer funds from the relevant Nominated Proprietary Bank Account of the Clearing Member with the Approved Financial Institution to a Clearing House Account in an amount equal to the amount so due;
 - (ii) if the net amount for a Proprietary Account is due to the Clearing Member, the Clearing House shall instruct an Approved Financial Institution to transfer funds from a Clearing House Account to the relevant Nominated Proprietary Bank Account of the Clearing Member with the Approved Financial Institution in an amount equal to the amount so due;
 - (iii) if the net amount for a Customer Account is due to the Clearing House, the Clearing House shall instruct the Clearing Member's Approved Financial Institution to transfer funds from the relevant Nominated Customer Bank Account of the Clearing Member with the Approved Financial Institution to a Clearing House Account in an amount equal to the amount so due;
 - (iv) if the net amount for a Customer Account is due to the Clearing Member, the Clearing House shall instruct an Approved Financial Institution to transfer funds from a Clearing House Account to the relevant Nominated Customer Bank Account of the Clearing Member with the Approved Financial Institution in an amount equal to the amount so due;
 - (v) [Not used.]
 - (vi) [Not used.]
 - (vii) [Not used.]
 - (viii) [Not used.]
- (b) Instructions made pursuant to this Rule 302 may be made by means of a SWIFT message (or, in the case of a contingency, such other electronic message, fax, telephone or other means as are allowed pursuant to the Finance Procedures) to the relevant Approved Financial Institution. Payments pursuant to this Rule 302 shall be made immediately at the time and on the date that the obligation to pay arises or at such other time as is specified by the Clearing House in writing.
- (c) Upon notice from the Clearing House that a transfer of funds from a Clearing Member's Nominated Bank Account was not effected as instructed by the Clearing

House for any reason, the Clearing Member shall deliver to the Clearing House the amount required at such time and in such form as the Clearing House may prescribe.

- (d) Various authorities and powers are granted to the Clearing House pursuant to clause 5.2 of the Clearing Membership Agreement for purposes of supporting the payment arrangements set out in this Rule 302.
- (e) [Not used.]

Rule 303 *Set Off*

- (a) Subject to Rule 102(q), the Clearing House may set off any obligation due to it from a Clearing Member against any obligation owed by the Clearing House to, or for the account of, the Clearing Member, regardless of the place of payment, account, branch or currency of either obligation. If the obligations referred to in this Rule 303(a) are in different currencies, the Clearing House may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.
- (b) Subject to Rule 102(q), the Clearing House shall be entitled to make any necessary adjustments to the Clearing Member's Proprietary Account and Customer Account resulting from exercise of its rights of set off.
- (c) The rights of the Clearing House in this Rule 303 are without prejudice to any rights of lien, set-off, netting, liquidation, combination of accounts or appropriation, or to instruct the same or any other rights or remedies of the Clearing House or any Approved Financial Institution, whether under these Rules or otherwise.
- (d) Without prejudice to Applicable Laws of mandatory application following an Insolvency, notwithstanding any existing or future agreement and except as expressly provided in these Rules, the Clearing Membership Agreement, the Procedures or a Contract, each Clearing Member irrevocably waives any and all rights it may have to set off, net, recoup, combine accounts or otherwise withhold or suspend or condition payment or performance of any obligation between the Clearing House and such Clearing Member under these Rules or any Contract against any obligations between the Clearing House and such Clearing Member or any branch or Affiliate of the Clearing House or of such Clearing Member, under any other agreements.

Rule 304 [Not used.]

Part 4 Clearing Mechanism

Rule 401 *Formation of Contracts*

- (a) Subject to Rule 403 and Rule 404, two Contracts shall arise automatically, one between the Selling Counterparty and the Clearing House and the other between the Clearing House and the Buying Counterparty (or a single Contract shall arise between the Clearing House and a Buying Counterparty or Selling Counterparty where applicable in the case of Rule 401(a)(vi)), at the moment that:
- (i) in the case of any ICE Futures Singapore Matched Transaction, the relevant orders are matched on ICE Futures Singapore;
 - (ii) [Not used.]
 - (iii) in the case of any ICE Futures Singapore Block Transaction, ICE Futures Singapore, after the relevant details of the relevant Transaction have passed through the credit filter and risk controls of both relevant Clearing Members in the ICE Systems, receives and has recorded on its system complete data in respect of the Transaction;
 - (iv) [Not used.]
 - (v) in the case of Transactions generated by ICE Futures Singapore as a result of the operation of its contra trade, error trade, invalid trade, cancelled trade, trade correction, error correction or similar policies and rules or procedures relating thereto or otherwise, upon notice of the final terms of the Transaction being received by the Clearing House;
 - (vi) in the case of a Contract that is formed as a result of another Contract being Invoiced Back by the Clearing House, immediately upon notice of the existence and final terms of the new Contract being given by the Clearing House to the Clearing Member affected;
 - (vii) [Not used.];
 - (viii) in the case of an ICE Futures Singapore Contract that is allocated by one Clearing Member to a different Person (such Person receiving the allocation itself also being a Clearing Member) by agreement of both parties subsequent to that ICE Futures Singapore Contract arising but on the same day as that on which such Contract arose, upon both such parties having recorded their agreement to such allocation on the Clearing House's systems; and
 - (ix) [Not used.]
 - (x) [Not used.]
 - (xi) [Not used.]
 - (xii) [Not used.]
 - (xiii) [Not used.]

- (xiv) [Not used.]
- (b) For ICE Futures Singapore Contracts, a Contract or Contracts reversing the existing Contract or Contracts shall arise between the Clearing House and the Buying Counterparty and/or the Clearing House and the Selling Counterparty at the moment that an alternative delivery is agreed in respect of a Contract where, pursuant to the Clearing Procedures and Market Rules, a new collateral contract arises as a result of the alternative delivery being agreed, at the time and subject to the conditions and effects on existing Contracts specified in the Clearing Procedures.
- (c) [Not used.]
- (d) In the case of a new Contract that forms as a result of another Contract being Invoiced Back pursuant to Rule 401(a)(vi), the new Contract shall be on the same terms as the original Contract, except that the roles of Buying Counterparty and the Clearing House or, as the case may be, the Selling Counterparty and the Clearing House shall be reversed and the Clearing House shall be entitled, at its discretion, to determine the price at which the Contract was bought or sold and any delivery or settlement price.
- (e) In the case of a Contract that forms as a result of another Contract being subject to allocation pursuant to Rule 401(a)(viii), the new Contract shall be on the same terms as the original Contract, except that the identity of the Clearing Member being the Buying Counterparty or Selling Counterparty shall be different, in accordance with the allocation instructions received by the Clearing House. The Clearing Member that was party to the original Contract and the Clearing House shall each automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the original Contract upon formation of the new Contract.
- (f) Upon request by the Clearing House, a Buying Counterparty or Selling Counterparty shall promptly confirm or otherwise notify the details of any Contract or Transaction to the Clearing House in such form and manner as the Clearing House requests. Any such confirmation or notification shall not of itself affect the status or terms of any Contract.
- (g) Each Clearing Member shall promptly and accurately designate each new Contract through the ICE Systems in accordance with Applicable Laws as: (i) related either to its Proprietary Position Account or its Customer Position Account (if any); and (ii) in the case of a Proprietary Position Account, to any relevant sub-account in the ICE Systems. If a Clearing Member becomes aware of any event or circumstance which results in any designation previously made by it under this Rule 401(g) having been incorrect or requiring amendment, it shall provide a further designation to the Clearing House, specifying any required transfers between accounts or sub-accounts which, if acted upon by the Clearing House, would result in any Contract affected by such event or circumstance being correctly designated as for the appropriate Position Account and sub-account in the ICE Systems (if applicable). Each Clearing Member using a Customer Account or a Proprietary Account to which Open Contract Positions for its Affiliates are recorded shall submit to the Clearing House on a daily basis (or more frequent basis, on request) accurate data on the breakdown of its entire Open Contract Position for each such Customer Account or such Proprietary Account on a per Customer or per Affiliate basis (as the case may be). The Clearing House shall be entitled to act and shall (subject, in the case of any transfers, to the requirements of

Rule 408(a)) act upon all designations and information submitted by Clearing Members in recording Contracts in its Position Account or other sub-accounts designated by the Clearing Member or otherwise provided under this Rule 401(g) from time to time, without the need for any further enquiry on the part of the Clearing House.

- (h) [Not used.]
- (i) [Not used.]
- (j) [Not used.]
- (k) [Not used.]
- (l) [Not used.]
- (m) Where an ICE Futures Singapore Contract arises pursuant to this Rule 401 as a result of trading, submission of trade data or other action by or relating to a Customer of a Clearing Member, an opposite Customer-CM Transaction shall arise between such Customer and Clearing Member at the same time as the Contract (and may be void or voided in the same manner as a Contract may be void or voided pursuant to this Part 4 *mutatis mutandis*) and further corresponding transactions may arise between Customers, in the manner specified by and in accordance with the ICE Futures Singapore Rules.
- (n) [Not used.]
- (o) When a Clearing Member enters into any Contract or takes any action which results in a Contract arising for its own account, or has a Contract recorded in its Proprietary Account or Customer Account in its name, it may do so in only one of the following capacities:
 - (i) [Not used.]
 - (ii) [Not used.]
 - (iii) [Not used.]
 - (iv) [Not used.]
 - (v) [Not used.]
 - (vi) [Not used.]
 - (vii) as a clearing member in relation to a transaction or transactions connected with the provision of services to one or more Customers in respect of ICE Futures Singapore Contracts, in which case the Contract shall be designated by the Clearing Member in accordance with Rule 401(g) as for its Customer Account and the Contract shall be recorded by the Clearing House in accordance with such designation; or
 - (viii) [Not used.]

- (ix) [Not used.]
- (x) [Not used.]
- (xi) [Not used.]
- (xii) [Not used.]
- (xiii) as a clearing member in any other capacity (including where the Clearing Member does not provide any services to any Customer) in which case the Contract shall be designated by the Clearing Member in accordance with Rule 401(g) as for the Proprietary Account of the Clearing Member and recorded by the Clearing House in accordance with such designation.
- (p) For the avoidance of doubt, a Clearing Member with more than one Account enters into Contracts recorded in its each such Account in a different capacity to that in which it enters into Contracts recorded in any other Account.

Rule 402 *Relationship between Buying Counterparties, Selling Counterparties and Clearing House*

- (a) Each Clearing Member that is party to a Contract shall act as principal and not as agent. In performing its obligations and exercising its rights under these Rules, the Clearing House shall treat the entitlement of Clearing Members to rights pursuant to Contracts to be a full legal and beneficial entitlement and not subject to any Encumbrance in favour of any Person other than the Clearing House (other than pursuant to the Contract Terms).
- (b) Upon the formation of a Contract in accordance with Rule 401, any Clearing Member that has any Transaction Rights or Obligations in relation to the original Transaction shall be automatically and immediately released and discharged from all and any such Transaction Rights or Obligations other than any Transaction Rights or Obligations falling due for performance before the formation of such Contract.
- (c) The liabilities and obligations of the Clearing House pursuant to Contracts extend only to, and are enforceable only by, Clearing Members. Without limiting the generality of the foregoing, the Clearing House shall have no liability or obligation whatsoever to any Customer of a Clearing Member or any client of such a Customer.
- (d) The Clearing House shall have no liability or obligation in relation to any Transaction whatsoever, unless and until a Contract arises in accordance with Rule 401 and is not void; in which case its liabilities shall be pursuant to the Contract only. The Clearing House's obligations and liabilities under any Contract shall be limited to those pursuant to the Contract Terms and these Rules, and are subject to the Contract not being void pursuant to Rule 403 and to the Clearing House's rights in relation to voidable Contracts pursuant to Rule 404.
- (e) As between the Clearing House and each Clearing Member, all Contracts, these Rules and the relevant Clearing Membership Agreement are entered into in reliance on the fact that all such documents constitute a single agreement between the Clearing House and such Clearing Member. Were it not for these Rules, the Clearing Membership

Agreement and other Contracts, neither the Clearing House nor such Clearing Member would enter into any Contracts with the other.

- (f) [Not used.]

Rule 403 ***ICE Futures Singapore Contracts that are Void from Inception***

- (a) No ICE Futures Singapore Contract will arise (it being void *ab initio*) and the Clearing House shall have no obligation or liability to any Person in respect of a Transaction for which incomplete, erroneous or conflicting details are received by the relevant Market.
- (b) In the event of an ICE Futures Singapore Contract being void:
- (i) the Clearing House shall immediately notify the affected Buying Counterparty and Selling Counterparty and the relevant Market;
 - (ii) all amounts paid pursuant to the purported ICE Futures Singapore Contract shall be returned by the affected Buying Counterparty, Selling Counterparty and the Clearing House to their respective contractual counterparties, in each case without interest; and
 - (iii) any Transaction Rights or Obligations shall be deemed never to have been affected by Rule 402(b).
- (c) Nothing in this Rule 403 of itself is intended to result in any Transaction or Transaction Rights or Obligations being void or voided as between the original parties thereto.

Rule 404 ***Contracts that are Voidable***

- (a) In relation to ICE Futures Singapore Contracts, the Clearing House shall have the discretion to avoid any Contract (which is not void *ab initio* pursuant to Rule 403) if the relevant Contract or Transaction (or related information or data received by the Clearing House, as applicable) whether in whole or in part, as against any Clearing Member that is or would be bound thereto:
- (i) conflicts or appears to conflict with information received by the Clearing House in relation to such Contract or Transaction from another source, including (without limitation) information received from a Market, Exchange, any other Clearing Member, Governmental Authority or any Representative of any such Person;
 - (ii) results or appears to result from a communications or information technology error or problem;
 - (iii) is or appears to be connected with fraud, illegality, insider dealing, market abuse, money laundering or any other breach of Applicable Laws;
 - (iv) is or appears to be a result of a Force Majeure Event;

- (v) is one which any Governmental Authority or the relevant Market requires or requests in writing that the Clearing House treat as void or voided;
 - (vi) is one which any Applicable Law provides is void or voided or which any Applicable Law requires the Clearing House to treat as void or voided;
 - (vii) is one in respect of which, at the time of the Transaction, the Clearing House has requested additional Margin or Permitted Cover from the Clearing Member and no Margin or Permitted Cover is provided by the time required;
 - (viii) was entered into in breach of a representation by a Clearing Member arising under the Rules or the Procedures; or
 - (ix) is otherwise made or received in such circumstances or in such a manner that acceptance of the Contract or Transaction would be inadvisable, in the opinion of the Clearing House, for the Clearing House's own protection, the protection of Clearing Members generally or the protection of a Market or marketplace in any class of Contracts.
- (b) [Not used.]
 - (c) [Not used.]
 - (d) [Not used.]
 - (e) If, in relation to an ICE Futures Singapore Contract, any of the circumstances in Rule 404(a) arises, the Clearing House shall immediately notify the affected Buying Counterparty and Selling Counterparty and any relevant Market. Upon such notification:
 - (i) the Clearing House, Buying Counterparty and Selling Counterparty shall each immediately be released from all rights, liabilities and obligations under any affected Contract;
 - (ii) the affected Contract shall become null and void;
 - (iii) all amounts paid pursuant to the Contract shall immediately be returned by the Buying Counterparty, Selling Counterparty and Clearing House to their respective contractual counterparties, in each case without interest;
 - (iv) in the case of an ICE Futures Singapore Contract;
 - (A) any Transaction Rights or Obligations shall be deemed never to have been affected by Rule 402(b);
 - (B) [Not used.]
 - (C) [Not used.]
 - (v) [Not used.]
 - (vi) [Not used.]

- (f) Nothing in this Rule 404 of itself is intended to result in any Transaction or Transaction Rights or Obligations being void or voided as between the original parties thereto, except to the extent that any equivalent obligation under a Contract corresponding to a Transaction Right or Obligation has been performed or part-performed.
- (g) [Not used.]
- (h) [Not used.]

Rule 405 *Representations and Warranties on Contract Formation*

- (a) In relation to each Contract, the Clearing House will, and will be entitled to, rely on representations and warranties, deemed automatically to arise pursuant to these Rules from each Buying Counterparty and Selling Counterparty proposing to become or becoming party to any Contract, that:
 - (i) it is in full compliance with the Rules;
 - (ii) its obligations under the Clearing Membership Agreement, and any Contract to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));
 - (iii) no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under the Clearing Membership Agreement or any Contract to which it is a party;
 - (iv) there is not pending or, to its knowledge, threatened against it, any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of the Clearing Membership Agreement or any Contract to which it is a party or its ability to perform its obligations under the Clearing Membership Agreement or any Contract;
 - (v) it is acting as principal and not as agent;
 - (vi) it has made its own independent decisions to enter cleared Contracts and as to whether the entry into of cleared Contracts is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary;
 - (vii) it is not relying on any communication (written or oral) of the Clearing House as investment advice or as a recommendation to enter into the Contract, it being understood that information and explanations related to the terms and conditions of a Contract will not be considered investment advice or a recommendation to enter into a Contract;

- (viii) no communication (written or oral) received from the Clearing House will be deemed to be an assurance or guarantee as to the expected results of that Contract;
 - (ix) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Contract and it is also capable of assuming, and assumes, the risks of the Contract;
 - (x) the Clearing House is not acting as a fiduciary for or an adviser to it in respect of the Contract except to the extent arising pursuant to Regulations 16 and 26 of the SF(LCB)R; and
 - (xi) if it is a Clearing Member, where the Contract is to be recorded in its Customer Account or is otherwise related to a Customer-CM Transaction, it acknowledges its obligation in Rule 202(a)(ii) and that compliance with Applicable Laws in the context of entering into Customer transactions includes compliance with Applicable Laws relating to customer due diligence in respect of its Customer and Applicable Laws relating to sanctions administered or imposed by a Governmental Authority in Singapore, the United Nations Security Council or any other relevant Governmental Authority affecting the Customer or any of its Customer's assets.
- (b) In relation to each Contract (other than a Contract arising pursuant to Rule 401(a)(vi)), the Clearing House will, and will be entitled to, rely on representations and warranties, deemed automatically to arise pursuant to these Rules from each Buying Counterparty and Selling Counterparty proposing to become or becoming party to any Contract, that:
- (i) the data submitted to the relevant Market (if applicable) or the Clearing House:
 - (A) is complete and correct in all respects; and
 - (B) has been duly authorised by it; and
 - (ii) Market Rules (if applicable), and all Applicable Laws have been complied with by it and any relevant Customer in respect of the Transaction.
- (c) In relation to each Contract that arises pursuant to Rule 401(a)(iii) or Rule 401(a)(viii), the Clearing House will, and will be entitled to, rely on representations and warranties deemed automatically to arise pursuant to these Rules from each Buying Counterparty and Selling Counterparty proposing to become or becoming party to any Contract, that:
- (i) all and any previously subsisting contracts, rights, obligations or liabilities in connection with the subject matter of the Transaction or proposed Contract are on equal terms to that of the relevant Contract Terms (save as to the parties) and, in the case of rights, are free from all Encumbrances (excluding liabilities and obligations arising pursuant to the Contract Terms); and

- (ii) any Person other than the Buying Counterparty and Selling Counterparty to whom any contracts, rights, obligations or liabilities referred to in Rule 405(c)(i) pertain has agreed with it, or such other Person as is relevant, to be released from all of its rights, obligations and liabilities as a result of Contracts arising pursuant to Rule 401(a) (save for any contracts, rights, obligations or liabilities as between the Clearing Member and its Customer (under a Customer-CM Transaction or otherwise) or between any Customer and its customers and so on, in relation to the subject matter of the Contract on a back-to-back basis with a Contract).
- (d) Clearing Members will become party to, and liable under, Contracts each and every time a Contract arises from a Transaction as a result of the action or omission of its Representatives, regardless of any circumstance in relation to such Transaction, including without limitation whether the person submitting the Transaction was authorised to do so by the Clearing Member or its Representative or whether the Transaction caused a Representative to exceed the Clearing House's credit or other parameters set for such Representative, a Market's or Exchange's position limits or the Clearing House's Exposure Limits or otherwise was in breach of the Rules or any of the Clearing Member's or Clearing House's policies, procedures or controls.
- (e) [Not used.]
- (f) The Clearing House shall be entitled to assume, without enquiry, that at each time at which a Customer-CM Transaction arises, the respective obligations of the Clearing Member and Customer under such Customer-CM Transaction constitute its legal, valid and binding obligations enforceable in accordance with its terms, subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles in general application (regardless of whether enforcement is sought in a proceeding in equity or at law).

Rule 406 *Open Contract Positions*

- (a) At the end of each Business Day or at such other frequency as the Clearing House determines at its discretion either generally or in respect of any Clearing Member, the Clearing House will calculate Open Contract Positions in its books and records. Settlement or revaluation of Open Contract Positions and Contracts will take place pursuant to the applicable Contract Terms and through the Clearing Processing System. The Clearing House shall have no obligation to notify any Clearing Member or any other Person of Open Contract Positions or Contracts other than through the Clearing Processing System or otherwise than in accordance with the Rules and the Clearing Procedures.
- (b) If a Clearing Member so instructs the Clearing House in accordance with the Clearing Procedures, the Clearing House will net particular buy and sell positions (for a Set of Futures that are Contracts) within the Clearing Member's Open Contract Position in respect of a Clearing Member's Customer Position Account, provided that no buy or sell positions or long or short positions in respect of one Customer are to be netted against buy or sell positions or long or short positions in respect of another Customer and no buy or sell positions or long or short positions in respect of Contracts recorded in different position-keeping accounts in the Proprietary Account are to be netted.

- (c) Subject to its obligations under Rule 406(b), the Clearing House may at its discretion treat any Contract pursuant to which a Clearing Member is the Buying Counterparty and another Contract of the same Set pursuant to which the same Clearing Member is the Selling Counterparty simultaneously as being netted, set off and mutually closed out and terminated upon calculation of the Open Contract Position in respect of such Contracts, subject to the Clearing Member having made all then due payments pursuant to the Contract Terms in respect of such Contracts and to separate treatment of Open Contract Positions in its Proprietary Account and its Customer Account. Where the position as Buying Counterparty is not of the same size as a position a Selling Counterparty, the Contracts in question shall be closed out and terminated in part. For the avoidance of doubt, any contractual netting of Contracts is subject to Rule 102(q) and there shall be separate treatment (and no offsetting and close-out or resulting termination nor any aggregation or consolidation) as between: (A) any Contract recorded in a Clearing Member's Proprietary Account; and (B) any Contract recorded in that Clearing Member's Customer Account. Moreover, there shall be separate treatment of (and no offsetting and close-out or resulting termination or any aggregation or consolidation) except for purposes of a liquidation following an Event of Default under Part 9, any Contract recorded in respect of different Customers within the same Customer Account.
- (d) [Not used.]
- (e) [Not used.]
- (f) [Not used.]
- (g) All Intellectual Property in data relating to Transactions, Contracts and Open Contract Positions provided to the Clearing House under these Rules or generated by the Clearing House shall be the property of the Clearing House (except as otherwise agreed with a Market). Such data may be provided by the Clearing House to the relevant Market or any member of the ICE Group and used by the Clearing House or such other Persons for any commercial or other purpose, subject in each case to the restrictions in Rule 106. Each Clearing Member's and Customer's rights in such Intellectual Property shall be automatically assigned to the Clearing House by virtue of this provision as such rights arise and where necessary, each Clearing Member and Customer represents, warrants and undertakes to obtain the necessary consents, authorisations and permissions in each case for the automatic assignment of such data to the Clearing House in accordance with this Rule 406.

Rule 407 *Reporting of Open Contract Positions Carried by Other Clearing Members*

If a Clearing Member (for the purposes of this Rule 407 only, the "**Position Giver**") has Customer Account or Proprietary Account positions in respect of any Contract carried for it in a Customer Account of another Clearing Member (for the purposes of this Rule 407 only, the "**Position Holder**"), the Position Giver shall give written notice to the Clearing House of the name of the Position Holder and the extent of its position on the Business Day following the Business Day on which a position was carried by the Position Holder.

Rule 408 *Transfer of Contracts*

- (a) No Person other than the Clearing House shall be entitled to assign, allocate or transfer, or create any Encumbrance whatsoever in relation to, any of its rights, liabilities or obligations under a Contract or the Rules except:
 - (i) that all rights and obligations of a Clearing Member pursuant to a Contract may be transferred, novated or terminated and replaced from one Clearing Member to another Clearing Member with the agreement of each of the two Clearing Members involved (and, if required under Applicable Law for Open Contract Positions in a Customer Account, the consent of the relevant Customers), and the consent of the Clearing House and relevant Market (if any), subject to such conditions as the Clearing House at its discretion stipulates;
 - (ii) as a result of an allocation resulting in a Clearing Member being the 'Buying Counterparty' or 'Selling Counterparty' as such terms are defined in Rule 101;
 - (iii) as a result of an allocation pursuant to Rule 401(a)(viii); or
 - (iv) [Not used.]
 - (v) as a result of a Transfer of Contracts pursuant to Rule 904.
 - (vi) [Not used.]
- (b) Any purported transfer of any rights, liabilities or obligations under a Contract or the Rules other than in accordance with Rule 408(a) shall be null and void.

Rule 409 *Amendment of Contract Terms*

The terms of any Contract may only be amended, waived or varied with the prior written consent of the Clearing House.

Rule 410 [Not used.]

Rule 411 [Not used.]

Part 5 Margin

Rule 501 *Approved Financial Institutions*

- (a) The Clearing House will maintain a list of Approved Financial Institutions. Only Approved Financial Institutions shall be permitted by the Clearing House:
 - (i) to open and operate, on behalf of Clearing Members, accounts from which the Clearing House can draw amounts pursuant to a direct debit mandate, for the collection of amounts due to the Clearing House from time to time; and
 - (ii) to act in such other capacity as the Clearing House may approve from time to time.
- (b) All cash transfers made by Clearing Members to or to the order of the Clearing House must be made from an account at an Approved Financial Institution, unless the Clearing House gives its prior written consent to another method being used.
- (c) Clearing Members are given notice that the Clearing House may suspend or terminate the status of an Approved Financial Institution or attach, amend or revoke conditions to the continued status of an Approved Financial Institution. The Clearing House may take such steps if an institution no longer meets all of the requirements of the Clearing House or if the Clearing House determines that it would be advisable for the Clearing House's own protection, the protection of Clearing Members or the protection of a Market to do so.

Rule 502 *Margin*

- (a) Each Clearing Member shall transfer Permitted Cover to the Clearing House in respect of Margin in such amounts, in such forms and at such times as are required pursuant to this Part 5 and otherwise as may be prescribed by the Clearing House and notified to Clearing Members, in each case in accordance with these Rules and the Finance Procedures, from time to time.
- (b) At any time on which a requirement for Original Margin or Margin under Rule 502(g) falls due and insufficient Permitted Cover is held, the Clearing Member must initially transfer cash in an Eligible Currency. Thereafter a Clearing Member may substitute such cash Margin with other Permitted Cover by delivery of the replacement Permitted Cover to the Clearing House. The amount of Original Margin or Margin under Rule 502(g) for any Business Day shall be calculated (and, if necessary, called) separately in respect of the Proprietary Account and the Customer Account for each Clearing Member in accordance with the Finance Procedures.
- (c) Variation Margin payments may be made by the Clearing House or a Clearing Member only in cash in the Eligible Currency in which the Contract in question is to be or can be settled pursuant to the Contract Terms (save where the Finance Procedures require otherwise).
- (d) Details of Eligible Currencies and other Permitted Cover that may be used to satisfy Margin obligations will be notified to Clearing Members from time to time by a Circular. The Clearing House may, at its discretion, vary or alter Margin requirements, nature or types of acceptable Eligible Currencies and Permitted Cover,

specify proportions or maximum proportions of cash or asset classes to be provided as Margin or modify any valuation procedures or haircuts set out in or established pursuant to the Finance Procedures, Circulars or any risk policies. Any general changes to requirements for Margin or Permitted Cover will be notified to Clearing Members by a Circular.

- (e) Certain classes of Permitted Cover may be subject to haircuts in accordance with the Finance Procedures (as specified from time to time by Circular) pursuant to which certain classes of Permitted Cover do not count for their full face or market value in the determination of Margin for the account of a Clearing Member.
- (f) The Clearing House may require a Clearing Member or Clearing Members to transfer cash in other Eligible Currencies or Permitted Cover with the Clearing House in substitution for any Permitted Cover already transferred to the Clearing House.
- (g) The Clearing House may impose, amend or withdraw additional Margin requirements in respect of any Clearing Member at any time and at its discretion.
- (h) Changes to the matters described in Rules 502(d) and (e) above, including assets eligible as Margin or Permitted Cover and the haircuts established with respect thereto, will be based on an analysis of appropriate factors as determined by the Clearing House, including historical and implied price volatility of such assets, current and anticipated conditions in the market for those assets, spreads and correlations between relevant assets, liquidity in the trading market for those assets, composition of the relevant market, default risk (including sovereign risk) with respect to those assets, relevant foreign exchange market conditions and other relevant information.
- (i) [Not used.]
- (j) [Not used.]

Rule 503 *Margin Calls and Return of Surplus Collateral*

- (a) Margin shall be and become due and payable at the times specified by the Clearing House pursuant to Rule 302.
- (b) Regular Margin calculations will be made by the Clearing House on each Business Day. Any such calculation may result in a call for additional Permitted Cover pursuant to Part 3.
- (c) The Clearing House shall be entitled, at its discretion, to make an intra-day call for Margin or any other amount payable to it. In the event of such a call being made, the Clearing House will:
 - (i) give notice to each Clearing Member which is required to make payment to the Clearing House of the amount payable by such Clearing Member and time by which payment must be made; and
 - (ii) immediately after giving or making reasonable efforts to give the notice described in Rule 503(c)(i), instruct the relevant Approved Financial Institution to transfer funds equal to the amount due to the Clearing House

from the account of such Clearing Member to an account of the Clearing House.

- (d) For regular calls relating to Contracts, Margin shall be calculated with reference to a Clearing Member's Open Contract Position in accordance with the Finance Procedures. For any intra-day Margin call relating to Contracts, Margin shall be calculated with reference to a Clearing Member's net Open Contract Position (including, in relation to the Customer Account, and where position-keeping accounts are used for the Proprietary Account, where positions are held gross in accordance with the Clearing Procedures, the net additional exposure relating to any Contracts held gross which have not been contractually netted or aggregated in accordance with Rule 406) in accordance with the Finance Procedures.
- (e) The amount of Variation Margin for any Business Day shall be calculated (and, if necessary, called) separately in respect of the Proprietary Account and the Customer Account for each Clearing Member in accordance with the Finance Procedures. Each such Variation Margin call shall be:
 - (i) in the case of Contracts reflected in a net or aggregated Open Contract Position, based on the Exchange Delivery Settlement Prices at which Open Contract Positions in Contracts are recorded on the Clearing House's books; and
 - (ii) in the case of Contracts not yet reflected in a net or aggregated Open Contract Position, represented by the difference between the Exchange Delivery Settlement Price and the price at which each such Contract was bought or sold; provided, however, that in the case of any Contract based on an index, the amount of the final Variation Margin payment shall be determined as specified in the rules of the Exchange on which the index is based.
- (f) [Not used.]
- (g) [Not used.]
- (h) [Not used.]
- (i) [Not used.]
- (j) The Clearing House shall return to a Clearing Member the amount of any Surplus Collateral, provided that the Clearing House receives a request for such a release from such Clearing Member prior to such time as may be specified by the Clearing House for the day on which such release is to be made or pursuant to standing instructions for the return of Surplus Collateral, as the same may be established or amended in accordance with the Finance Procedures, such returns to be made in accordance with Rule 302 and the Finance Procedures.
- (k) [Not used.]
- (l) Each Clearing Member acknowledges that any contractual rights or receivables it may have from time to time to any Surplus Collateral from the Clearing House in relation to its Customer Margin Account shall be held on trust by it for the relevant Customer to the extent required by Regulations 16 and 26 of the SF(LCB)R.

- (m) Notwithstanding anything to the contrary in Rule 502 and this Rule 503, for each Customer Account and for each position-keeping account maintained for the Proprietary Account, regular calls for Margin shall be calculated and called for on a "gross" basis without netting as between the positions related to different Customers or position-keeping accounts, as the case may be.

Rule 504 *Rights relating to Margin and Representations of Clearing Members*

- (a) The rights and liabilities of the Clearing House and each Clearing Member in relation to Permitted Cover are set out in the Clearing Membership Agreement and these Rules.
- (b) Each Clearing Member will act as principal and not as agent in providing Margin to the Clearing House. The Clearing House will take no account of any right or interest which any Person other than the Clearing Member may have in any Margin furnished by such Clearing Member to the Clearing House.
- (c) Each Clearing Member will be deemed to represent and warrant to the Clearing House on each date on which such Clearing Member transfers Permitted Cover to the Clearing House that:
 - (i) immediately prior to any such Permitted Cover being transferred to the Clearing House, the Clearing Member is or was the sole legal and beneficial owner of all such assets (or such assets are provided with all legal and beneficial owners' unconditional consent for their use and application pursuant to these Rules such that any trust or other Encumbrance over such assets in favour of a Customer under Applicable Law is extinguished upon transfer to the Clearing House) subject only to any applicable requirements of the Clearing House under Applicable Law, including, without limitation, Regulation 23(3) of the SF(CF)R;
 - (ii) the Clearing House is not subject to any obligation to perform directly to any of a Clearing Member's Customers, Affiliates or Representatives or any third party as a result of the Clearing Member granting any interest in any receivable from the Clearing House resulting from the Clearing House's receipt or use of such Permitted Cover, except as expressly provided pursuant to these Rules or as mandated pursuant to Applicable Law, including, without limitation, any trust obligation on the Clearing House arising pursuant to Regulation 23(3) of the SF(CF)R;
 - (iii) such Permitted Cover is provided on the basis that it may be used by the Clearing House and applied in accordance with these Rules;
 - (iv) the Clearing Member will not claim that any transfer of Permitted Cover to or use of Permitted Cover by the Clearing House in accordance with the Rules or the relevant Clearing Membership Agreement is contrary to or in breach of any requirement of Applicable Law, third party right or other contractual obligation (provided that the Clearing House does not cause such breach by amending these Rules); and

- (v) the Clearing Member is not in breach of any of its contractual or regulatory obligations towards any third party as a result of the transfer of Permitted Cover to the Clearing House (provided that the Clearing House does not cause such breach by amending these Rules).
- (d) The Clearing Member shall be liable to the Clearing House for any cost or liability incurred by the Clearing House as a result of the Clearing House possessing, holding, perfecting the title to or otherwise being associated with, any asset provided to it by that Clearing Member by way of Margin.
- (e) [Not used.]
- (f) Each Clearing Member shall require and receive Customer-CM Collateral from its Customers or fund such Permitted Cover only in such a manner as is consistent with these Rules and the Standard Terms and in a manner which allows the Clearing Member to transfer Permitted Cover to the Clearing House in accordance with its obligations under the Clearing Membership Agreement and these Rules. A Clearing Member shall ensure that where it pre-funds any Permitted Cover for a Customer Margin Account, the relevant Customer provides Customer-CM Collateral of the same value to the Clearing Member within a reasonable period (which the Clearing House may further specify by Circular from time to time).
- (g) Any amount or asset recorded in a particular Account may be applied by the Clearing House to the extent permitted under Part 9 of the Rules as against the net sum for such Account or transferred to the extent permitted under Rule 906 regardless of the origin or status of such amount or assets at the time of transfer or prior to the time of transfer as Customer-CM Collateral, title transfer collateral, security interest collateral or otherwise.
- (h) The Clearing House has acknowledged in Rule 102(q), Rule 906(b), Circulars and Clearing Membership Agreements that:
 - (i) no Customer Account of a Clearing Member (or any money, asset or contract recorded in such a Customer Account) is to be combined or co-mingled with the Proprietary Account of the same Clearing Member (or any money, asset or contract recorded in such Proprietary Account); and
 - (ii) [Not used.]
 - (iii) no right of set-off shall be exercised by the Clearing House against money, asset or contract credited to a Customer Account in respect of any sum or obligation owed to the Clearing House on any other account.
- (i) A Clearing Member shall take any action reasonably requested by the Clearing House that may be necessary or desirable to create, preserve, perfect or validate the right, title or interests of the Clearing House in Margin or Guaranty Fund Contributions intended to be created under these Rules, the relevant Clearing Membership Agreement or to enable the Clearing House to exercise or enforce any of its rights with respect thereto.

Rule 505 *Use of Permitted Cover*

- (a) Each Clearing Member agrees, and each Customer shall be deemed to agree, that any use, investment, transfer, holding, appropriation, set off, enforcement or application of Permitted Cover by the Clearing House pursuant to these Rules is in accordance with Applicable Laws. To the extent permitted under Applicable Laws, each Clearing Member irrevocably waives, and each Customer shall be deemed to have irrevocably waived, any claim or right it may have against the Clearing House arising from the Clearing House's use, investment, transfer, holding, appropriation, set off, enforcement or application of, any Permitted Cover in accordance with these Rules, including, any claim that such use, investment, transfer, holding, appropriation, set off, enforcement or application is in breach of Regulation 24 of the SF(CF)R, any trust or fiduciary obligation of the Clearing House arising pursuant to Regulation 23(3) of the SF(CF)R or any breach of Regulations 21 or 35 of the SF(LCB)R.

- (b) If the Clearing House makes payment or otherwise transfers Permitted Cover in relation to a Customer Margin Account to a Clearing Member or other Person in accordance with these Rules, and such amounts are required to be held by such Person on trust or otherwise segregated for a Customer pursuant to Regulations 16 or 26 of the SF(LCB)R or other Applicable Law, any claim by such Customer against the Clearing House and any trust property held by the Clearing House pursuant to Regulation 23(3) of the SF(CF)R for such Customer shall be accordingly reduced by the amount paid to such Person.

Rule 506 [Not used.]

Part 6 Exposure Limits

Rule 601 *Establishment of Exposure Limits*

- (a) Subject to Applicable Laws, the Clearing House will be entitled at its discretion to establish, amend or revoke Exposure Limits for Clearing Members or in respect of particular Accounts. The Clearing House may or may not inform Clearing Members of their Exposure Limits.
- (b) The Exposure Limit for each Clearing Member and Account will be determined taking into account: (i) any position held by any other Person directly or indirectly controlled by the relevant Clearing Member; and (ii) any position held by any other Person acting, pursuant to an express or implied agreement or understanding, as if such position were held by the Clearing Member; but otherwise at the Clearing House's discretion and may take into account the Clearing House's evaluation of the financial and operational capacity of the Clearing Member and such other factors as the Clearing House at its discretion deems appropriate.
- (c) If a Clearing Member is not notified of a Exposure Limit for an Account, particular Set of Contracts or broader group of Contracts, it may assume that there is no such Exposure Limit in place (and shall not be treated as having breached any Exposure Limit) until such time as the Clearing House notifies it of the Exposure Limit. Any finding of breach of a Exposure Limit by the Clearing House may only be prospective and not retrospective with respect to the time of notification to the Clearing Member of the Exposure Limit.

Rule 602 *Breach of Exposure Limit*

- (a) If a Clearing Member exceeds its Exposure Limit, the Clearing House may, at its discretion:
 - (i) require a Clearing Member to provide information to the Clearing House in respect of any of its positions;
 - (ii) require a Clearing Member to allocate, transfer or terminate such Contracts or close out its Open Contract Position in any affected Account to the extent necessary to reduce its Open Contract Position so as to meet its Exposure Limit within such time as the Clearing House may prescribe;
 - (iii) make an additional call for such Margin as the Clearing House in its discretion determines; and/or
 - (iv) impose such additional Capital requirements on the Clearing Member as the Clearing House in its discretion determines.
- (b) If the Clearing Member fails to comply with any requirement imposed on it pursuant to Rule 602(a), the Clearing Member shall be in breach of these Rules and, without limitation, the Clearing House may, at its discretion, in respect of the Clearing Member concerned:
 - (i) declare an Event of Default;

- (ii) terminate or suspend membership of the Clearing Member;
 - (iii) terminate such Contracts as the Clearing House at its discretion selects on behalf of the Clearing Member;
 - (iv) instigate an investigation or disciplinary proceedings under Part 10 of the Rules; and/or
 - (v) impose such other requirements on the Clearing Member as it sees fit.
- (c) (i) A Clearing Member shall be deemed not to have exceeded a Exposure Limit (for purposes of Rules 602(a)(ii) and (iv) and Rule 204(a)(ii) only) to the extent that such Exposure Limit is exceeded as a result of it being party to any Contract arising pursuant to any of Rule 401(a)(v) or (vi) which was entered into: (A) five or fewer Business Days prior to the date of determination by the Clearing House that a Exposure Limit has been exceeded; or (B) five or fewer Business Days prior to the relevant Set becoming ineligible for Clearing (provided that if the relevant Set later becomes eligible for Clearing again, this paragraph (B) shall cease to apply five Business Days after the Set has so become eligible for Clearing) (or, in either case (A) or (B), as a result of any Open Contract Position or Contract reflecting any such Contract). Consequently, where a Clearing Member is party to any such Contract, the existence of the Contract will be disregarded in calculating the position of the Clearing Member that is used for purposes of determining the availability of the Clearing House's powers under Rule 602(a)(ii) or (iv) or the applicability of a notification requirement under Rule 204(a)(ii) and instead the position of the Clearing Member excluding each disregarded Contract will be used for the purposes of such determinations.
- (ii) A Clearing Member shall be deemed not to have breached a requirement imposed on it pursuant to Rule 602(a)(ii) to the extent that such a requirement is breached as a result of it being party to any Contract arising pursuant to any of Rule 401(a)(v) or (vi) which was entered into: (A) at any time after the requirement was imposed; (B) five or fewer Business Days prior to the requirement being imposed; or (C) five or fewer Business Days prior to the Set becoming ineligible for Clearing (provided that if the relevant Set later becomes eligible for Clearing again, this paragraph (C) shall cease to apply five Business Days after the Set has so become eligible for Clearing) (or, in any such case (A), (B), or (C), as a result of any Open Contract Position or Contract reflecting any such Contract). Consequently, where a Clearing Member is party to any such Contract, the existence of the Contract will be disregarded for purposes of determining any breach of a requirement under Rule 602(a)(ii) and instead the position of the Clearing Member excluding each disregarded Contract will be used for the purposes of any such determination.
- (iii) Nothing in this Rule 602(c) shall restrict the taking by the Clearing House of any action under Rule 602(a)(i) or (iii), which it may do without regard to the nature of Contracts making up any Open Contract Position.

Rule 603 [Not used.]

Part 7 Settlement and Delivery of Futures

References to Contracts in this section are to ICE Futures Singapore Contracts. References to any Account in this section are references only to an Account in which ICE Futures Singapore Contracts may be recorded and the terms 'Customer Margin Account', 'Customer Position Account', 'Proprietary Margin Account' and 'Proprietary Position Account' shall be construed accordingly. References to Customers in this section are solely to Customers of Clearing Members in relation to Contracts that are Futures.

Rule 701 Determination of Exchange Delivery Settlement Price

- (a) The Clearing House will specify the Exchange Delivery Settlement Price for any Future Set.
- (b) The Exchange Delivery Settlement Price will generally be determined on the basis of data provided and published by the Market on which the Contract in question is traded, subject to Rule 701(c).
- (c) The Clearing House shall be entitled to determine the Exchange Delivery Settlement Price itself, at its discretion, if:
 - (i) a Market fails on any day to determine an Exchange Delivery Settlement Price;
 - (ii) a Market fails to provide the Clearing House with necessary data for determination of an Exchange Delivery Settlement Price;
 - (iii) there is an error in data provided by a Market; or
 - (iv) the Clearing House at its discretion otherwise considers it appropriate to do so.

Any Exchange Delivery Settlement Price determined by the Clearing House under this Rule 701(c) will be communicated to Clearing Members.

Rule 702 Cash Settlement

- (a) A Futures Contract shall be settled in cash if:
 - (i) pursuant to the applicable Contract Terms it can be settled only in cash; or
 - (ii) pursuant to the applicable Contract Terms it may be settled in cash and the Clearing Member opts to settle the Contract(s) in cash.
- (b) Without prejudice to any contractual netting under Rule 406 or the Clearing Procedures prior to settlement, cash settlement for a Set of Futures Contracts shall occur separately, and separate payment obligations shall accrue, in respect of a Clearing Member's:
 - (i) net position in the relevant Set in respect of its Proprietary Account where only one position-keeping account is used;

- (ii) gross buy positions in the relevant Set in respect of its Customer Account (if applicable);
 - (iii) gross sell positions in the relevant Set in respect of its Customer Account (if applicable);
 - (iv) gross buy positions in the relevant Set in respect of its Proprietary Account for each position-keeping account used where paragraph (i) does not apply; and
 - (v) gross sell positions in the relevant Set in respect of its Proprietary Account for each position-keeping account used where paragraph (i) does not apply.
- (c) Provided that all Margin payments in respect of the Set have been paid by the Clearing Member to the Clearing House or repaid by the Clearing House, the amount payable for cash settlement of any Future shall be the net gain or loss, as the case may be, based on the price at which Open Contract Positions were last recorded on the Clearing House's books and the Exchange Delivery Settlement Price or, in relation to Contracts entered into on the same day as the day of settlement, the difference between the Exchange Delivery Settlement Price and the price at which the relevant Contract was bought or sold. Each cash settlement shall occur in accordance with the Contract Terms.
- (d) Neither the Delivery Procedures nor the requirements of Rule 703 shall apply to any Contract which is settled in cash in accordance with this Rule 702.

Rule 703 *Delivery*

- (a) In relation only to Futures which are not settled in cash pursuant to Rule 702 and FX Contracts other than Financially Settled FX Contracts, the Delivery Procedures and the requirements of this Rule 703 shall apply.
- (b) The Buyer and Seller shall each make such payments and deliveries and deliver such tenders, notices and invoices as are required pursuant to the Delivery Procedures and Market Rules.
- (c) The passing on by the Clearing House of such tenders or such other documents shall not constitute acceptance by the Clearing House of such tenders or such documents if the Clearing Member to which the Clearing House passed on such tender or documents rejects the same where permitted to do so. In the event of such rejection, the Clearing House shall also be entitled to reject the tenders or other documents. Similarly, where a Clearing Member who is a Buyer under a Contract rejects a Deliverable delivered to it, the Clearing House as Buyer under the corresponding back to back Contract shall be entitled, if to do so would be in accordance with the applicable Contract Terms, to take the same action as against the Seller under that Contract and the Clearing House shall not be deemed to have accepted such delivery until the relevant Buyer has accepted delivery under the first Contract.
- (d) Subject to Rule 703(c), no tender received by the Buyer may be withdrawn or substituted by the Seller except with the consent of the Buyer or otherwise in accordance with the Contract Terms and Procedures.

- (e) Full compliance with the Delivery Procedures applicable to the Contract in question and, where applicable, Market Rules shall amount to a good discharge of the rights, liabilities and obligations of the parties under such Contract (but shall be without prejudice to any rights, liabilities or obligations of any party to a Contract in relation to breach of warranty, representation, damaged goods, under-delivery, over-delivery or otherwise).
- (f) The Clearing House may, at its discretion, direct a Clearing Member who is a Seller under a Contract subject to delivery to deliver the Deliverable that is the subject matter of such Contract to another Clearing Member that is a Buyer. The Seller and Buyer shall each be bound by any such direction. Delivery in accordance with any such direction shall be deemed to constitute delivery by the Seller to the Clearing House and from the Clearing House to the Buyer for the purposes of the Contract or Contracts in question (but title shall not pass unless and until the time specified in the Delivery Procedures). All payments in relation to such Contracts shall nonetheless be made only to and from the Clearing House by the Clearing Members concerned.
- (g) If an invoice has not been prepared or delivered when payment becomes due pursuant to a Contract, payment shall be made and received on account, pending the issue of that invoice.
- (h) Where a Clearing Member that is a Buyer or Seller under a Contract subject to delivery is subject to an Event of Default or Force Majeure Event, the rights, liabilities and obligations of any Clearing Member that is not a Defaulter in respect of such performance shall be discharged and there shall arise in place of the same an obligation to account as between the Clearing Member and the Clearing House for a settlement amount. The Clearing House shall be entitled to substitute an obligation to account for such settlement amount, or a proportion thereof, for the Clearing House's rights, liabilities and obligations in respect of performance of delivery obligations under other Contracts subject to tender with other Clearing Members (such Contracts and Clearing Members selected by the Clearing House at its discretion) of the same Set.
- (i) [Not used.]

Rule 704 *Credit and Debit of Accounts*

- (a) The Clearing House shall make any necessary credits or debits to or from Clearing Members' Proprietary Margin Account and Customer Margin Account, as appropriate, arising as a result of each cash settlement and delivery in accordance with Part 3.
- (b) Subject to the Contract Terms and Procedures, any compensation, adjusting payment or other allowance payable by or to either the Buyer or the Seller under the terms of the Contract shall be paid by or to the Clearing House for onward payment to the Buyer or the Seller as the case may be.

Rule 705 *Settlement and Delivery Obligations only in respect of Open Contract Position and Termination of other Contracts*

- (a) Without prejudice to any contractual netting under Rule 406 or the Clearing Procedures prior to settlement, the Clearing House and each Clearing Member shall

make cash settlement and delivery only for such number of Contracts as are reflected in the Clearing Member's Open Contract Position, separately for the Clearing Member's:

- (i) net position in the relevant Set in respect of its Proprietary Account where only one position-keeping account is used;
- (ii) gross buy positions in the relevant Set in respect of its Customer Account (if applicable);
- (iii) gross sell positions in the relevant Set in respect of its Customer Account (if applicable);
- (iv) gross buy positions in the relevant Set in respect of its Proprietary Account for each position-keeping account used where paragraph (i) does not apply; and
- (v) gross sell positions in the relevant Set in respect of its Proprietary Account for each position-keeping account used where paragraph (i) does not apply.

No such Open Contract Position (or additional Contracts) may be netted against another Open Contract Position on cash settlement or delivery without the prior written consent of the Clearing House, and subject always to Rule 102(q).

- (b) Upon each of the parties to a Contract having made all necessary payments and deliveries in accordance with these Rules in respect of all Futures Contracts in a Set in relation to which a cash settlement or delivery obligation exists for any account or positions specified in Rule 705(a), the Clearing Member and the Clearing House shall each be discharged and released from all rights, liabilities and obligations to one another arising pursuant to Futures Contracts belonging to such Set in respect of such account or position.

Part 8

[Not used.]

Part 9 Default Rules

Without prejudice to the status of any other provision of these Rules, all the provisions of this Part 9 are intended to constitute 'default rules' for purposes of Part III of the SFA and the SF(CF)R and provide for the taking of proceedings or other action if a participant has failed or appears to be unable or to be likely to become unable to meet his obligations for any unsettled or open market contract to which he is a party. Accordingly, any action taken by the Clearing House pursuant to this Part 9 is intended to constitute "default proceedings" for purposes of Part III of the SFA and the SF(CF)R. In addition to these Rules, the Clearing House relies on its legal rights under Applicable Laws in handling Events of Default.

Rule 901 *Events of Default affecting Clearing Members*

- (a) If any of the following events should occur with respect to any Clearing Member (regardless of whether it is cured by the Clearing Member, a guarantor or other third party on behalf of the Clearing Member or otherwise), such event shall, if so declared by the Clearing House, constitute an "**Event of Default**":
- (i) any breach by that Clearing Member of these Rules, the Procedures, the Clearing Membership Agreement, any other agreement with the Clearing House or Market Rules;
 - (ii) that Clearing Member being unable, or likely to be unable, to meet its obligations under these Rules or in respect of any Contract;
 - (iii) a Monetary Default or Delivery Default occurring with respect to that Clearing Member;
 - (iv) any Financial Indebtedness of that Clearing Member or any of its Group Companies: (A) not being paid when due or within any originally applicable grace period; or (B) being declared to be or otherwise becoming due and payable prior to its specified maturity as a result of an event of default (however described);
 - (v) any commitment for any Financial Indebtedness of that Clearing Member or any of its Group Companies being cancelled or suspended by a creditor as a result of an event of default (however described);
 - (vi) any creditor of that Clearing Member or any of its Group Companies becoming entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described);
 - (vii) an Insolvency in relation to that Clearing Member or any of its Group Companies;
 - (viii) any material action being taken against that Clearing Member (including, without limitation, any declaration of default, material adverse notice or finding, material fine, suspension or expulsion or withdrawal of, revocation of or failure to renew any permission, exemption, licence or authorisation) by any Governmental Authority, Regulatory Authority, Exchange, Clearing Organisation or Delivery Facility;

- (ix) breach by that Clearing Member of any Applicable Law relevant to its business as a Clearing Member;
 - (x) [Not used.]
 - (xi) the Clearing Member consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, or reorganises, reincorporates or reconstitutes into or as, another entity and, at the time of such consolidation, amalgamation, merger, transfer, reorganisation, reincorporation or reconstitution the resulting, surviving or transferee entity fails to assume all the obligations of such Clearing Member under any Contract to which it or its predecessor was a party; or
 - (xii) any breach by a Clearing Member of the Capital requirements imposed under the Membership Procedures or the SF(FMR)R or any circumstances contemplated in the SF(FMR)R pursuant to which a Clearing Member's CMS Licence is automatically revoked or MAS is or is likely to become entitled to revoke any CMS Licence held by such Clearing Member, including, without limitation, the circumstances set out in Regulations 7(3) and 17(2) of the SF(FMR)R.
- (b) The Clearing House may assume that the occurrence of any Event of Default means that a Clearing Member is unable, or likely to be unable, to meet its obligations in respect of any Contract to which it is a party.
 - (c) The Clearing House may exercise rights under the power of attorney granted under clause 5.1 and 5.2 of the Clearing Membership Agreement if there has been an Event of Default. If, following an Event of Default, the Clearing House exercises rights under the power of attorney in clause 5.1 and 5.2 of the Clearing Membership Agreement for purposes of enforcement to exercise any of its rights under this Part 9 and a Circular has not been issued in respect of the Event of Default, the Clearing House will notify the Clearing Member concerned as soon as is reasonably practicable of such exercise.
 - (d) [Not used.]
 - (e) The Clearing House may inform any relevant Regulatory Authority of an Event of Default prior to declaring an Event of Default and disclose such information to such Regulatory Authority as it sees fit.

Rule 902 *Actions to be taken following declaration of a Clearing Member Event of Default*

- (a) If an Event of Default has been declared, the Clearing House may immediately suspend or terminate the Defaulter's membership as a Clearing Member and any other entitlements under these Rules, take any action to close out the Defaulter's positions under this Part 9 and take such action as is necessary to control or reduce losses or liquidity pressures resulting from the Event of Default. Any such suspension or termination may be temporarily postponed or may not be enforced if the Clearing House in its discretion determines that any such suspension or termination would

either (i) not be in the best interests of the Clearing House; or (ii) be likely to adversely affect the operation of any market.

- (b) As soon as practicable after the Clearing House has declared that a Clearing Member is subject to an Event of Default, the Clearing House shall issue a Default Notice to the Defaulter and shall provide a copy of such Default Notice to any other party to an affected Contract (if any). The Clearing House will issue a Circular in respect of any Default Notice specifying the name of the Defaulter. The Clearing House may at its discretion publish a copy of the relevant Default Notice in or together with a Circular. The Clearing House shall, as soon as reasonably practicable after issuing a Default Notice, appoint a day on which any net sums certified under Rule 906 are to be paid.
- (c) The Clearing House may take such steps pursuant to this Part 9 as appear in the circumstances to be necessary or expedient to discharge all the Defaulter's rights and liabilities under or in respect of Contracts to which it is party, to protect the Clearing House, its non-defaulting Clearing Members or Markets or to complete the process described in this Part 9.
- (d) Transfer Orders shall be legally enforceable, irrevocable and binding on third parties in accordance with Part 12, even in the event of an Event of Default.

Rule 903 *Treatment of Contracts following a Clearing Member Event of Default and Hedging*

- (a) The Clearing House shall be entitled to take any of the following steps at its discretion following the occurrence of an Event of Default with respect to a Clearing Member:
 - (i) to arrange for Contracts to be subject to a Transfer to a Transferee Clearing Member in accordance with Rule 904 and effect the same;
 - (ii) if it determines at its discretion that the protection of the financial integrity of the Clearing House so requires, or because of the cessation or curtailment of trading on a Market where contracts may be traded, to delay a close out or termination of some or all Contracts of the Defaulter; and
 - (iii) subject always to Rule 102(q), if the Defaulter acts as Buying Counterparty and Selling Counterparty in respect of Contracts of the same Set, to net, offset, mutually close out or terminate such Contracts (or any part thereof) provided that, following such netting, offsetting, closing out or termination, Contracts representing in aggregate the Open Contract Position of the Defaulter in the relevant Set are recognised.
 - (iv) to combine and replace two or more FX Contracts of a Defaulter (or any part of an FX Contract) with a single FX Contract, which may occur where the Defaulter is Reference Currency Seller under one of the FX Contracts in respect of a particular currency and Reference Currency Buyer under the other FX Contract in respect of the same currency, and those two FX Contracts have the same FX Settlement Date.

- (b) All Contracts to which a Defaulter is party (which are not voidable and voided by the Clearing House pursuant to Part 4) shall be closed out in the manner set out in Rule 905 except to the extent that Rule 903(a) applies to such Contracts.
- (c) To the extent that any Contracts to which a Defaulter is party remain open from time to time (whether pursuant to Rule 903(a)(ii), pending Transfers, terminations or otherwise) or if the Clearing House is otherwise unable for any reason to liquidate Contracts in a prompt and orderly fashion, the Clearing House may authorise the execution from time to time for the account of the Clearing House, for the purpose of an orderly unwind of any Contracts to which a Defaulter is party or reducing the risk to the Clearing House and the risk to Clearing Members (in the case of Clearing Members, except to the extent that reducing any risk to Clearing Members creates or increases any risk for the Clearing House) resulting from the continued maintenance of such Contracts, of hedging transactions including, without limitation, the purchase, exercise, sale or grant of Contracts. Any such hedging transactions that are executed shall be submitted by Clearing Members with whom they are executed to the Clearing House for Clearing on a daily basis. Any costs, expenses or losses sustained by the Clearing House in connection with transactions effected pursuant to this Rule 903(c) shall be charged to the Defaulter and any gains shall be credited to the Defaulter in the relevant net sum calculation under Rule 906 for the Account in respect of which exposures were hedged.
- (d)
 - (i) If a Contract is automatically terminated pursuant to an automatic early termination provision or under Applicable Law as a result of an Event of Default, Insolvency or related event affecting the Defaulter, this Part 9 shall apply *mutatis mutandis* in relation to such terminated Contract to which such Defaulter was party and the rights, obligations and liabilities relating thereto.
 - (ii) [Not used.]
- (e) Upon an Event of Default being declared with respect to a Clearing Member, any accrued or invoiced amounts shall be immediately due and payable by the Defaulter to the Clearing House.

Rule 904 *Transfer of Contracts and Margin on a Clearing Member Event of Default*

Provisions applicable to all Defaulters and all Contracts

- (a) The Clearing House may arrange for any of the following steps (any such step, a "**Transfer**" and the term "**Transferred**" shall be interpreted accordingly) to take place in respect of the Contracts of a Defaulter as part of its default proceedings:
 - (i) a transfer, sale, assignment or novation of Contracts (and related Customer-CM Transactions) of a Defaulter to a Transferee Clearing Member; or
 - (ii) the termination of Contracts between the Clearing House and a Defaulter (and related Customer-CM Transactions, where applicable) and the entry into of new replacement Contracts (and related Customer-CM Transactions, where applicable) between the Clearing House and the Transferee Clearing Member

or between such Customer and such Transferee Clearing Member, as applicable (by way of novation and amendment or otherwise).

Unless the Clearing House specifies otherwise in writing, all Transfers shall occur pursuant to the process described in Rule 904(a)(ii).

- (b) All Contracts subject to a Transfer shall be Transferred on the basis of the applicable Exchange Delivery Settlement Price, Reference Price, or other price specified by the Clearing House. Transferee Clearing Members will be notified of applicable prices determined pursuant to this provision prior to the Transfer.
- (c) For the avoidance of doubt, the Clearing House shall have no obligation to enter into or effect any Transfer if to do so: (i) would result in or risk an Account being under-collateralised with respect to any remaining Contracts; (ii) would result in or risk an Event of Default or a Failure to Pay in respect of the Clearing House, the application of Guaranty Fund Contributions of non-Defaulters, a call for Assessment Contributions or invocation of any of the procedures in Rule 912; (iii) would result in or risk a breach of Applicable Laws; or (iv) lacks any Governmental Authority, Customer or other consent or approval that is required or desirable in the circumstances, in each case as determined by the Clearing House at its discretion. Any Transfers shall be fair to clients and indirect clients of the Defaulter.
- (d) If any Contracts recorded in a Defaulter's Customer Account are subject to any Transfer pursuant to Rule 904(a)(i):
 - (i) any related Margin recorded in the relevant Customer Account may, at the discretion of the Clearing House also be transferred from that Customer Account to the Transferee Clearing Member's Customer Account;
 - (ii) to the extent that any transfer of Margin takes place in accordance with Rule 904(d)(i), the Defaulter shall have no claim against the Clearing House or any Transferee Clearing Member for return of such Margin and the Clearing House shall be released from any liability or obligation to return such Margin (or any property in substitution thereof) to the Defaulter; and
 - (iii) as between the Transferee Clearing Member and the Clearing House, the Clearing House shall have all rights in relation to any Margin transferred pursuant to Rule 904(d)(i) as if the same were Margin transferred to the Clearing House directly from the Transferee Clearing Member.
 - (iv) [Not used.]
 - (v) [Not used.]
- (e) The Clearing House may rely upon any information relating to the positions, assets or identities of individual Customers provided to it by an Exchange or Clearing Member, without need for further enquiry by the Clearing House with respect thereto. The books and records of the Clearing House may be treated as definitive evidence of the positions and Customers which correspond to Contracts recorded in the Defaulter's Customer Account.

- (f) The Clearing House shall be entitled to make partial or full transfers of available Margin at any time from the relevant account of a Defaulter in respect of Contracts subject to a Transfer, provided that in any case the total amount of Margin transferred in respect of any Contracts relating to a particular Customer remains commensurate to the Margin that was provided in respect of such transferred Contracts and held by the Clearing House immediately prior to the Event of Default.
- (g) Nothing in these Rules shall require a Clearing Member to accept any Transfer of Contracts as a Transferee Clearing Member, without the prior consent of that Clearing Member (and for these purposes no such consent shall have been provided as a result of a Clearing Member being named as a potential Transferee Clearing Member in a Default Portability Preference). Including as a result of the consents in paragraph 6(b) of the Standard Terms, the Clearing House shall be entitled (but not required) to Transfer any Contract regardless of whether the relevant Customer has designated the Transferee Clearing Member as a permitted transferee or has consented to such Transfer.
- (h) If the Clearing House determines that any Contracts of the Defaulter are to be Transferred pursuant to this Rule 904, the Clearing House may estimate the loss or gain that it would incur in respect of the relevant Customer Account Positions (i.e. the amount *L-A* in Rule 906 as calculated in respect of those Customer Account Positions) and the extent, if any, to which any Margin would be applied to any such loss and may (but shall not be required to) prioritise and give effect first to any Transfers on the basis of the extent of any potential resulting loss or gain to a Customer Account notwithstanding the time at which any Transfer instructions are submitted or confirmed.
- (i) The Clearing House may take into consideration such factors as the Clearing House determines to be relevant in accepting or effecting any Transfer. Without limiting the foregoing, any Transfer or transfer of Margin shall be subject to any requirements or limitations under Applicable Law, and any approvals or consents that the Clearing House may determine to be required or desirable under the circumstances.
- (j) The Clearing House will have regard to any Default Portability Preference in determining whether or not to give effect to any Transfer. Nonetheless, and without prejudice to the generality of Rule 904(g), the Clearing House shall be entitled to Transfer any Contract recorded in the Customer Account of a Clearing Member regardless of whether the relevant Customer has designated the Transferee Clearing Member as a permitted transferee pursuant to a Default Portability Preference or has made any Default Portability Preference, in reliance upon the consents of Customers to a Transfer of Contracts or Margin to any Transferee Clearing Member provided pursuant to the Standard Terms. If, pursuant to a Transfer, the Clearing House becomes party to a Contract with a Transferee Clearing Member as replacement for any Customer Account Contract of a Defaulter, the Clearing House and (to the extent necessary) the Defaulter shall contemporaneously cause the Transfer of the related Customer-CM Transactions between each affected Customer and the Defaulter, such that Customer-CM Transactions are established between each relevant Customer and the Transferee Clearing Member and such Transferred Customer-CM Transactions between the Defaulter and each relevant Customer are terminated (or otherwise subject to a Transfer) as follows:

- (i) If a Contract recorded in the Defaulter's Customer Account is Transferred, the Transferee Clearing Member shall enter into a Customer-CM Transaction with each affected Customer (to replace the terminated Customer-CM Transaction with the Defaulter) on such terms as are specified in Rule 904(j)(ii). Upon such Transfer, the Transferee Clearing Member shall assume and undertake in favour of the Customer the obligations of (or obligations similar to those of) the Defaulter under the Transferred Contract(s) and the Transferred Customer-CM Transaction(s). Any termination payments due or payable in respect of the termination of the Contracts and related Customer-CM Transactions to which the Defaulter was party and any amounts due or payable in respect of the establishment of the replacement Contracts or Customer-CM Transactions to which the Transferee Clearing Member is party shall be equal (in each case based on the amount determined by the Clearing House for purposes of close out of the Contract in accordance with these Rules, and not taking into account any clearing fees or similar amounts agreed to by the relevant parties or affecting any other amount mentioned in Rule 906) and all obligations to make such termination payments shall be deemed to have been paid, netted and satisfied among the relevant parties beneficially entitled to such payments.
- (ii) If the Transferee Clearing Member and a relevant Customer have previously entered into a Customer-Clearing Member Agreement, any Customer-CM Transactions between the Transferee Clearing Member and Customer Transferred to the Transferee Clearing Member in accordance with this Rule 904 shall be subject to such Customer-Clearing Member Agreement. If the Transferee Clearing Member and Customer have not entered into a Customer-Clearing Member Agreement, the Transferred Customer-CM Transactions shall be deemed subject to an agreement in such form as is specified by the Transferee Clearing Member.
- (iii) Following any Transfer of Contracts and, where applicable, Customer-CM Transactions, pursuant to this Rule 904, the Clearing House may transfer, and if such transfer occurs, will record the transfer, of any available Margin recorded in the corresponding Customer Margin Account of the Defaulter for each affected Customer the Customer-CM Transactions of which are to be Transferred (to the extent that the same has not been subject to netting under Rule 904(j)) to the applicable Customer Margin Account of the Transferee Clearing Member, to be treated in the same way as if such assets had been transferred by the Transferee Clearing Member direct to the Clearing House pursuant to the Clearing Membership Agreement and these Rules. In relation to any such transfer, the Defaulter shall be deemed to agree and consent to any such transfer and shall take any necessary action to facilitate such transfer (and the Clearing House may take any action on the Defaulter's behalf in connection therewith). Notwithstanding the foregoing, the Transferee Clearing Member shall remain obliged to satisfy any Margin requirements resulting from its entry into of, or becoming party to, Contracts for its Customer Account pursuant to this Rule 904 which may be calculated without taking into account any amount that may be transferred by or due from the Defaulter to the Clearing House pursuant to the foregoing requirement but which has not been transferred.

- (k) The Clearing House may recalculate the balance between Margin and Surplus Collateral for the Customer Account of a Defaulter to reflect any increase in the Margin requirement for such Customer Account as a result of the Transfer of fewer than all of the relevant Customer Account Contracts and related Customer Account Positions.
- (l) [Not used.]
- (m) Upon an Event of Default being declared in respect of a Clearing Member, the Clearing House commits to triggering the procedures for the Transfer process set out in this Rule 904 for both Margin and Open Contract Positions recorded in a Customer Account provided that the Clearing House shall not be obliged to effect any Transfer unless: (i) each Customer is not itself also a Defaulter or subject to Insolvency; (ii) the conditions precedent set out in Rule 904(c) are satisfied in respect of each Customer; and (iii) a single Transferee Clearing Member accepts all the Transfers relating to all Customers in writing. A Transferee Clearing Member shall be deemed to have accepted the Transfer if it has previously entered into a contractual relationship with a Customer by which it has committed itself to do so and the same has been notified to the Clearing House pursuant to a Default Portability Preference.
- (n) [Not used.]
- (o) [Not used.]
- (p) [Not used.]
- (q) [Not used.]
- (r) [Not used.]
- (s) [Not used.]
- (t) [Not used.]
- (u) [Not used.]

Rule 905 *Termination and close out of Contracts on a Clearing Member Event of Default*

- (a) The following contracts shall be terminated or closed out in such manner as the Clearing House in its discretion may direct for the purposes of discharging all the rights, obligations and liabilities of the Defaulter:
 - (i) Contracts to which a Defaulter is party, which are not voidable and voided by the Clearing House pursuant to Part 4, and which are required to be terminated or closed out pursuant to Rule 903(b);
 - (ii) contracts arising from hedging transactions made pursuant to Rule 903(c), which shall be treated as if they were "Contracts" for purposes of this Rule 905 and Rule 906.
 - (iii) [Not used.]

To the extent necessary, the Clearing House may take such steps pursuant to such powers as are granted pursuant to the Clearing Membership Agreement.

- (b) Without prejudice to the generality of Rule 905(a), at the Clearing House's discretion, any of the following steps may be taken in respect of contracts to which Rule 905(a) applies:
- (i) The Clearing House may place, with one or more members of an Exchange, Clearing Organisation or over-the-counter marketplace upon which the relevant category of Contract is traded, orders for the purchase, grant, exercise or sale of Contracts. The Clearing House may designate and authorise an individual to be responsible for the placement of such orders or may enter into Contracts with non-defaulting Clearing Members or (providing that the relevant Clearing Member has consented to the order) Customers by way of auction.
 - (ii) For purposes of liquidation of Contracts, hedging market risks of the Defaulter or otherwise, Contracts (or any part thereof) may be terminated or closed out by the Clearing House pursuant to the submission of any Transactions, Invoicing Back or the creation of new Contracts to which the Defaulter is party at the Clearing House's discretion (regardless of whether they are held for different accounts or different beneficial owners), but subject always to, and accounting for the close-out amounts under, Rule 906: (i) Contracts (or any part thereof) to which the Defaulter is party on opposite sides of the market of the same Set; and (ii) Contracts having different expiration dates or exercise dates. For the avoidance of doubt, this Rule 905(b)(ii) does not empower the Clearing House to oblige non-defaulting Clearing Members to become party to any Contracts.
 - (iii) FX Contracts of a Defaulter having different FX Settlement Dates may be combined, terminated and replaced by any transactions, Invoicing Back or the creation of new FX Contracts at the Clearing House's discretion, for purposes of liquidation of Contracts, hedging market risks of the Defaulter or otherwise, if the Defaulter is Reference Currency Buyer under one of the FX Contracts in respect of a particular currency and Reference Currency Seller under the other FX Contract in respect of the same currency.
 - (iv) Any Contracts (including those recorded in the Defaulter's Customer Position Account) which are sale and purchase Contracts in the same Set may be closed out and terminated (in whole or in part), together with any termination payments settled by way of off-set.
 - (v) [Not used.]
 - (vi) Notwithstanding any other provision of this Rule 905, the Clearing House may pair and cancel offsetting long and short positions in the same Set; and where it is necessary or desirable for there to be a price (for example, in the case of a liquidation of offsetting Customer Account and Proprietary Account Contracts, where the close-out values of the offsetting Contracts are required to be taken into account for the calculation of different net sums pursuant to Rule 102(q) and Rule 906), the price for a Contract will be equal to the

Exchange Delivery Settlement Price on the day such cancellation is ordered (or alternatively, such other price shall apply as the Clearing House may establish in accordance with the Procedures and its risk policies).

- (vii) The Clearing House shall be entitled (without the prior or subsequent consent or agreement of the Defaulter or any court order) to sell, transfer, value or create any interest in any Permitted Cover, Margin, Guaranty Fund Contributions or other assets that are credited to the Defaulter's Proprietary Margin Account, its Customer Margin Account or any of its accounts used for Guaranty Fund Contributions or any other asset of the Defaulter that is otherwise in the Clearing House's possession (subject always to Rule 102(q) and Rule 906(c)), subject to an obligation to account for the net proceeds of such actions after having deducted the Clearing House's reasonable and properly incurred expenses and costs in doing so in accordance with Part 1.
- (viii) [Not used.]
- (ix) [Not used.]
- (x) The Clearing House shall be entitled to take such actions, take or make delivery and give such notices on behalf of the Defaulter in respect of a Contract under delivery as it determines; or to make or receive a tender in the Defaulter's name.
- (xi) The Clearing House shall be entitled to determine an amount due from the Defaulter in substitution for delivery obligations.
- (xii) The Clearing House shall be entitled to take any other action with respect to the Event of Default or the Defaulter as it deems to be necessary or prudent.
- (xiii) The Clearing House's powers to convert currency under Rule 107 may be applied.
- (xiv) The Clearing House shall be entitled to Transfer Contracts to which a Defaulter is party to one or more other Transferee Clearing Members at a price agreed between the Clearing House and the Transferee Clearing Member pursuant to this Part 9.
- (xv) Subject to Rule 904(g), the Clearing House shall be entitled to effect the Transfer of the Defaulter's rights, title and interest to Contracts, any related Margin or other assets of the Defaulter and any related Customer-CM Transaction(s) or other transactions between a Customer and a Defaulter to a Transferee Clearing Member, without any further action being required on the part of any Person. This may be done through the Clearing House's exercise of rights pursuant to its power of attorney in the relevant Clearing Membership Agreement with the Defaulter or on the basis of this default rule, as opposed to pursuant to the process and legal entitlements described further in Rule 904.
- (xvi) The Clearing House may take action so as to terminate or replace Customer-CM Transactions or other transactions between a Customer and a

Defaulter which are consequential on it taking actions in relation to Contracts in accordance with Rule 904.

- (xvii) The Clearing House shall be entitled to take any other action with respect to the Defaulter, the Contracts to which the Defaulter is party or any Margin, Guaranty Fund Contribution or Surplus Collateral provided by the Defaulter as the Clearing House at its discretion considers to be necessary or prudent in the circumstances.
- (xviii) The Clearing House may make appropriate entries on the records of the Clearing House and submit appropriate data to Delivery Facilities to give effect to any action taken in accordance with this Part 9.
- (xix) [Not used.]
- (c) [Not used.]
- (d) If, as a result of the rules of an Exchange which limit fluctuations in price or other circumstances, it is not possible to close out or terminate all Contracts to which the Defaulter is party pursuant to Rule 905(b), the Clearing House may close out or terminate such Contracts by taking opposite positions for Contracts in Contracts in the current expiration period and terminating the resultant terminated positions.
- (e) All terminations and closing out of Contracts pursuant to this Rule 905 shall be for the account and cost of the Defaulter.
- (f) Without prejudice to the generality of the indemnities in Rules 111 and 301, but without duplication of any other obligation under these Rules, the Defaulter, acting for its own account as principal, shall indemnify, hold harmless and be liable to the Clearing House in respect of all the losses, unpaid fees, liabilities, damages, injuries, taxes, costs and expenses (including, without limitation, legal, accountancy or other professional services expenses and disbursements, the costs of close-out, termination or Transfer of Contracts or Margin, amounts payable by the Clearing House to Approved Financial Institutions or custodians and any amount payable by the Clearing House to any Person in respect of tax in connection with the Defaulter or its Contracts, Margin, obligations or the Event of Default), in the case of any such item whether relating to the Proprietary Account or Customer Account of the Defaulter, incurred or suffered by any of the Clearing House, any Market or any of their Directors or directors (as the case may be), officers, employees, committees (including any individual committee member) or those of their Affiliates arising out of the Defaulter's conduct (whether such conduct took place prior to or after declaration of the Event of Default) or in connection with the Event of Default. Rule 111(b) shall apply in respect of this Rule 905(f) in the same way as it applies to Rule 111(a).

Rule 906 *Net Sums Payable*

- (a) Following discharge of a Defaulter's rights, obligations and liabilities under Contracts pursuant to this Part 9, the Clearing House shall carry out the following calculation separately in respect of the Proprietary Account and the Customer Account of the Defaulter. Upon termination of all Contracts following an Event of Default, the only

obligation of the Clearing House or Defaulter, except for any obligation which had already fallen due for performance but at the time had not been performed (which obligations would be taken into account in the calculation of the net sum, save to the extent that any party has become subject to an irrevocable Transfer Order under Part 12 and/or Rule 902(d), shall be limited to calculation and payment of the net sum and such other obligations as are expressed to apply in Rule 209 or this Part 9. Following an Event of Default, there shall be no requirement for future payments or deliveries to be made in respect of any terminated Contracts (including in each case no requirement to pay or deliver any related Margin that has not at the time fallen due for payment, except as part of the net sum). The methodology involves aggregating or setting off various amounts (as applicable) so as to produce separate net sums for the Proprietary Account and the Customer Account of the Defaulter (each such net sum, *N*) in each case defined by the formula:

$$N = L - A - D - C - M - GFC - SC - OA + OL$$

where such letters have the meanings set out below in this Rule 906(a):

L = the aggregate amount, expressed as a positive number, of all sums payable by the Defaulter in respect of Contracts recorded in the relevant Account (which are not voidable and voided by the Clearing House pursuant to Part 4) taking into account any of the following actions under Rule 903, 904 or 905:

- (i) any rescission, termination, close-out, or liquidation; and
- (ii) the Transfer of any of the Defaulter's Contracts to a Transferee Clearing Member (not being the Defaulter) or acceptance or entry into by a Clearing Member of any of the Defaulter's Contracts or contracts similar to any of the Defaulter's Contracts,

plus all amounts that were payable but remain unpaid by the Defaulter under the terms of Contracts, plus any costs and expenses of the Clearing House in any way relating to any Contract to which the Defaulter was party, including, without limitation, legal, accountancy or other professional services expenses and disbursements, the costs of close-out, termination or Transfer of Contracts and any amount payable by the Clearing House to any Person in respect of tax in connection with the Defaulter or its Contracts, Margin, obligations or the Event of Default; but excluding, in respect of a Contract where the Defaulter acts as agent (if any), any liabilities attributable to the Defaulter arising out of the relationship of principal and agent; and the Clearing House may assess any one or more elements of such amount *L* in its discretion, provided that any costs, expenses, taxes or other amounts falling within the scope of the indemnity in Rule 905(f) (not being amounts payable in respect of Contracts falling under *L*(i) or (ii) above) shall be allocated to the Proprietary Account regardless of the Contracts or Account to which they relate.

A = the aggregate amount, expressed as a positive number, of all sums payable to the Defaulter in respect of Contracts recorded in the relevant Account (which are not voidable and voided by the Clearing House pursuant to Part 4), taking into account any of the actions referred to under *L*(i) or (ii) above, plus all amounts that were payable but remain unpaid by the Clearing House under the terms of Contracts, excluding, in respect of a Contract where the Defaulter acts as agent (if any), any

rights attributable to the Defaulter arising out of the relationship of principal and agent and further excluding any amount included under *D*, *C*, *M*, *GFC* or *SC*; and the Clearing House may assess any one or more elements of such amount *A* in its discretion.

Note on calculation of the amounts L and A: For the purposes of calculating amounts *L* and *A*, the amount payable by or to the Defaulter in respect of any Contract or Open Contract Position is the difference between:

(x) the price of the Contract or Open Contract Position recorded in the Clearing House's books for the later of: (A) the last date on which a payment in respect of Variation Margin was successfully and fully made by the Clearing Member to or to the account of the Clearing House; or (B) the last date on which a return of amounts following a Variation Margin call was successfully and fully made by the Clearing House to the Clearing Member or to the account of the Clearing Member; and

(y) the price at which the Contract or Open Contract Position was Transferred, terminated or closed out pursuant to Rules 903 to 905.

D = if the Clearing House so determines at its discretion, the aggregate amount of any sums in respect of a Deliverable delivered, physically settled, to be delivered or to be physically settled under a Contract with the Defaulter or in respect of which cash settlement is to be made as calculated by the Clearing House at its discretion relating to the relevant Account (if payable to the Clearing Member being a positive number and hence set off in the calculation under this Rule 906(a) against any amount *L-A* if that amount is also a positive number or if payable to the Clearing House being a negative number and aggregated in the calculation under this Rule 906(a) with any amount *L-A* if that amount is a positive number), in any case excluding any amount included under *C*, *M*, *GFC* or *SC*.

C = if relevant, any sum owed by or to the Clearing House to or from a recognised investment exchange or another approved clearing house or recognised clearing house of which the Defaulter is or was a member, under an indemnity given or reimbursement or similar obligation in respect of a margin set off agreement in which the Defaulter chose to participate (if payable to the Clearing Member being a positive number and set off in the calculation under this Rule 906(a) against any amount *L-A-D* if that amount is also a positive number or if payable to the Clearing House being a negative number and aggregated in the calculation under this Rule 906(a) with any amount *L-A-D* if that amount is a positive number).

M = means the following, expressed as a positive number:

(iii) in relation to a net sum calculation for the Proprietary Account of the Defaulter, the value of any property provided by or on behalf of the Defaulter in respect of its Proprietary Account as Margin under Rule 502(g), Original Margin, buyer's security or seller's security (without any double counting) or in satisfaction of such Margin requirements and recorded in the Proprietary Margin Account of the Defaulter; or

(iv) in relation to a net sum calculation for the Customer Account of the Defaulter, the value of any property provided by or on behalf of the Defaulter as margin under Rule 502(g), Original Margin, buyer's security or seller's security (without any double counting) in respect of such Customer Account or in satisfaction of such Margin requirements and that is recorded in the related Customer Margin Account of the Defaulter, excluding any Margin that would otherwise fall under amount *M* but that is transferred to a Transferee Clearing Member pursuant to this Part 9.

(v) [Not used.]

GFC = the value, expressed as a positive number, of any property provided by or on behalf of the Defaulter as Guaranty Fund Contributions, which may be applied in connection with the net sum for the Customer Account or the Proprietary Account of the Defaulter at the discretion of the Clearing House, provided that the total applied to the Customer Account and Proprietary Account of a Defaulter in accordance with Rules 906(b) and (c) under *GFC* shall not exceed the total Guaranty Fund Contributions of the Defaulter.

SC = the value, expressed as a positive number, of any property provided by or on behalf of the Defaulter in respect of the relevant Account that constitutes Surplus Collateral.

OA = the aggregate of any amounts, expressed as a positive number, not falling under *A*, *D*, *C*, *M*, *GFC* or *SC* standing to the credit of the Defaulter or payable to the Defaulter or any right or claim of the Defaulter against the Clearing House relating to the relevant Account, in any case whether pursuant to these Rules, any Contract or otherwise, including without limitation, any available assets that would be recorded in the Proprietary Account but for Rule 906(c), but excluding in any case, any Surplus Collateral.

OL = the aggregate of any other amounts, expressed as a positive number, not falling under *L* payable by the Defaulter to the Clearing House or any right or claim of the Clearing House against the Defaulter relating to the relevant Account, in any case whether pursuant to these Rules, any Contract or otherwise (including without limitation any fines payable pursuant to Part 10 and any other amounts payable in respect of any breach by the Defaulter of these Rules in either case not falling under *L*), in any case at the discretion of the Clearing House, provided that any amounts falling within the scope of the indemnity in Rule 905(f) but not falling under *L* shall be allocated to the Proprietary Account regardless of the Contracts or Account to which they relate.

All such amounts specified above must be aggregated, set off and applied in the order set out in the calculation above and in such order as is further required, restricted or limited by Rules 102(q), 906(b) and 908 and provided further that any amount is only included in respect of the relevant net sum to the extent allowed pursuant to Rule 906(b).

(b) The Defaulter's Guaranty Fund Contributions may be used for the purpose of calculating any net sum on any Account relating to that Defaulter (provided that any such amounts are not double counted), in accordance with Rule 906(a) and subject to

the restrictions in Rule 906(c), Rule 908, Rule 102(q) and this Rule 906(b) as determined by the Clearing House. The aggregate sums finally payable shall be separately certified under Rule 906(e).

- (c) The Clearing House shall aggregate, set off or apply any Margin, Surplus Collateral or other surplus assets available to it in relation to a Defaulter's Proprietary Account to meet a shortfall on that Defaulter's Customer Account (and, if it does so, shall include any such amounts within the net sum to be calculated in relation to such Customer Account), provided that if any amounts are so aggregated, set off or applied, the amount *A*, *D*, *C*, *M*, *SC* or *OA* (as applicable) and consequently the net sum payable by the Clearing House in relation to the Defaulter's Proprietary Account shall be reduced by the same amount as is so included within the net sum for its Customer Account. In so doing, the Margin, Surplus Collateral or other surplus assets available to the Clearing House in relation to a Defaulter's Customer Account may only be aggregated, set off or applied to such Defaulter's Customer Account if:
- (i) following calculation of what would otherwise be the net sum on the Proprietary Account, the Clearing House has aggregated, set off or applied any Margin, Surplus Collateral or other surplus assets available to it in relation to a Defaulter's Proprietary Account and not included such amount in the calculation of the net sum for the Proprietary Account under this Rule 906(c) (such Margin, Surplus Collateral or other surplus assets so aggregated, set off or applied to the Customer Account and not included in the net sum calculation for the Proprietary Account, being any money and assets deposited with or paid to the Clearing House for or in relation to Proprietary Account Contracts for the purposes of Regulation 24(1)(b)(i)(A) of the SF(CF)R and any money and assets, not being any money or assets of the Customer of the Defaulter, deposited by the Defaulter with the Clearing House as collateral or guarantee for the purpose of satisfying all obligations of the Defaulter to the Clearing House including Guaranty Fund Contributions) referred to in Regulation 24(1)(b)(i)(B) of the SF(CF)R;
 - (ii) the Clearing House has reasonable grounds for forming an opinion that applying such assets to such Defaulter's Customer Account would not jeopardise the financial integrity of the Clearing House; and
 - (iii) all other provisions applicable to the Defaulter's Customer Account, as set out in this Part 9, are complied with.

The Clearing House may not aggregate, set off or apply any Margin, Surplus Collateral or other surplus available to it in relation to the Defaulter's Customer Account to meet a shortfall on the Defaulter's Proprietary Account.

- (d) Where *N* is a positive number, the net sum equal to *N* shall be payable by the Defaulter to the Clearing House. Where *N* is a negative number, the net sum equal to the absolute value of *N* shall be payable by the Clearing House to the Defaulter, or, otherwise at the Clearing House's election and discretion in respect of a Customer Account, directly to a Customer, if the Clearing House is aware of the identity of the Customer or indirect client in question, and in all cases where the Clearing House is aware of an appropriate account to receive transfer of such net sum.

If the Clearing House makes payment in respect of amounts which would have otherwise been included any net sum to or to the account of a Person other than the Defaulter in accordance with these Rules, the Defaulter's claim against the Clearing House shall be accordingly reduced by the amount paid to such Person and the amount of any net sum N payable to the Defaulter shall be accordingly reduced. If the Clearing House makes payment in respect of amounts, whether pursuant to a net sum or otherwise, to any Person in accordance with these Rules, and such amounts are required to be held by such Person on trust or otherwise segregated for a Customer pursuant to Regulations 16 and 26 of the SF(LCB)R or other Applicable Law, any claim by such Customer against the Clearing House and any trust property held by the Clearing House for such Customer pursuant to Regulation 23(3) of the SF(CF)R shall be accordingly reduced by the amount paid to such Person. Where N is equal to zero, no amount shall be payable as between the Clearing House and the Defaulter pursuant to this Rule 906. Where there is more than one separately certified amount N certified under Rule 906(e) as a result of Rule 906(b), each amount so certified shall be treated as a separate obligation which cannot be netted off against another certified amount N in respect of a different account of the Defaulter.

- (e) Each amount N shall be certified by the Clearing House promptly upon its determination. Such determination may be delayed or withheld until such time as all relevant sums and components have been evaluated, all Transfers have been completed and the value or sale proceeds of any non-cash Margin, Surplus Collateral, Guaranty Fund Contributions or other assets are determined, received or available. A certificate of the Clearing House made pursuant to this Rule 906(e) shall be conclusive as to the amount required to be paid by or to any Defaulter or other Person in discharge of rights and liabilities in respect of the Contracts, property and Account to which such certificate relates.
- (f) [Not used.]
- (g) [Not used.]
- (h) [Not used.]

Rule 907 *Administrative matters concerning an Event of Default*

- (a) The Clearing House may co-operate, by the sharing of information and otherwise, with any Governmental Authority, Clearing Organisation, Exchange or Insolvency Practitioner having responsibility for any matter arising out of, or connected with, an Event of Default or the default of a recognised investment exchange or another approved clearing house or recognised clearing house.
- (b) The Clearing House will report to the Defaulter or any relevant Insolvency Practitioner, on steps taken pursuant to this Part 9.
- (c) For the avoidance doubt, nothing in these Rules shall oblige the Clearing House to take any step to recover any asset or amount in the possession of a Defaulter or one of its Customers in connection with an Event of Default.
- (d) Without prejudice to the Clearing House relying on any other information provided to it by a Clearing Member or any other Person, the Clearing House shall be entitled to

rely on the most recent information provided to it in relation to Default Portability Preferences and Non-Transfer Positions and Margin provided to the Clearing House by a Defaulter prior to declaration of an Event of Default, notwithstanding any notice or purported notice to the contrary from a Defaulter, its Insolvency Practitioner or any other Person received by the Clearing House after declaration of an Event of Default. The Clearing House shall have no obligation to enquire of any Customer or other Person as to any Default Portability Preference or Non-Transfer Positions. The rights of the Clearing House to deal with Margin and other Permitted Cover under the default rules shall not be restricted as a consequence of a Defaulter having either entered into any indebtedness with a Customer or having provided different forms of collateral to the Clearing House from that which it had received from its Customer, in either case in order to facilitate the provision of Permitted Cover to the Clearing House.

- (e) A Defaulter shall immediately disclose the names, addresses and contact details of each of its Customers or any Customer upon receiving notice to do so from the Clearing House.
- (f) Rule 202(a)(xii) shall apply in respect of the Defaulter for the benefit of the Clearing House and any Transferee Clearing Member in respect of each Transfer of Contracts (and any related Customer-CM Transactions) and any related transfer of Margin or other assets taking place pursuant to this Part 9.
- (g) The Clearing House (including any Insolvency Practitioner with powers over the Clearing House or other Representative) and all Clearing Members and Customers and their Representatives (including any Insolvency Practitioner with powers over any Clearing Member, Customer or other Representative) shall, to the extent permitted by Applicable Laws:
 - (i) refrain from taking any action or seeking any order of any Governmental Authority that would result in or facilitate any asset or liability being applied contrary to the requirements of this Part 9; and
 - (ii) take all reasonable steps possible including, without limitation, the application for and procurement of such orders from such Governmental Authorities as are necessary, to ensure that assets of the Clearing House are applied only pursuant to this Part 9.
- (h) Notwithstanding any other provision of these Rules or the Finance Procedures concerning the use of Nominated Bank Accounts or Approved Financial Institutions, any amount payable to or from the Clearing House following the declaration of a net sum in accordance with this Part 9 may be paid to or from an account other than a Nominated Bank Account and/or to or from an account other than with an Approved Financial Institution that has previously been designated as such by the Clearing House, provided that:
 - (i) the account is an account of the Defaulter or an account operated by an Insolvency Practitioner on behalf of the Defaulter;
 - (ii) in the case of payments to the Defaulter, details of the account to be used and such other information relating to the account as is reasonably requested by

the Clearing House are provided in writing to the Clearing House by the Defaulter or its Insolvency Practitioner; and

- (iii) the bank of the account to which such payment is made shall be treated as if it were an Approved Financial Institution for purposes of any payments referred to in this Rule 907(h) and Part 12 without the need for any further action on the part of the Clearing House.
- (i) [Not used.]
- (j) Without prejudice to the status of any other provision of the Rules that is potentially applicable following an Event of Default as a default rule for purposes of the SFA:
 - (i) [Not used.]
 - (ii) Part 12 contains additional default rules; and
 - (iii) where any defined term is used in a default rule or any general interpretative provision of these Rules is relevant to the interpretation of a default rule, the definition of that term or that interpretative provision is itself also a default rule.
- (k) [Not used.]
- (l) [Not used.]
- (m) The Clearing House may, if so requested by a Clearing Member, Transfer any Contracts recorded in the Customer Account of that Clearing Member to the Proprietary Account of the same Clearing Member, in order to facilitate the management by the Clearing Member of a Customer default or a breach by a Customer of a Customer-Clearing Member Agreement. This Rule 907(m) applies equally in the absence of declaration of any Event of Default by the Clearing House.

Rule 908 *Application of Assets upon an Event of Default*

- (a) Notwithstanding any other provision of these Rules:
 - (i) [Not used.]
 - (ii) [Not used.]
 - (iii) any Guaranty Fund Contributions (including additional Guaranty Fund Contributions) invoiced to or transferred by Clearing Members that are not Defaulters or accrued in each case after the declaration of an Event of Default but prior to the completion of the relevant default proceedings for the Event of Default shall not be applied to meet any obligations or liabilities of the Defaulter or any shortfall, loss or liability to the Clearing House arising in connection with that prior Event of Default; and
 - (iv) [Not used.]

- (v) without limitation to the generality of Rule 102(q), this Rule 908 is subject to Rule 102(q).
 - (vi) [Not used.]
 - (vii) [Not used.]
 - (viii) [Not used.]
 - (ix) [Not used.]
- (b) The Clearing House shall be entitled to meet the obligations and liabilities of the Defaulter and any shortfall, loss or liability to the Clearing House upon or following any Event of Default of that Defaulter (including in connection with any net sum calculated under Rule 906), by applying the following assets in the order of recourse set out below:
- (i) first, any amounts falling under *N* in Rule 906(a) in the order and in respect of the Accounts specified in Rule 906(a) subject to the restriction set out in Rule 906(c) (provided that the Clearing House shall not be required to assert or pursue any such claim or bring any such action as a precondition to applying assets referred to in Rule 908(b)(ii) to (v) but shall be required to account for any subsequent proceeds not included in the amount determined, less the costs of realising any such claim or action or obtaining such amount or asset);
 - (ii) second, the Clearing House Initial Contribution;
 - (iii) third:
 - (A) Guaranty Fund Contributions of Clearing Members other than the Defaulter in question (including, where relevant, any surplus Guaranty Fund Contributions of other Defaulters, if two or more Default proceedings take place concurrently and any such surplus is available); and
 - (B) the Clearing House GF Contribution,

on a basis *pro rata* (subject to Rule 908(i)) to the sum of the total of all Guaranty Fund Contributions (excluding Guaranty Fund Contributions of the Defaulter and Guaranty Fund Contributions of other Defaulters that have been or are to be applied in connection with separate Default proceedings) and the Clearing House GF Contribution at the time of the Event of Default;
 - (iv) fourth, any claims under default insurance policies (including the proceeds of any claim) of which the Clearing House is the beneficiary that are available to the Clearing House as a result of the Event of Default; and
 - (v) fifth, Assessment Contributions received by the Clearing House pursuant to Rule 909.
- (c) [Not used.]

- (d) [Not used.]
- (e) [Not used.]
- (f) [Not used.]
- (g) [Not used.]
- (h) The requirements of this Rule 908 shall apply and be binding upon the Clearing House and all Clearing Members including upon the event of any Insolvency affecting the Clearing House or any Clearing Member. The Clearing House (including any Insolvency Practitioner with powers over the Clearing House or other Representative) and all Clearing Members (including any Insolvency Practitioner with powers over any Clearing Member or their Representatives) shall, to the extent permitted by Applicable Laws:
 - (i) refrain from taking any action or seeking any order of any Governmental Authority that would result in or facilitate any asset or liability being applied contrary to the requirements of this Part 9; and
 - (ii) take all reasonable steps possible including, without limitation, the application for and procurement of such orders from such Governmental Authorities as are necessary, to ensure that assets of the Clearing House are applied only pursuant to this Part 9.
- (i) Notwithstanding Rule 908(b)(iii) and Rule 909, if an auction is held following an Event of Default, the Guaranty Fund Contributions of particular non-defaulting Clearing Members (or other funds transferred to the Clearing House by other auction participants) may be applied in different orders or sequences, and Assessment Contributions may be called in different orders or sequences, rather than being applied or called *pro rata* for all Clearing Members, with reference to the bids made or other behaviours in the default auction, in accordance with the applicable provisions of the Default Auction Procedures.

Rule 909 *Powers of Assessment*

- (a) Powers of assessment under this Rule 909 may be exercised by the Clearing House following an Event of Default occurring in respect of an Clearing Member and the liabilities of a Defaulter that is or was an Clearing Member not having been met pursuant to Rule 908(b)(i) to (iv). Immediately upon the Clearing House certifying the Assessment Amount in a Circular, all Clearing Members (other than Defaulters) shall indemnify the Clearing House and become liable to pay Assessment Contributions to the Clearing House in accordance with Rule 909(b).
- (b) The Assessment Contribution payable by each Clearing Member shall be the amount:

$$AA \ x \quad \frac{GF(CM)}{GF(all)}$$

where:

AA is the Assessment Amount certified by the Clearing House in a Circular as the total shortfall following an Event of Default occurring after funds referred to in Rule 909(a) have been applied, provided that the total Assessment Amount shall be no greater than the amount equal to twice the total required Guaranty Fund Contributions of all Clearing Members immediately prior to the relevant Event of Default (less Guaranty Fund Contributions of Defaulters);

GF(CM) is the required Guaranty Fund Contribution of the relevant Clearing Member immediately preceding the relevant Event of Default; and

GF(all) is the total required Guaranty Fund Contributions of all Clearing Members immediately preceding the relevant Event of Default (less Guaranty Fund Contributions of Defaulters).

- (c) A Person that is or was an Clearing Member and that has served a termination notice shall be subject to obligations to pay Assessment Contributions only in respect of:
 - (i) Events of Default declared in relation to Clearing Members that are Clearing Members occurring prior to the Termination Notice Time; and
 - (ii) any Events of Default declared in relation to Clearing Members that are Clearing Members occurring after the Termination Notice Time but prior to the Termination Close-Out Time,

provided that Assessment Contributions made by a Person terminating its membership of the Clearing House pursuant to Rule 909(h) shall be included for the purpose of calculating such a cap.

- (d) If the Assessment Amount is not met by Assessment Contribution receipts from Clearing Members due to non-payment by a Clearing Member or Clearing Members, Default of an Clearing Member or Clearing Members or otherwise, the Clearing House shall at its discretion determine what, if any, further action to take. Unless, or unless to the extent that, the Clearing House directs otherwise in a Circular, any shortfall shall be re-assessed against all Clearing Members (other than Defaulters and Persons that have defaulted in making an Assessment Contribution) in accordance with Rule 909(a), as if the shortfall were the Assessment Amount, provided that no Clearing Member shall be liable to pay Assessment Contributions in respect of a single Default for an amount greater than twice its Guaranty Fund Contribution immediately prior to the relevant Default. Subject to Rule 909(c), further Assessment Contributions may be levied and repeated in this manner at the discretion of the Clearing House until the entire Assessment Amount has been met in full by Assessment Contributions.
- (e) All Assessment Contributions shall become due and payable at such time as the Clearing House notifies to Clearing Members (which may be by Circular) and may be collected by the Clearing House pursuant to Rule 209(a).
- (f) If, after any Assessment Contribution has been paid in relation to an Event of Default, the Clearing House collects amounts in respect of a defaulted obligation or unpaid Assessment Contribution in whole or in part from the Defaulter in question or a Person liable to pay an unpaid Assessment Contribution, the Clearing House shall

refund the amount so collected (less any expenses of the Clearing House, including without limitation any legal fees and expenses incurred in connection therewith) to other Clearing Members (excluding any Defaulter) *pro rata* in respect of paid Assessment Contributions relating to the Event of Default in question, subject to the Clearing House first retaining or repaying amounts up to the amount of any assets of the Clearing House or other third parties applied to meet any liability following exhaustion of the assets specified in Rule 908 or in substitution of any such assets.

- (g) Amounts transferred to the Clearing House by Clearing Members in respect of Guaranty Fund Contributions, including without limitation amounts transferred to restore a deficiency in any Guaranty Fund following an Event of Default, do not constitute Assessment Contributions. Neither the exercise of powers of assessment by the Clearing House nor the payment of Assessment Contributions shall reduce or otherwise affect the liability of a Clearing Member to make Guaranty Fund Contributions pursuant to Rule 1101 *et seq.* or to replenish any Guaranty Fund Contribution pursuant to Rule 1102(i). Assessment Contributions do not constitute Guaranty Fund Contributions.
- (h) Upon an Event of Default or Events of Default being declared and either Assessment Contributions becoming due or there being a Sequential Guaranty Fund Depletion, a Clearing Member liable either to pay an Assessment Contribution or to have its Guaranty Fund Contribution applied (as applicable) shall be entitled to terminate its membership of the Clearing House in accordance with and subject to the provisions of this Rule 909(h). Subject as set out in Rule 209(e), a Clearing Member that terminates its membership in such circumstances shall have no further obligation to replenish the Guaranty Fund pursuant to Rule 1102(i) as from the Termination Notice Time. Such a Clearing Member shall nonetheless remain liable for further application of its Guaranty Fund and further Assessment Contribution payments pursuant to Rule 909(c)(i) and (d), in either case in connection with any Event of Default declared by the Clearing House prior to the Termination Notice Time. For the avoidance of doubt, Rule 912, Rule 209(e) and Rule 209(f), shall apply in relation to any such termination. To be valid, a termination notice under this Rule 909(h) must be delivered to the Clearing House: (i) between the first date on which a call for Assessment Contributions was made in respect of the relevant Event of Default and the date falling 10 days after such date; or, as applicable (ii) between the first date on which the Clearing House gave notice that Guaranty Fund Contributions have been applied in circumstances which constitute a Sequential Guaranty Fund Depletion and the date falling 10 days after such date.

Rule 910 [Not used.]

Rule 911 [Not used.]

Rule 912 *Default procedure for certain termination events*

- (a) In the event of any termination pursuant to Rule 209(c)(ii) or (iii) or Rule 909(h), the rights and liabilities of each Clearing Member under all Contracts will be deemed to be terminated without need for any further step on the part of any party and discharged for the purposes of Rule 906 and a net sum or net sums payable by or to the Clearing Member to or from the Clearing House shall be determined as if each Clearing Member were a Defaulter, in accordance with Rule 906 *mutatis mutandis*

and without need for the prior occurrence or declaration of an Event of Default in relation to such Clearing Member.

- (b) In circumstances in which this Rule 912 applies:
- (i) Rule 909 shall only apply where necessary to meet a shortfall resulting from an Event of Default or Events of Default actually declared by the Clearing House pursuant to Rule 901 (rather than any Event of Default effectively deemed to occur pursuant to this Rule 912);
 - (ii) Rules 901, 902, 903, 904 and 905 shall apply only to Clearing Members that are actually declared subject to an Event of Default (rather than effectively deemed subject to an Event of Default pursuant to this Rule 912); and
 - (iii) [Not used.]
 - (iv) [Not used.]
 - (v) otherwise, this Part 9 shall apply *mutatis mutandis* in relation to terminated Contracts and rights, obligations and liabilities relating thereto.
- (c) If the Clearing House becomes aware of a Clearing House Event occurring, the Clearing House will promptly issue a Circular specifying that the same has occurred.

Rule 913 [Not used.]

Rule 914 [Not used.]

Rule 915 [Not used.]

Rule 916 [Not used.]

Rule 917 [Not used.]

Rule 918 [Not used.]

Rule 919 **Non-Default Losses and Investment Losses**

- (a) This Rule 919 shall only apply if:
- (i) there has been a Non-Default Loss or Investment Loss; and
 - (ii) there has been no Clearing House Event.
- (b) Any Non-Default Loss will first be met by the Clearing House applying any Loss Assets that were available at the time of the event giving rise to the Non-Default Loss and after that, only by applying any other available capital or assets of the Clearing House. The first portion of any Investment Loss will also be met by the Clearing House first applying any Loss Assets that were available at the time of the event giving rise to the Investment Loss prior to taking any action under Rule 919(c).
- (c) Upon the Clearing House certifying an Investment Loss Amount in a Circular of an amount greater than the Loss Assets that were available at the time of the event giving

rise to the Investment Loss, all Clearing Members shall indemnify the Clearing House and become liable to pay Collateral Offset Obligations to the Clearing House in accordance with the formula set out in Rule 919(d). Any Circular under this Rule 919(c) shall specify:

- (i) the nature and extent of the Investment Loss;
 - (ii) the date on which Collateral Offset Obligations will become due; and
 - (iii) such other matters the Clearing House considers to be relevant.
- (d) The Collateral Offset Obligation payable by each Clearing Member shall be the amount:

$$(ILA - LA) \quad x \quad \frac{GF\&M(CM)}{GF\&M(all)}$$

subject to the caps in Rules 919(d)-(e), where:

ILA is the Investment Loss Amount certified by the Clearing House in a Circular;

LA is the total amount of available Loss Assets at the time of the event giving rise to the Investment Loss and have been or are to be attributed to meet the Investment Loss Amount;

GF&M(CM) is the total of all Original Margin, Guaranty Fund Contributions and Permitted Cover across all Accounts of the relevant Clearing Member at the time of the event giving rise to the Investment Loss (provided that for a Defaulter, *GF&M(CM)* shall only equal the amount of such Original Margin, Guaranty Fund Contribution and Permitted Cover that is not otherwise used to offset amounts representing losses in the net sum calculation as a result of the Default); and

GF&M(all) is the total of all Original Margin, Guaranty Fund Contributions and Permitted Cover across all Accounts of all Clearing Members at the time of the event giving rise to the Investment Loss (less Original Margin, Guaranty Fund Contributions and Permitted Cover in respect thereof provided by any Defaulter that is used to offset amounts representing losses in the net sum calculation pursuant to these Rules as a result of the Default and excluding the Clearing House Contributions and Loss Assets).

- (e) The Collateral Offset Obligation of any Clearing Member shall at no time exceed the total of the Original Margin, Guaranty Fund Contributions and Permitted Cover in respect thereof that it has deposited with or transferred to the Clearing House at the time of the event giving rise to the Investment Loss across all its Accounts.
- (f) All Collateral Offset Obligations shall arise on the date specified in the Circular under Rule 919(c). Any Collateral Offset Obligations falling due may, at the election of the Clearing House, be offset against the obligation of the Clearing House to return or pay any Original Margin, Guaranty Fund Contributions or other Permitted Cover to a Clearing Member and will be collected pursuant to a call for additional cash Margin or cash Guaranty Fund Contributions from a Proprietary Account of the Clearing Member in accordance with Rule 302 and the Finance Procedures. In the case of a

Defaulter, Collateral Offset Obligations may, at the election of the Clearing House, be included in any net sum calculation or offset against any obligation to return or pay outside of the net sum calculation any Original Margin, Guaranty Fund Contributions or other Permitted Cover that has not been included in the net sum calculation pursuant to these Rules as a result of the Default. Collection from a Proprietary Account is not intended to prevent the Clearing Member from passing on the cost of a Collateral Offset Obligation to any of its Customers under the relevant Customer-Clearing Member Agreement or Standard Terms, to the extent that the Collateral Offset Obligation relates to Margin on a Customer Account or is otherwise attributable to a Customer and to the extent permitted by Applicable Laws.

- (g) The Clearing House shall apply Collateral Offset Obligations solely to meet Investment Losses referred to in a Circular under Rule 919(c).
- (h) If, after any Collateral Offset Obligations have fallen due, the Clearing House collects amounts from an issuer, counterparty or otherwise so as to reduce an Investment Loss, in either case in cleared funds, the Clearing House shall be obliged to pay the amount or value of Permitted Cover so collected (less any expenses of the Clearing House, including without limitation any expenses incurred in connection with recovery) to the Clearing Members that provided such Collateral Offset Obligations pro rata in respect of satisfied Collateral Offset Obligations relating to the event in question, subject to the Clearing House first retaining or repaying amounts up to the amount of any assets of the Clearing House (not being Loss Assets) or other Persons applied to meet the Investment Loss following exhaustion of the assets specified in this Rule 919 or in substitution of any such assets.
- (i) No Collateral Offset Obligation shall reduce or otherwise affect the liability of a Clearing Member to make Guaranty Fund Contributions pursuant to Rule 1101 et seq., to replenish any Guaranty Fund Contribution pursuant to Rule 1102(i) or to pay Assessment Contributions. Notwithstanding any Collateral Offset Obligations, Clearing Members shall remain liable to pay, and shall continue to make timely payment of, all amounts falling due to, and shall remain liable to deliver, and shall continue to make timely delivery of, all property falling due for delivery to, the Clearing House in accordance with the Rules and Procedures, including obligations to pay Original Margin, Guaranty Fund Contributions and Assessment Contributions and the Clearing House will remain liable to pay or release Margin to Clearing Members in the usual way, subject to netting under Part 3 and the Finance Procedures to take into account the effect of any Collateral Offset Obligation. All such payments shall be made without regard to whether any payment which would have fallen due (were it not for the Collateral Offset Obligations) and without any offsetting or withholding of amounts under any other right of or to netting, set-off, lien, recouping, property, combination of accounts or other basis.
- (j) If the Clearing House determines that it has provided for Collateral Offset Obligations in excess of that required or actually applied against an Investment Loss (less Loss Assets applied) or makes a recovery that is due to Clearing Members under Rule 911(h), it shall credit any excess or recovered amounts due to the Clearing Member's Proprietary Account. Credit to a Proprietary Account is not intended to prevent the Clearing Member from passing on the credit related to a Collateral Offset Obligation to any of its Customers under the relevant Customer-Clearing Member Agreement and Standard Terms, to the extent that the Collateral Offset Obligation relates to

Margin or Permitted Cover on a Customer Account or is otherwise attributable to a Customer. If a Proprietary Account becomes over-collateralised as a result of any such credit, any resulting Surplus Collateral will be available for withdrawal under Part 3 and the Finance Procedures in the normal way. No amount credited to any Account shall be affected by any Non-Default Loss, Investment Loss or a Collateral Offset Obligation being satisfied, save as provided for in Rule 919(h).

- (k) Liabilities of Clearing Members in respect of Collateral Offset Obligations under this Rule 919 shall apply independently from any powers of assessment under Rules 909 to 911 and give rise to a separate and additional payment obligation for Clearing Members.
- (l) Any right being exercised or circumstances occurring that are governed by this Rule 919 shall not constitute any kind of Clearing House Event. Neither a Non-Default Loss nor an Investment Loss shall constitute a Clearing House Event.
- (m) Payments of Collateral Offset Obligations may be made pursuant to Part 3 of the Rules and the Finance Procedures. This Rule 919 is without prejudice to the Clearing House's rights to set off or net any sum owed by a Clearing Member to the Clearing House against any sum payable by the Clearing House to a Clearing Member or to any other powers of the Clearing House under Parts 3, 9 or 11 or the Procedures, but the Clearing House may not take any action under those provisions to the extent inconsistent with the provisions of this Rule 919.
- (n) Nothing in this Rule 919 shall require the Clearing House to pursue any litigation, claim or other action against a Clearing Member, Defaulter, Custodian or any other Person in respect of any amount, obligation or asset which is owed or due but unpaid or unsatisfied by such Clearing Member, Defaulter, Custodian or other Person.
- (o) In carrying out any calculations or making any determinations pursuant to this Rule 919, the Clearing House may convert any amounts denominated in one currency into another currency chosen by the Clearing House in its discretion and at a rate of exchange chosen by the Clearing House in its discretion, provided the Clearing House shall act in a commercially reasonable manner when choosing a currency or a rate of exchange for the aforesaid purposes.
- (p) The Clearing House will notify Clearing Members from time to time, by Circular of the total amount of Loss Assets, which will be set at a level of USD 1 million as at the date of introduction of this Rule.
- (q) The total amount of Loss Assets applied in connection with any Investment Loss shall be notified to Clearing Members in a Circular prior to or promptly after the same being applied or replenished. The Clearing House may also replenish any regulatory capital, using its or its Affiliates' resources or otherwise, as is required to bring it in compliance with Applicable Laws at any time including following an Investment Loss or Non-Default Loss. However, no such recapitalisation shall result in any obligation of any Clearing Member to pay Collateral Offset Obligations being reduced nor the size of any Investment Loss being reduced. The Clearing House may replenish Loss Assets through re-applying retained earnings, where these are available. To the extent that the Clearing House replenishes Loss Assets or its capital in such or other circumstances, its liability for any further Non-Default Losses or Investment Losses

shall not exceed the amount specified in Rule 919(p) or such other amount as is notified by Circular.

- (r) Without limiting Rule 111 or Rule 502, but subject to any contrary requirements of Applicable Laws and this Rule 919, the Clearing House shall not be liable to any Clearing Member, Customer or other Person for any losses, liabilities, damages, costs, claims, shortfalls or expenses arising out of or relating to any failure, in whole or in part, of any payment or securities services provider, including without limitation any Custodian, Approved Financial Institution, central securities depository or central bank.

Part 10 Disciplinary Proceedings

Rule 1001 *Complaints*

- (a) The Clearing House shall consider all complaints made to it in writing by a Clearing Member and may consider any complaints made to it by any other person. If the Clearing House, in its discretion, considers it appropriate or if it is otherwise compelled to do so under any Applicable Law, the Clearing House may refer the matter or make a report on the matter to a Market, Regulatory Authority or Governmental Authority.
- (b) In the case of a complaint which alleges a breach of these Rules, the Clearing House may authorise an investigation or commence disciplinary proceedings under this Part 10 or take no further action if it considers it disproportionate or otherwise, in its discretion.
- (c) The Clearing House shall inform the complainant in writing of any steps taken as a result of the complaint and of the result thereof.
- (d) In the event of a complaint against the Clearing House or any of its Directors, officers, employees or committees (including any individual committee member) (or agents in their capacity as such), such complaint shall be investigated in accordance with the Complaint Resolution Procedures and shall not otherwise be subject to this Part 10.

Rule 1002 *Investigations*

- (a) Investigations into breaches or alleged breaches of the Rules may be authorised and conducted by the Clearing House.
- (b) Upon determining that a complaint, matter or concern requires investigation, the Clearing House shall issue a Notice of Investigation ("**NoI**") notifying the Clearing Member concerned that an investigation has been commenced. The NoI shall be sent to the Clearing Member or the person concerned and shall contain a brief description of the matter under investigation.
- (c) In the course of conducting an investigation, the Clearing House may call for the assistance of such professional, legal or accounting advisers, Clearing Organisations, Exchanges, Regulatory Authorities and advisers or other Persons as it thinks fit. Any external adviser appointed by the Clearing House shall be required to treat all information obtained in the course of the investigation as confidential and to disclose it only to the Clearing House, save where compelled to disclose such documents to a third party under any Applicable Law.
- (d) Clearing Members shall co-operate fully with all investigations (whether or not such Clearing Member or person is the direct subject of such investigation). Without limitation, each Clearing Member shall:
 - (i) promptly furnish to the Clearing House such information and documentary and other material (including any information in electronic form) as may reasonably be requested (including without limitation in the case of Clearing Members, details of the Clearing Member's Customers' accounts);

- (ii) permit those persons appointed to carry out or assist in carrying out the investigation on reasonable notice, such notice being commensurate with the seriousness of the potential or alleged breach of the Rules and to enter any premises in any part of the world where the Clearing Member carries on its business or maintains its records during normal business hours for the purpose of carrying out such investigation. Each Clearing Member hereby irrevocably grants the Clearing House a licence for this purpose and shall procure a licence to the Clearing House from any Affiliated Person, agent or third party under its control that is necessary for this purpose;
 - (iii) exercise best endeavours to make available for interview such of the Clearing Member's Representatives as may reasonably be requested and use its best endeavours to ensure that such persons answer truthfully and fully any question put to him or them by or on behalf of the Clearing House. A Clearing Member who fails to procure any of its Representatives to attend an interview or hearing with the Clearing House and who fails in the reasonable opinion of the Clearing House to demonstrate good cause for such failure may be fined SGD 2500 per day of non-attendance, such fine representing a genuine pre-estimate of the likely cost to the Clearing Houses attributable to such non-attendance, and the Clearing Member may be suspended until the Clearing Member takes reasonable steps to make its Representatives available on an alternative date;
 - (iv) make available for inspection such documents, records or other material in its possession, power or control as may reasonably be required and, upon request, provide copies of the same; and
 - (v) use its best endeavours to ensure that so far as possible its Representatives give similar co-operation.
- (e) Failure to co-operate with an investigation by the Clearing House, failure to provide information requested on a timely basis and concealment or destruction of evidence are each, for the avoidance of doubt, a breach of these Rules.
- (f) The Clearing House, having conducted an investigation into an alleged breach of the Rules, shall send to the relevant Clearing Member a letter of mindedness ("**Letter of Mindedness**") setting out its preliminary factual conclusions and its intended course of action in relation to the alleged breach.
- (g) Following its issuing of the Letter of Mindedness, the Clearing House shall invite the Clearing Member to either attend an initial meeting ("**IM**") or alternatively send the Clearing House written comments. The purpose of the IM or the written comments shall be to afford the Clearing Member an opportunity to correct any factual error it considers to be contained in the Letter of Mindedness. The IM is not intended to be a hearing. The proceedings of the IM will take place on a confidential basis, subject, in the case of the Clearing House, to Rule 106. The Clearing House and Clearing Member shall each be entitled to nominate up to four attendees, who may include lawyers or legal advisers.

- (h) Following the IM or the receipt of written comments from the Clearing Member (if received within a reasonable time) the Clearing House shall finalise its initial findings and communicate these in writing to the Clearing Member.
- (i) Without prejudice to any other powers, the possible powers of the Clearing House following the completion of its investigation and the communication of its initial findings to the Clearing Member include:
 - (i) to decide that no further action should be taken and notify any Clearing Member or other Person concerned in writing accordingly;
 - (ii) in the event of a minor breach, to issue a written warning (which shall be private save as provided for in Rule 1002(i)(vii) below) to the Clearing Member concerned (or, in the case of such a breach by some other Person, that Person with a copy to any Clearing Member with whom he was associated at the time of such breach);
 - (iii) to order that the Clearing Member concerned pay a fine which the Clearing House in its discretion regards as commensurate with a breach of the Rules, the amount of such fine to be appellable to the Appeals Panel directly without reference first to a Disciplinary Panel;
 - (iv) to commence disciplinary proceedings under Rule 1003 *et seq.*;
 - (v) to refer the matter for further enquiry by the Clearing House, a Market or a Governmental Authority where the Clearing House considers it necessary to investigate further;
 - (vi) to report the findings of the investigation and hand over any documents or communicate any information it has acquired whether during the course of its investigation or otherwise, to other Clearing Organisations, Exchanges, Regulatory Authorities or Governmental Authorities; or
 - (vii) to publish such findings as it has made following the IM and in such detail as the Clearing House deems appropriate where the matter under investigation is considered of relevance to the market in general or in the public interest, save that the Clearing Member shall be afforded an opportunity to comment on the text of such an announcement during a period of no less than 48 hours prior to publication, such period commencing on a Business Day,

provided that the Clearing House may, in an appropriate case, take more than one of the above actions in relation to any one Clearing Member and/or different actions in relation to different Clearing Members concerned in the same investigation or on similar facts.

Rule 1003 *Disciplinary Proceedings*

- (a) Disciplinary proceedings may be commenced by the Clearing House only when the Clearing House is satisfied (whether or not a formal investigation has taken place under this Part 10) that there is *prima facie* evidence of a breach of the Rules by a Clearing Member.
- (b) Upon determining that disciplinary proceedings should be commenced, the Clearing House must establish a Disciplinary Panel. Each Disciplinary Panel shall consist of a chairman sitting with two other persons. Such persons, including the Chairman, that are appointed to the Disciplinary Panel may be drawn from market practitioners, experts, lawyers or other suitable persons at the discretion of the Clearing House. Neither employees nor directors of the Clearing House or Clearing Member subject to disciplinary proceedings nor any of their Affiliated Persons, Representatives or Customers shall be appointed to a Disciplinary Panel. Expert assessors may be appointed, at the discretion of the Disciplinary Panel itself, to sit with and advise the Disciplinary Panel but not to vote. No person shall serve on or sit with a Disciplinary Panel if he has a personal or financial interest in or has been involved in any investigation into or previous disciplinary panel hearing on the matter under consideration.
- (c) The Clearing Member alleged to have committed the breach may object to any particular appointment to the Disciplinary Panel, which objection will be determined in the first instance by the chairman of the Disciplinary Panel and, in the event that the objection is in relation to the chairman of the Disciplinary Panel, the Chairman of the Clearing House.
- (d) In the event of any member of the Disciplinary Panel having or acquiring a personal or financial interest in the outcome or in any other way being or becoming incapacitated or permanently unavailable, the chairman of the Disciplinary Panel (or in the case of the chairman of the Disciplinary Panel, the Chairman of the Clearing House) may direct that the Disciplinary Panel shall continue to act with a reduced number or appoint another person to take the place of the retiring member of the Disciplinary Panel (and the disciplinary proceedings shall then proceed as if such person had been originally appointed in lieu of the first person) or may direct that a new Disciplinary Panel should be appointed to rehear the matter.
- (e) In the event of equality of votes, the chairman shall have a second or casting vote in reaching any determination.
- (f) The Clearing House may discontinue disciplinary proceedings or reach a settlement with the Clearing Member on such terms as it sees fit at any stage during the course of the disciplinary proceedings (including any Summary Procedure pursuant to Rule 1004 or any appeal).
- (g) When the Clearing House commences disciplinary proceedings, it shall send a written notice ("**Notice**") to the Clearing Member, setting out the alleged breach of the Rules, including a summary of facts relied upon in sufficient detail for a party in the Clearing Member's position properly to understand and respond to the allegations made against it.

- (h) The Clearing Member or other person the subject of a Notice shall have 20 calendar days (or such further time as either the Clearing House or Disciplinary Panel may in their discretion allow) from the service of the Notice in which to provide a statement of defence (the "**Defence**") responding to all or any of the allegations, stating its intended pleas and what admissions of fact, if any, it makes. If no Defence has been served within 20 days of service of the Notice or such extended period as has been agreed, the Disciplinary Panel may in its discretion deem the Clearing Member to have accepted the facts and matters alleged in the Notice.
- (i) Having seen and considered the Defence, the Clearing House may proceed with the disciplinary proceedings, discontinue the disciplinary proceedings or deal with the matter as set out in Rule 1003(j).
- (j) The Clearing House may at any time amend a Notice by deletion, alteration or addition, change to the Rule breach alleged in the Notice or addition of another Rule breach in the Notice provided that:
 - (i) the deletion, alteration, addition, change, amendment or variation is relevant to the course of conduct under investigation;
 - (ii) the essential character of the allegation or Rule breach has not been changed;
 - (iii) the Clearing Member or other respondent would not be substantially prejudiced in any defence he might wish to put before the Disciplinary Panel; and
 - (iv) the Disciplinary Panel has not previously and does not subsequently make a procedural ruling adverse to the Clearing House in connection with such deletion, alteration, addition, change, amendment or variation.
- (k) For the avoidance of doubt, the power of the Clearing House to amend a Notice will exist where the Clearing House has in its discretion determined that a separate or unrelated *prima facie* breach of the Rules has been revealed during the course of the disciplinary proceedings. The Disciplinary Panel may order an adjournment at any stage upon an application by the Clearing House to enable such an alleged separate or unrelated *prima facie* breach to be investigated further. The Clearing House shall not be obliged to hold a further IM or otherwise consult with the Clearing Member in respect of additional or new alleged breaches.
- (l) Upon amendment of a Notice, the Clearing Member shall have 14 calendar days or such extended period as may be agreed with the Clearing House or as directed by the Disciplinary Panel to make any consequential amendment of its Defence. If no amended Defence has been served within 14 calendar days of service of the amended Notice on the Clearing Member, the Disciplinary Panel may in its discretion deem the Clearing Member to have accepted the facts and matters alleged in the Notice.
- (m) The Disciplinary Panel shall hear submissions on the matter of the alleged breach of the Rules and shall determine whether there has been a violation of the Rules and, if so, the appropriate sanction (if any) to be imposed. In carrying out this function, the Disciplinary Panel acting as a whole or through the chairman may adopt such procedure as it thinks fit, including the holding of a pre-hearing review to hear

procedural applications by the Clearing House or Clearing Member at any stage following its composition or in order to set a procedural timetable. Without limitation, the Disciplinary Panel may:

- (i) order the disclosure by the Clearing House or Clearing Member of such further statements, information, documents or other evidence as may be necessary;
 - (ii) allow either party to the proceedings to present to it further evidence within time limits ordered by the Disciplinary Panel;
 - (iii) issue directions and take such other steps as it considers appropriate for the clarification of the facts and issues and for the just and expeditious determination of the case;
 - (iv) balancing the need for cases to be dealt with expeditiously and the need for affected Persons to have sufficient opportunity to prepare and present their case: specify deadlines for the production of documents or hearings, which shall be binding on the parties;
 - (v) if it considers appropriate, but only with the express agreement of the Clearing House and the Clearing Member concerned (or the Person concerned and any associated Clearing Member), decide to determine the case upon written submissions and evidence placed before it;
 - (vi) in all other cases, give the opportunity to, or require, the Clearing House and the Clearing Member to attend hearings before the Disciplinary Panel and the Clearing House and the Clearing Member may call witnesses to give evidence and be questioned;
 - (vii) allow the Clearing Member and the Clearing House to be assisted or represented by any person, who may or may not be legally qualified;
 - (viii) call for any person to attend its hearings;
 - (ix) require hearings to be held in private unless the Clearing Member or Clearing House requests otherwise and the other consents; and
 - (x) appoint its own legal advisers.
- (n) The Disciplinary Panel shall apply the civil standard of proof on the balance of probabilities, with the cogency of evidence required being commensurate with the seriousness of the alleged breach.
- (o) The Disciplinary Panel shall not be bound by any rule of law or court procedure concerning admissibility of evidence and may accept as conclusive any finding of fact made by a court or any other Governmental Authority.
- (p) If the Clearing House or Clearing Member should fail to meet a time limit imposed by the Disciplinary Panel or fail to attend a hearing, the Disciplinary Panel may in its discretion allow an extension of time, adjourn its proceedings or proceed, if necessary in the absence of the Clearing Member.

- (q) Upon having determined whether a breach of the Rules has been proven in accordance with the standard of proof set out in Rule 1003(n), the Disciplinary Panel shall communicate in writing its findings and particulars of any sanction determined to the Clearing House and to the Clearing Member concerned. Such findings and sanction shall be deemed conclusive and binding upon expiry of the time permitted for appeal or receipt by the Clearing House of any earlier written notice from the Clearing Member that such right of appeal will not be exercised. The Disciplinary Panel may in its absolute discretion communicate its findings to the parties and give them, where there is a finding that there has been a disciplinary breach, the opportunity to make representations as to the appropriate sanction(s) before deciding on the sanction(s).
- (r) Subject to Rule 1003(u), the sanctions which may be imposed on a person subject to the Rules by a Disciplinary Panel shall be communicated to the Clearing Member and shall not exceed the following:
- (i) the issue of a private warning or reprimand;
 - (ii) the issue of a public notice of censure;
 - (iii) in the case of a Representative, a finding that any Clearing Member for which such Representative is a director, controller, officer or employee would not meet the Clearing House's membership criteria for any period or indefinitely;
 - (iv) in the case of a Clearing Member, disqualification (either indefinitely or for a fixed term) of any of its Representatives from being a Director or member of a committee or any panel of the Clearing House;
 - (v) a fine of any amount, to be paid on such terms as may be prescribed;
 - (vi) the disgorgement of any gain made by the Clearing Member or its Representatives in connection with the breach of the Rules;
 - (vii) a recommendation to the relevant Market and/or Clearing House to suspend membership for a period of time or terminate the membership of the Clearing Member;
 - (viii) the issue of an order requiring the Clearing Member or Representative found to have committed the breach to take such steps including making an order for compensation, as the Disciplinary Panel may direct, to remedy the situation including, without limitation, making an order for restitution to any affected person when the Clearing Member (or person concerned) has profited (or avoided a loss) from a breach at that person's expense;
 - (ix) in an appropriate case, more than one of the above actions in relation to any one Clearing Member and/or different actions in relation to different Clearing Members concerned in the same investigation or on similar facts; and
 - (x) any combination of the foregoing.
- (s) Following the suspension or expulsion of a Clearing Member, the Clearing House may make such directions as it thinks fit in respect of Contracts to which that Clearing

Member is a party (including, without limitation, directions for the transfer or liquidation of any of them).

- (t)
 - (i) The contravention by a Clearing Member of any sanction imposed or direction made under or pursuant to Rule 1003(q) may be treated for all purposes as a breach of the Rules. The lack of enforcement or actioning by the Clearing House of a recommendation to suspend or terminate under Rule 1003(r)(vii) shall not constitute a breach of the Rules by the Clearing House.
 - (ii) A Disciplinary Panel may order any party to the proceedings to pay costs as it thinks appropriate, including, but not limited to the costs of running the Disciplinary Panel, further administration costs directly attributable to the disciplinary proceedings, costs incurred in the investigation, preparation and presentation of the case, including the costs of the Clearing House's and Disciplinary Panel's external advisers.
- (u) The following sanctions may be imposed by a Disciplinary Panel where the conduct in question is found by the Disciplinary Panel to result in whole or in part from the conduct of a Customer or client of a Customer of a Clearing Member:
 - (i) the issue of a private warning or reprimand naming the Customer or client of a Customer or any of their Representatives;
 - (ii) the issue of a public notice of censure naming the Customer or client of a Customer or any of their Representatives;
 - (iii) a recommendation to the Clearing House to suspend the Customer or client of a Customer (either indefinitely or for a fixed term) or any of their Representatives from being a Director or member of a committee of the Board or any panel established under the Rules or from being a Customer or client of a Customer of any Clearing Member of the Clearing House for purposes of Clearing or the Clearing of any particular product at the Clearing House;
 - (iv) a fine of any amount, to be paid by such Person as is specified by the Disciplinary Panel to the Clearing House (which shall be binding on the Customer or client of a Customer or any of their Representatives if so specified by the Disciplinary Panel), on such terms as may be prescribed;
 - (v) the disgorgement of any gain made by the Customer or client of a Customer or any of their Representatives in connection with the breach of the Rules payable by such Person as is specified by the Disciplinary Panel to the Clearing House (which shall be binding on the Customer or client of a Customer or any of their Representatives if so specified by the Disciplinary Panel), on such terms as may be prescribed;
 - (vi) in an appropriate case, more than one of the above actions in relation to any one Customer or client of a Customer or any of their Representatives and/or different actions in relation to different Customers or clients of Customers or any of their Representatives concerned in the same investigation or on similar facts; and

- (vii) any combination of the foregoing.

The Disciplinary Panel shall only impose any sanction on a Person that it determines is or was responsible (whether solely, jointly or by way of contribution) for the relevant conduct. If sanctions are to be imposed as a result of any conduct of a Customer or client of a Customer, the relevant Clearing Member may present information or evidence to the relevant Disciplinary Panel as to whether any sanctions should be limited to those set out in this Rule 1003(u). If any pecuniary sanction imposed by a Disciplinary Panel is expressed to be payable by a Customer or any of its clients or their Representatives but not to be payable by the Clearing Member, the Clearing Member shall not be liable for payment of, or to collect, any such amount.

Rule 1004 *Summary Procedure*

- (a) A Clearing Member may submit in writing a request that the Clearing House adopt a summary procedure under this Rule 1004 ("**Summary Procedure**") for disposing of the matter. Such notice may be served by the Clearing Member at any time prior to the formation of the Disciplinary Panel.
- (b) The Clearing House may in its discretion agree to refer the matter to the Summary Procedure and shall notify the Clearing Member of any such determination.
- (c) Upon reference of the matter to the Summary Procedure the Clearing House in its absolute discretion shall nominate three Directors or employees of the Clearing House or of any Clearing Member other than the Clearing Member subject to the Summary Procedure to hear the submissions of the Clearing Member into the alleged breach, who shall form a Summary Disciplinary Committee. The Clearing House shall nominate one such member of the Summary Disciplinary Committee to act as chairman.
- (d) The Summary Disciplinary Committee shall make such directions as to the procedural conduct of the case before it as it sees fit.
- (e) The Summary Disciplinary Committee shall apply the civil standard of proof on the balance of probabilities, with the cogency of evidence required being commensurate with the seriousness of the alleged breach. The Summary Disciplinary Committee shall not be bound by any rule of law or court procedure concerning admissibility of evidence and may accept as conclusive any finding of fact by a court or Governmental Authority.
- (f) The Summary Disciplinary Committee shall hold a private hearing at which the Clearing Member shall be present in order to put to the Clearing Member the alleged breach of the Rules and hear any submissions the Clearing Member or its Representatives make in relation to the alleged breach or the mitigation.
- (g) None of the Clearing House, the Clearing Member or the Summary Disciplinary Committee shall be represented by legal advisors at a hearing except with the prior express agreement of the Summary Disciplinary Committee.
- (h) Save as provided in Rule 1005, a Clearing Member that chooses to submit itself to the Summary Procedure expressly waives any right of appeal or review by any body

including any court of law against any determination or ruling of the Summary Disciplinary Committee.

- (i) The Summary Disciplinary Committee shall, following the hearing, determine whether a Clearing Member has breached the Rules and shall determine what sanction or sanctions are to be imposed on the Clearing Member or Representative. Upon having determined in its absolute discretion whether a breach of the Rules has occurred, the Summary Disciplinary Committee shall communicate its findings and particulars of any sanction to the Clearing Member. The Summary Disciplinary Committee shall enjoy the full range of powers of sanction open to a Disciplinary Panel and may impose a combination of any such sanctions as it sees fit.
- (j) A determination or sanction imposed by the Summary Disciplinary Committee may be appealed under Rule 1005 to an Appeals Panel and shall not be referred to a Disciplinary Panel.

Rule 1005 *Appeals*

- (a) (i) Within 14 days of receiving notice in writing of a decision of a Disciplinary Panel, a determination in writing of a Summary Disciplinary Committee or a notice of sanction (whichever is the later), or such longer period as the chairman of the Disciplinary Panel or the Summary Disciplinary Committee may in his discretion direct, a Clearing Member (whether current or former in the case of expulsion) or the Clearing House, or both, may appeal to an Appeals Panel by lodging with the Clearing House a notice of appeal in writing and by delivering a copy thereof to any other party to the disciplinary proceedings.
- (ii) A notice of appeal shall set out the grounds of the appeal and shall contain a brief statement of all matters relied on by the appellant. The grounds of the appeal may be any one or more of the following:
 - (A) the Disciplinary Panel or Summary Disciplinary Committee misdirected itself; or
 - (B) the Disciplinary Panel's or Summary Disciplinary Committee's decision was:
 - (1) one which no reasonable tribunal could have reached; or
 - (2) unsupported by the evidence or was against the weight of the evidence; or
 - (3) in the case of the Disciplinary Panel only, based on an error of law, or a misinterpretation of the Rules; or
 - (C) the sanction imposed by the Disciplinary Panel, Clearing House or Summary Disciplinary Committee was excessive or, in the case of an appeal by the Clearing House, was insufficient or inappropriate; or
 - (D) new evidence is available and that, had it been made available, the Disciplinary Panel, Clearing House or Summary Disciplinary

Committee could reasonably have come to a different decision. This will not apply, in the case of the Disciplinary Panel only, if the evidence could have been adduced before the Disciplinary Panel by the exercise of reasonable diligence;

but no party may otherwise appeal.

- (iii) In the case of appeal against a sanction, the Appeals Panel may affirm, vary or revoke the sanction. The Appeals Panel may make such order or give such direction as it considers fit, including, in the case of an appeal from the Disciplinary Panel, a direction for a rehearing of the case by another newly constituted Disciplinary Panel.
- (b) Upon receipt of such a notice of appeal, the Clearing House shall appoint an Appeals Panel.
- (c) The Clearing House shall have 14 working days or such other period as the chairman of the Disciplinary Panel or the Summary Disciplinary Committee, as the case may be (or the Appeals Panel in its exclusive discretion should it be constituted at such time), may allow from the service of the notice of appeal to serve notice of any grounds on which it objects to such appeal.
- (d) An Appeals Panel shall consist of a chairman sitting alone who shall be a lawyer who shall be appointed at the discretion of the Clearing House. No members of any disciplinary panel, serving members of the Clearing House's committees dealing with any disciplinary or summary disciplinary proceedings, employees of the Clearing House or Clearing Member subject to disciplinary proceedings or any of their Affiliated Persons, Representatives or Customers shall be appointed to an Appeals Panel. Expert assessors may be appointed, at the discretion of the chairman of the Appeals Panel, to sit with and advise the Appeals Panel but not to vote. No Person shall serve on or sit with an Appeals Panel if he has a personal or financial interest in or has been involved in any investigation into or previous disciplinary panel or Summary Disciplinary Committee hearing (including that which is the subject of the appeal itself) on the matter under consideration.
- (e) An Appeals Panel may adopt such procedure as it thinks fit and just, including, without limitation, the procedures described in Rule 1003(m) and shall be bound by Rule 1003(n) and (o). An Appeals Panel shall further enjoy all powers vested in disciplinary panels, procedural or otherwise. The appellant and the respondent may appear, make representations and (subject to any restriction on adducing new evidence), call witnesses, who may be examined and cross-examined.
- (f) The decision of an Appeals Panel shall be final and binding and there shall be no further appeal. The decision with reasons shall be notified to the appellant and respondent in writing without undue delay.

Rule 1006 [Not used.]

Part 11 Guaranty Fund

Rule 1101 *Establishment and parameters of the Guaranty Fund*

- (a) There shall be one Guaranty Fund operated by the Clearing House. Clearing Members shall be liable to make and maintain Guaranty Fund Contributions. The total amount required in the Guaranty Fund will be established by the Clearing House in accordance with the Finance Procedures. The total amounts of the Guaranty Fund will be expressed (and Guaranty Fund Contributions will be called) in the currency or currencies set out in the Finance Procedures and will be reviewed periodically by the Clearing House in advance of the end of the Guaranty Fund Period for the Guaranty Fund. If the Clearing House determines that the total amount in the Guaranty Fund is to change, Clearing Members will be given notice by Circular and will be informed of their new Guaranty Fund Contribution requirements prior to the start of the Guaranty Fund Period when the change becomes effective.
- (b) The Clearing House will communicate to Clearing Members by Circular the basis on which their Guaranty Fund Contributions are calculated.
- (c) The Clearing House may vary the parameters by reference to which Guaranty Fund Contributions are calculated from time to time and at any time upon issuing a Circular to Clearing Members. Any new parameters will come into effect on the date of the next applicable re-calculation of Guaranty Fund Contributions, unless Clearing Members are otherwise notified of a different effective date. Parameters for the Guaranty Fund will be established on the basis that the Guaranty Fund Contributions of each Clearing Member will be proportional to the exposures of each Clearing Member and that the Guaranty Fund shall enable the Clearing House to withstand, under extreme but plausible market conditions, at least the default of the Clearing Member (and its related corporations (as defined in Section 4(1) of the Companies Act (Chapter 50 of Singapore)) to which it has the largest exposure and the two financially weakest Clearing Members. The Clearing House may add further parameters to define the size of the Guaranty Fund.
- (d) Clearing Members shall be required and liable to make Guaranty Fund Contributions in the amounts and at the times specified in accordance with Rule 1102 and Rule 1101(a), such that the Guaranty Fund is always at least of the size required pursuant to this Rule 1101, except in circumstances in which amounts are drawn down from the Guaranty Fund in order to meet liabilities resulting from an Event of Default and such amounts have not been replenished in accordance with this Part 11. For the avoidance of doubt, a Clearing Member will not be in breach of the Rules nor capable of being declared a Defaulter solely as a result of any of its Guaranty Fund Contributions being applied and its Guaranty Fund Contributions with the Clearing House not being the total required amount (unless and until such time as the Clearing House issues a call for further Guaranty Fund Contributions and the amount called is not paid when due, in which case such Clearing Member may be declared a Defaulter).
- (e) [Not used.]

Rule 1102 *Clearing Members' Contributions*

- (a) Clearing Members' required Guaranty Fund Contributions at the start of each Guaranty Fund Period (or otherwise when a payment to a Guaranty Fund is due) will be calculated with reference to the total amount of the relevant Guaranty Fund established pursuant to Rule 1101.
- (b) Guaranty Fund Contributions for each Clearing Member, will be calculated for each Guaranty Fund Period based on criteria set out in the Finance Procedures, risk policies and Circulars.
- (c) Required Guaranty Fund Contributions will be calculated or re-calculated, as the case may be, by the Clearing House for each Clearing Member and notified in advance of each Guaranty Fund Period.
- (d) Guaranty Fund Contributions must be in the form of cash or other Permitted Cover, subject to such limits as are specified in the Finance Procedures and Circulars.
- (e) In the event of any change in the value of non-cash Guaranty Fund Contributions, the Clearing Member may be required by the Clearing House to make an additional Guaranty Fund Contribution. Clearing Members will be permitted (and may be required) at any time to make additional Guaranty Fund Contributions (beyond the required Guaranty Fund Contributions) in order to reduce the risk that revaluations of non-cash Permitted Cover result in such additional Guaranty Fund Contributions falling due.
- (f) New Clearing Members admitted to membership of the Clearing House shall make the required minimum Guaranty Fund Contributions plus such other amount as the Clearing House at its discretion determines is necessary based on projected clearing activity. Any such Guaranty Fund Contributions by a new Clearing Member or Clearing Members shall not result in any obligation on the Clearing House to repay the Guaranty Fund Contributions to other Clearing Members and the size of the Guaranty Fund shall be increased accordingly until the end of the Guaranty Fund Period.
- (g) Guaranty Fund Contributions of a Clearing Member following termination of its membership of the Clearing House will be returned to the Clearing Member on the first date of the first new Guaranty Fund Period beginning after the Transfer, close out or termination of all of its positions at the Clearing House and the payment of all other amounts due to the Clearing House (subject to Guaranty Fund Contributions being applied under Part 9 or this Part 11 and further subject to any extension to the Guaranty Fund Period pursuant to Rule 1102(l)). The obligation of the Clearing House to return to a Clearing Member any remaining portion of its Guaranty Fund Contributions in the event of termination of its clearing membership of the Clearing House will be satisfied by accounting for the amount of that obligation in the determination of a net sum under Rule 906, in either case payable by the Clearing House or the Clearing Member to the other, provided that in the case of a termination under Rule 209(c)(i)(A), the determination of the portion of such Guaranty Fund Contributions to be so taken into account may be made up to and including the first date of the first new Guaranty Fund Period beginning after the transfer or liquidation of all of the relevant Clearing Member's Contracts at the Clearing House.

- (h) Each Clearing Member will be entitled to receive interest payments on its cash Guaranty Fund Contributions each quarter through the banking arrangements detailed in Part 3 and no accommodation charges will apply to any non-cash Guaranty Fund Contributions.
- (i) In the event of application of any Guaranty Fund Contributions taking place pursuant to Rule 908 or Rule 1103, the Clearing House shall:
 - (i) give notice by Circular of the amount by which the Guaranty Fund has been reduced;
 - (ii) notify each Clearing Member and any relevant former Clearing Member of the amount for which it is liable to make additional Guaranty Fund Contributions in order to replenish the Guaranty Fund; and
 - (iii) in the case of any Guaranty Fund Contributions being applied, specify the new amount of each of the Clearing House Contributions by Circular.
 - (iv) [Not used.]
 - (v) [Not used.]

Clearing Members must make required replenishment Guaranty Fund Contributions upon demand. The Clearing House shall ensure that any specified new Clearing House Contributions are held by it in accordance with Rule 1103(f) at the same date as Guaranty Fund Contributions for the Guaranty Fund are so due. Any obligation on a Clearing Member to make payments pursuant to this Rule 1102(i) is separate from, and shall apply in addition to, any obligation to make payment in respect of Assessment Contributions pursuant to Rule 909.

- (j) If:
 - (i) an Event of Default is declared in relation to more than one Defaulter contemporaneously (the defaulter in respect of whom default proceedings are first completed being the "**First Defaulter**" and any other defaulter being an "**Additional Defaulter**" or, if default proceedings are completed at the same time, the Defaulter whose name would appear first alphabetically being the "**First Defaulter**" and any other Defaulter or Defaulters being an "**Additional Defaulter**"); or
 - (ii) a separate Event of Default is declared in relation to a Defaulter or Defaulters that has or have made a Guaranty Fund Contribution or Guaranty Fund Contributions to the Guaranty Fund (any, an "**Additional Defaulter**") prior to the termination of default proceedings in relation to an existing Defaulter ("**First Defaulter**"),

and recourse is made to Guaranty Fund Contributions in respect of the First Defaulter (or any Additional Defaulter), then Clearing Members shall be required to replenish the Guaranty Fund pursuant to Rule 1102(i) separately in respect of each Defaulter causing a reduction in the Guaranty Fund. The Clearing House may apply Guaranty Fund Contributions and Clearing House Contributions resulting from replenishment following default proceedings in relation to the First Defaulter to meet the liabilities

of an Additional Defaulter and may apply Guaranty Fund Contributions and Clearing House Contributions resulting from replenishment following default proceedings in relation to an Additional Defaulter to meet the liabilities of another Additional Defaulter. Other than as set out in this Rule 1102(j), amounts transferred by Clearing Members or former Clearing Members in order to replenish Guaranty Fund Contributions under Rule 1102(i) or amounts designated as Clearing House Contributions may not be applied to meet liabilities arising in connection with any Event of Default occurring prior to the time at which the relevant replenishment or designation is required under these Rules.

- (k) In the event of the Clearing House applying any Guaranty Fund Contributions of non-defaulting Clearing Members, the Clearing House will make payment to the Persons whose Guaranty Fund Contributions have been applied (and retain assets in respect of Clearing House GF Contributions) *pro rata* in respect of any amounts received from the Defaulter as a result of its being a creditor of the Defaulter in the Defaulter's Insolvency or otherwise (net of the Clearing House's costs of recovery), up to the amount by which the Guaranty Fund was reduced (excluding the Guaranty Fund Contribution of the Defaulter) but without counting for interest, subject to the Clearing House first: (i) retaining or repaying amounts up to the amount of any other assets of the Clearing House (including following claims under insurance policies) or other third parties applied to meet any shortfall or loss following exhaustion of the assets specified in Rule 908 or in substitution of any such assets; and (ii) making reimbursement payments to Persons that have made Assessment Contributions (in that order of priority).
- (l) If an Event of Default occurs prior to the end of a Guaranty Fund Period where the total amount of Guaranty Fund Contributions or the Guaranty Fund Contribution of any particular Clearing Member would otherwise subsequently be reduced in the next Guaranty Fund Period, the Clearing House shall at its discretion be entitled to defer the end of the current Guaranty Fund Period and start of the next Guaranty Fund Period until the completion of default proceedings or retain all then held Guaranty Fund Contributions made to the Guaranty Fund. In either such circumstance, the Clearing House shall not be obliged to make any repayment to Clearing Members in respect of Guaranty Fund Contributions to the Guaranty Fund until and subject to completion of the relevant Default proceedings pursuant to Part 9 and this Part 11. For the avoidance of doubt: in such circumstances, the Clearing House shall nonetheless be entitled to make periodic adjustments to Guaranty Fund Contributions as otherwise set out in these Rules at its discretion.
- (m) [Not used.]
- (n) [Not used.]

Rule 1103 *Use of Guaranty Fund Contributions*

- (a) Following an Event of Default, the Clearing House shall apply the Guaranty Fund Contribution of a Defaulter pursuant to Rules 906 and Rule 908. Otherwise, Guaranty Fund Contributions of a Clearing Member or proceeds thereof may be applied or used by the Clearing House at its discretion in any of the following manners to the extent of the relevant Clearing Member's Guaranty Fund Contribution:
- (i) against any amount that becomes due to the Clearing House by that Clearing Member for any reason (including but not limited to Margin, amounts due pursuant to Contract Terms, fees, dues, assessments and fines);
 - (ii) in managing an Event of Default or an event which could be declared by the Clearing House as an Event of Default, including:
 - (A) where necessary, to meet the Clearing House's costs involved in facilitating the transfer of Contracts recorded in a Clearing Member's Customer Position Account, if that Clearing Member is experiencing financial difficulty or during a termination of membership, to another Clearing Member;
 - (B) provisionally, in respect of any actual or potential shortfall, loss, obligation or liability if the Clearing House at its discretion determines that Guaranty Fund Contributions are likely to be applied pursuant to Rule 908 or Rule 1103(a)(i), provided that to the extent that any Guaranty Fund Contributions are not applied pursuant to Rule 908 or Rule 1103(a)(i) within a reasonable period of time, the Clearing House shall account to the relevant Clearing Member for the difference between the amount by which any Guaranty Fund Contributions were actually applied and the amount by which the same were provisionally applied under this Rule 1103(a)(ii)(B); or
 - (iii) for making payments, including for liquidity or to raise liquidity for liabilities to make payments in respect of obligations incurred by the Clearing House in its capacity as a clearing house and central counterparty,
- provided that: (1) Guaranty Fund Contributions may only be used to meet actual or prospective liabilities or obligations relating to Clearing; (2) nothing in this Rule 1103(a) shall affect the order of application of assets following a declared Event of Default pursuant to Rule 908; (3) any Guaranty Fund Contributions used or applied under this Rule 1103(a) (but not actually applied under Rule 908) shall be returned or reallocated by the Clearing House to the Guaranty Fund; and (4) following an Event of Default declared by the Clearing House, Guaranty Fund Contributions may only be used or applied under this Rule 1103(a) after available resources of the Defaulter have been exhausted.
- (b) The Clearing House may at any time and from time to time sell, substitute, set off, transfer, assign, mortgage, pledge, repledge or otherwise create or grant a lien, interest, charge or other security interest on or use as collateral by way of title transfer arrangement, any proceeds of Guaranty Fund Contributions for any of the purposes set out in Rule 1103(a). Any borrowings using proceeds of Guaranty Fund

Contributions as collateral shall be on terms and conditions deemed necessary or advisable by the Clearing House in its sole discretion, and may be in amounts greater, and extend for periods of time longer, than the obligations, if any, of any Clearing Member to the Clearing House for which such cash, securities or other property was transferred to or deposited with the Clearing House. Any amounts so borrowed shall be used and applied by the Clearing House solely for the purposes set out in Rule 1103(a); provided that the failure of the Clearing House to comply with Rule 1103(a) in respect of any borrowings, facility or agreement shall not impair any of the rights or remedies of any transferee, assignee, mortgagee, pledgee, collateral taker or holder of any lien or security interest.

- (c) Any expense (including, without limitation, legal fees and expenses) incurred by the Clearing House in connection with the use, application or transfer of Guaranty Fund Contributions, or the return of equivalent assets to a Clearing Member, may, at the option and discretion of the Clearing House, be charged to the account of such Clearing Member.
- (d) A Clearing Member's entitlement to repayment of any Guaranty Fund Contribution or any part of it or interest thereon shall not be capable of assignment or transfer by the Clearing Member or being made subject to any Encumbrance whatsoever purporting to rank in priority over, *pari passu* with, or subsequent to, the rights of the Clearing House or in conflict with Rule 908. Any purported Encumbrance of a Clearing Member in respect of any Guaranty Fund Contribution shall be null and void.
- (e) Default insurance policies of which the Clearing House is the beneficiary (if any) may be subject to limits on claims applicable in respect of particular time periods (each such period, a "**Relevant Period**"). Furthermore, pursuant to the terms of any such insurance obtained by the Clearing House, it is possible that (i) insurance claims may be payable in excess of losses resulting from a Default or Defaults above a certain amount ("**Loss Threshold**") occurring within a Relevant Period as opposed to following the application of particular assets in respect of particular Defaults in the order set out in Rule 908; or (ii) default insurance policies may apply only in relation to losses occurring in relation to certain Sets of Contracts cleared by the Clearing House or the Guaranty Fund. As a result, it is possible that: (A) insurance receipts may be available to (and applied by) the Clearing House at an earlier order to that specified in Rule 908 if the total available Guaranty Fund Contributions exceed the Loss Threshold or in respect of a second or subsequent Default where the limit on claims for the Relevant Period has not been exhausted; (B) no or reduced insurance may be available in the case of a second or subsequent Default occurring in a Relevant Period; (C) the insurance policies (if any) may not provide cover in respect of certain Events of Default; or (D) there may be no default insurance either generally or in respect of any particular products cleared by the Clearing House. The Clearing House will issue a Circular to Clearing Members specifying the amount of insurance, Loss Threshold, Relevant Period and any restrictions by Set of Contract or Guaranty Fund applicable to any default insurance obtained by the Clearing House. Neither this Rule 1103(e) nor any Circular issued by the Clearing House shall affect the liability of Clearing Members in respect of Guaranty Fund Contributions under these Rules.
- (f) The Clearing House will notify Clearing Members from time to time, by Circular and in accordance with the Finance Procedures, of each of the Clearing House Contributions. The Clearing House undertakes to all non-defaulting Clearing

Members from time to time to maintain amounts equal to the total of the Clearing House Contributions in a separate account from its other assets and to use such amounts only for the purposes of meeting shortfalls arising directly or indirectly from Defaults in accordance with this Part 11. This Rule 1103(f) shall not restrict the Clearing House from investing such amounts in any way that it is able to invest Guaranty Fund Contributions made by Clearing Members. Clearing House Contributions may be used by the Clearing House in the same way as Guaranty Fund Contributions may be used pursuant to Rule 1103(a).

- (g) The total amount of Guaranty Fund Contributions for the Guaranty Fund and any Clearing House Contributions applied in connection with any Event of Default shall be notified to Clearing Members in a Circular prior to the same being applied.

Part 12 Settlement Finality

Without prejudice to the status of any other provision of these Rules, including Part 9, the provisions of this Part 12 are intended to also constitute 'default rules' for purposes of Part III of the SFA and the SF(CF)R, and provide for the taking of proceedings or other action if a participant has failed or appears to be unable or to be likely to become unable to meet his obligations for any unsettled or open market contracts to which he is a participant. Accordingly, any action taken by the Clearing House pursuant to this Part 12 in connection with an Event of Default are intended to constitute 'default proceedings' for purposes of Part III of the SFA and the SF(CF)R. In addition to these Rules, the Clearing House relies on its legal rights under Applicable Laws in handling Events of Default.

Rule 1201 Introduction and Interpretation

- (a) [Not used.]
- (b) [Not used.]
- (c) Each Participant is on notice of the provisions of this Part 12. Each Participant shall, by participating in the Payment System, be deemed to have agreed that:
 - (i) (without prejudice to the generality of the provisions of any Clearing Membership Agreement), the provisions set out in this Part 12 apply to and shall bind such Participant (and to any Insolvency Practitioner appointed for, or with powers in respect of, it) in connection with such Participant's participation in the Payment System; and
 - (ii) (without prejudice to the generality of Rule 102(f)), to the extent that there is any conflict between any provision of this Part 12 and any provision of any agreement (including any AFI Agreement) or any contractual or non-contractual obligation which may arise or exist from time to time between any Participant and the Clearing House, the relevant provision of this Part 12 shall prevail, control, govern and be binding upon the parties (regardless of the date of entry into or amendment of any such agreement or obligation).
- (d) The term "**AFI Agreement**" means a payment services agreement between the Clearing House and an Approved Financial Institution.
- (e) The term "**Indirect Participant**" means any Customer, provided that: (i) the identity of that Customer has been notified to the Clearing House in writing by the Clearing Member; (ii) the Clearing House has accepted such notification and treatment as an indirect participant in writing (and this Part 12 shall apply equally to any Insolvency Practitioner appointed for, or with powers in respect of, an Indirect Participant); and (iii) such Customer has executed such agreement as is prescribed by the Clearing House from time to time in order for it to become contractually bound by these Rules and this Part 12 in particular.
- (f) The term "**Intermediary Financial Institution**" means any bank or branch used by a System Bank, whether as banker, corresponding banker, intermediary or agent, for the fulfilment of a Payment Transfer Order (and this Part 12 shall apply equally to any Insolvency Practitioner appointed for, or with powers in respect of, such a person).

- (g) The term "**Investment Agent Bank**" means a bank used by the Clearing House for the deposit of cash prior to such cash being invested. An Investment Agent Bank may also be an Approved Financial Institution or Concentration Bank.
- (h) The term "**Investment Agency Agreement**" means an agreement between an Investment Agent Bank and the Clearing House, including in respect of the deposit of cash prior to such cash being invested.
- (i) The term "**Non-Cash Collateral**" means any Permitted Cover other than in the form of cash.
- (j) The term "**Participant**" means the Clearing House, each Clearing Member, each Approved Financial Institution, each Concentration Bank, each Investment Agent Bank, each Intermediary Financial Institution and each SF Custodian (and this Part 12 shall apply equally to any Insolvency Practitioner appointed for, or with powers in respect of, a Participant).
- (k) The term "**Payment System**" means the system operated by the Clearing House consisting of the formal arrangements, between the Clearing House and Participants including the common rules (including the Rules and the Procedures) and the standardised arrangements (including the AFI Agreements, Investment Agency Agreements, Clearing Membership Agreements and other agreements involving the Clearing House, Clearing Members, Approved Financial Institutions, Concentration Banks and Investment Agent Banks, provided that in the event of any conflict between any provision of the Rules or Procedures and any provision of any such agreement or arrangements, the provision of the Rules or Procedures shall prevail, control, govern and be binding on the parties) and related functionality for the effecting of Transfer Orders between the Clearing House and Participants which, *inter alia*:
- (i) enable the Clearing House to give instructions and to place at the disposal of Clearing Members amounts of money on the account of Approved Financial Institutions;
 - (ii) enable Clearing Members to give instructions and to place at the disposal of the Clearing House amounts of money on the accounts of Approved Financial Institutions;
 - (iii) enables the Clearing House to give instructions and make transfers between its accounts at Approved Financial Institutions, Concentration Banks and Investment Agent Banks;
 - (iv) enable the Clearing House and Clearing Members to fulfil the obligations they incur in respect of Contracts and otherwise to one another pursuant to the Rules;
 - (v) enable transfers, assignments and novations of Contracts between Clearing Members or following a Default;
 - (vi) enable transfers of Non-Cash Collateral to or to the order of the Clearing House and Clearing Members;

- (vii) enable ICE Futures Singapore Block Transactions, to give rise to Contracts;
 - (viii) facilitate supplementary and incidental matters to the satisfaction of obligations pursuant to Contracts and the collection and payment of amounts due in respect of Contracts or Permitted Cover.
- (l) The term "**Payment Transfer Order**" means a payment transfer order that is a New Contract Payment Transfer Order, Credit/Debit Payment Transfer Order, or CH Account Payment Transfer Order subject to this Part 12.
 - (m) The term "**Securities Transfer Order**" means a securities transfer order that is a Position Transfer Order, Collateral Transfer Order or ICE Futures Singapore Block Clearing Order subject to this Part 12.
 - (n) The term "**SF Custodian**" means any custodian, sub custodian, nominee, agent, depository or settlement system used by a Clearing Member or the Clearing House for the holding or transfer of Non Cash Collateral that is subject of a Collateral Transfer Order in the Payment System (and this Part 12 shall apply equally to any Insolvency Practitioner appointed for, or with powers in respect of, such a person).
 - (o) The term "**System Bank**" means an Approved Financial Institution, Concentration Bank or Investment Agent Bank.
 - (p) The term "**Transfer Order**" means a Payment Transfer Order or a Securities Transfer Order.
 - (q) The term "**ICE Systems**" means the trade registration, clearing processing and finance hardware and software used by the Clearing House and Clearing Members from time to time, as further described in the Procedures.

Rule 1202 *Transfer Orders Arising*

- (a) A Payment Transfer Order shall arise and shall enter the Payment System immediately and automatically upon:
 - (i) in relation to a Contract that forms in accordance with Rule 401(a) at the time that a Contract arises under Rule 401 (such Payment Transfer Order, a "**New Contract Payment Transfer Order**");
 - (ii) the Clearing House sending an instruction for payment to or from the Clearing House pursuant to Rule 302, Rule 502 to Rule 503 and/or the Finance Procedures (such Payment Transfer Order, a "**Credit/Debit Payment Transfer Order**"); and
 - (iii) the Clearing House sending an instruction by means of a SWIFT message, other electronic message, fax, telephone or other means to a System Bank to transfer a sum of money from an account of the Clearing House at such System Bank to an account of the Clearing House at the same or a different System Bank (such Payment Transfer Order, a "**CH Account Payment Transfer Order**").

(b) A Securities Transfer Order shall arise and shall enter the Payment System immediately and automatically upon:

(i) if either:

(A) the Clearing House, the relevant Market (if any) and the two Clearing Members involved (both being Participants) have already agreed to a transfer, assignment or novation of Contracts from one Clearing Member to another Clearing Member pursuant to Rule 408(a)(i);

(B) a request is accepted by the relevant Market (if any) or the Clearing House in respect of an allocation from one Clearing Member to another Clearing Member for purposes of Rules 401(a)(viii) and 401(e); or

(C) the Clearing House has declared an Event of Default under Rule 901 and any Contracts to which a Defaulter is party are proposed to be transferred from the Defaulter to another Clearing Member (being a Participant) pursuant to the Clearing House's powers under Rule 903, Rule 904, Rule 905 or otherwise,

in either case, instructions for settlement of the transfer, assignment, novation or allocation in question being effected through the ICE Systems at the relevant settlement transfer deadline for the relevant Contract (such Securities Transfer Order, a "**Position Transfer Order**");

(ii) the Clearing House accepts, through the ICE Systems, that a Clearing Member has validly requested either:

(A) the transfer of Non-Cash Collateral to or to the order of the Clearing House; or

(B) a transfer of Non-Cash Collateral to or to the Order of that Clearing Member,

(such Securities Transfer Order, in either case, a "**Collateral Transfer Order**");

(iii) in respect of an ICE Futures Singapore Block Transaction at the point at which the relevant details of the relevant Transaction have passed through the credit filter and risk controls of both relevant Clearing Members in the ICE Systems (such Securities Transfer Order, an "**ICE Futures Singapore Block Clearing Order**").

(iv) [Not used.]

(v) [Not used.]

(vi) [Not used.]

(vii) [Not used.]

- (viii) [Not used.]
- (ix) [Not used.]
- (c) If two or more Transfer Orders exist in respect of the same obligation prior to becoming irrevocable, all such Transfer Orders shall be valid. No duplication of an obligation to pay shall arise as a result of two or more Transfer Orders existing in respect of the same obligation.
- (d) The status of a Transfer Order shall not be affected by any calculation of Open Contract Position, netting, set off or closing out of a Contract to which it relates.
- (e) Each Payment Transfer Order shall apply and have effect in respect of the following amounts:
 - (i) in the case of a New Contract Payment Transfer Order, the amount due to or from the Clearing House pursuant to the Contract Terms as a result of the Contract referred to in Rule 1202(a)(i) arising; or
 - (ii) in the case of a Credit/Debit Payment Transfer Order, or CH Account Payment Transfer Order, the amount specified in the relevant instruction referred to in Rule 1202(a);
- (f) Each Position Transfer Order shall apply and have effect in respect of the Contracts to be transferred, assigned, novated or allocated.
- (g) Each Collateral Transfer Order shall apply and have effect in respect of the Non-Cash Collateral to be transferred to or to the order of the Clearing House or Clearing Member.
- (h) Each ICE Futures Singapore Block Clearing Order shall apply and have effect in respect of the ICE Futures Singapore Block Transaction in question and any resulting ICE Futures Singapore Contract.
- (i) [Not used.]
- (j) [Not used.]
- (k) [Not used.]
- (l) [Not used.]
- (m) [Not used.]
- (n) Transfer Orders shall apply to, and have effect as against and between each of the following Persons, in respect of any particular Person only to the extent that such Person is a Participant or an Indirect Participant:
 - (i) in the case of a New Contract Payment Transfer Order, the affected Clearing Member (if it is a Participant) and the Clearing House and, as from and after the time of irrevocability only, the affected Approved Financial Institution;

- (ii) in the case of a Credit/Debit Payment Transfer Order, the affected Clearing Member (if it is a Participant), the affected Approved Financial Institutions and the Clearing House;
- (iii) in the case of a CH Account Payment Transfer Order, the affected System Bank or System Banks and the Clearing House;
- (iv) in the case of a Position Transfer Order:
 - (A) the Clearing Members (that are the transferor, assignor or person whose rights, liabilities and obligations are transferred, assigned, novated or allocated and the transferee, assignee or person that assumes rights, liabilities and obligations pursuant to a transfer, assignment, novation or allocation);
 - (B) each Customer affected by the Position Transfer Order which is an Indirect Participant (if any); and
 - (C) the Clearing House.
- (v) in the case of a Collateral Transfer Order:
 - (A) the Clearing Member that is the transferor of the Non-Cash Collateral in question;
 - (B) any SF Custodian of the Clearing Member or the Clearing House; and
 - (C) the Clearing House;
- (vi) in the case of an ICE Futures Singapore Block Clearing Order:
 - (A) each Clearing Member that has submitted or confirmed details of the ICE Futures Singapore Block Transaction;
 - (B) any Affiliate or Customer of the Clearing Member that was party to an ICE Futures Singapore Block Transaction and which is an Indirect Participant (if any); and
 - (C) the Clearing House;
- (vii) [Not used.]
- (viii) [Not used.]
- (ix) [Not used.]
- (x) [Not used.]
- (o) Where a Transfer Order applies to a System Bank, it shall also apply to and be effective against any Intermediary Financial Institution used by that System Bank.
- (p) Where a Transfer Order applies additionally to an Indirect Participant, the liability of any Participant pursuant to the same Transfer Order shall not be affected.

Rule 1203 *Transfer Orders Becoming Irrevocable*

- (a) A Credit/Debit Payment Transfer Order shall become irrevocable at the time when the Approved Financial Institution sends a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made.
- (b) A CH Account Payment Transfer Order shall become irrevocable at the time when the System Bank of the account from which payment is to be made sends a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made.
- (c) Without prejudice to Rule 1205(g) and Rule 1205(h), a New Contract Payment Transfer Order shall become irrevocable upon an Approved Financial Institution sending a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that amount to which the New Contract Payment Transfer Order relates (as specified in Rule 1202(e)(i)) will be or has been made.
- (d) A Position Transfer Order shall become irrevocable at the time when the definitive record of the Open Contract Position of the Clearing Member (that is the assignee, transferee or person that assumes rights, liabilities and obligations pursuant to a novation) is updated as a result of a successful position transfer clearing run in the ICE Systems to reflect the transfer, assignment or novation of Contracts which are given effect pursuant to the Position Transfer Order.
- (e) A Collateral Transfer Order shall become irrevocable at the earlier of the time when:
 - (i) the Clearing House receives the Non-Cash Collateral; or
 - (ii) any related securities transfer order (which relates to the same subject matter as the Collateral Transfer Order but which is a securities transfer order in a designated system for purposes of the Payment and Settlement Systems (Finality and Netting) Act (Chapter 231 of Singapore) which is not the Payment System) becomes irrevocable.
- (f) An ICE Futures Singapore Block Clearing Order shall become irrevocable at the time that the Clearing House becomes party to resulting Contracts with the Clearing Members in question, pursuant to Rule 401(a)(iii).
- (g) [Not used.]
- (h) [Not used.]
- (i) [Not used.]
- (j) [Not used.]
- (k) As from the time when a Transfer Order becomes irrevocable, it shall not be revoked or purported to be revoked by any Participant or the Clearing House and shall be binding upon all Participants.
- (l) Transfer Orders shall be legally enforceable, irrevocable and binding on third parties in accordance with this Part 12, even in the event of an Event of Default.

Rule 1204 *Variations to or Cancellation of Transfer Orders*

- (a) This Rule 1204 applies only to a Transfer Order that is not irrevocable and:
 - (i) in the case of any Transfer Order, it is affected by manifest or proven error or an error that is agreed so to be by all affected Participants;
 - (ii) in the case of a New Contract Payment Transfer Order, Credit/Debit Payment Transfer Order or Position Transfer Order, it relates to a Contract which is:
 - (A) void *ab initio* pursuant to Rule 403;
 - (B) avoided pursuant to Rule 404;
 - (C) amended as a result of the Clearing House exercising its discretion pursuant to Rule 104 or otherwise pursuant to these Rules; or
 - (iii) [Not used.]
 - (iv) [Not used.]
 - (v) without prejudice to the generality of Rule 1204(a)(i) or (ii), in the case of an ICE Futures Singapore Block Clearing Order, it relates to a Transaction which is not eligible for Clearing or which is or are not accepted for Clearing by the Clearing House.
- (b) Subject to Rule 1204(d), (e) and (f), neither the validity nor the irrevocability of any Transfer Order shall of itself be affected by any event described in Rule 1204(a) occurring.
- (c) The terms of all Transfer Orders that have not become irrevocable shall each be subject to a condition (which, if not satisfied, shall enable the Clearing House to exercise its rights under this Rule 1204) that the circumstances described in Rule 1204(a) have not occurred.
- (d) If any of the circumstances described in Rule 1204(a) has occurred, the amount payable, Contracts to be transferred or to arise or securities or Non-Cash Collateral to be delivered pursuant to the affected Transfer Order may at the discretion of the Clearing House be increased, decreased or otherwise varied, as necessary, to reflect the payments, transfers, Contracts, assignments, novations, securities, Non-Cash Collateral or deliveries that would have been required:
 - (i) in the case of Rule 1204(a)(i) applying, had there been no error;
 - (ii) in the case of Rule 1204(a)(ii)(A), Rule 1204(a)(ii)(B) or Rule 1204(a)(v) applying, had no Contract or Transaction ever arisen, occurred or been submitted; or
 - (iii) in the case of Rule 1204(a)(ii)(C) applying, had the Contract always been subject to such amended terms as are agreed or determined;
 - (iv) [Not used.]

(v) [Not used.]

(any such variation, a "**Transfer Order Variation**").

- (e) A Transfer Order Variation may be effected only by the Clearing House delivering a notice of amendment of an existing Transfer Order to all affected Participants.
- (f) If any of the circumstances described in Rule 1204(a) has occurred, the Transfer Order in question may at the discretion of the Clearing House alternatively be cancelled. Any such cancellation may be effected by the Clearing House serving a notice of cancellation on all affected Participants. In respect of an ICE Futures Singapore Block Clearing Order such notice shall be deemed to have been given if the Clearing House or any Market rejects a Transaction for Clearing.
- (g) [Not used.]
- (h) [Not used.]
- (i) [Not used.]
- (j) This Rule 1204 does not affect the ability of the Clearing House to take steps giving rise to a new Transfer Order of opposite effect to an existing Transfer Order or part thereof if any of the events described in Rule 1204(a) occur. No Transfer Order Variation shall preclude the cancellation of a Transfer Order in any circumstances in which a Transfer Order may alternatively be cancelled by the Clearing House. The ability of the Clearing House to cancel or vary a Transfer Order shall not preclude a Transfer Order Variation from taking effect.

Rule 1205 *Termination of Transfer Orders*

- (a) Each Payment Transfer Order shall be satisfied immediately and automatically upon all payments required pursuant to the Payment Transfer Order being received in cleared funds or full satisfaction of the relevant underlying obligations is otherwise made and recorded in the Clearing House's systems, in either case not subject to any Encumbrances except as set out in Part 5.
- (b) Each Position Transfer Order shall be satisfied immediately and automatically at the same time that it becomes irrevocable under Rule 1203(d) (whereupon all Contracts to which the Transfer Order in question relates will have been transferred, assigned or novated pursuant to the Rules).
- (c) Each Collateral Transfer Order shall be satisfied immediately and automatically at the later of the time when: (i) the Clearing House receives the Non-Cash Collateral in its account; or (ii) the definitive record of the Permitted Cover transferred by the Clearing Member that is the transferor is updated in the ICE Systems to reflect the successful transfer of Non-Cash Collateral to or to the order of the Clearing House pursuant to the Collateral Transfer Order.
- (d) An ICE Futures Singapore Block Clearing Order shall be satisfied immediately and automatically at the same time that the relevant resulting Contracts arise under Rule 401(a).

- (e) [Not used.]
- (f) [Not used.]
- (g) If a Credit/Debit Payment Transfer Order becomes irrevocable in respect of the same obligation to which a New Contract Payment Transfer Order relates, the New Contract Payment Transfer Order shall automatically be satisfied and shall not become irrevocable. It is acknowledged that New Contract Payment Transfer Orders will generally terminate in accordance with this Rule 1205(g) when standard Clearing and payment processes apply.
- (h) A New Contract Payment Transfer Order relating to a Contract shall be satisfied immediately and automatically if and at the point that the relevant Transaction or Contract has become subject to a Position Transfer Order that has itself become satisfied under Rule 1205(b).

Rule 1206 *Provision of Information by the Clearing House and Participants*

- (a) The Clearing House and any Participant must provide, upon payment of a reasonable charge, the following information to any person who requests it, save where the request is frivolous or vexatious, within 14 days of a request being made:
 - (i) details of the Payment System; and
 - (ii) information about the Rules relevant to the functioning of the Payment System.
- (b) The Clearing House will provide a copy of information referred to in Rule 1206(a) to any Clearing Member upon request.

Rule 1207 [Not used.]

Part 13 [Not used.]
Part 14 [Not used.]
Part 15 [Not used.]
Part 16 [Not used.]
Part 17 [Not used.]
Part 18 [Not used.]
Part 19 [Not used.]
Part 20 [Not used.]

EXHIBIT 1

[Not used.]

EXHIBIT 2

ICE CLEAR SINGAPORE

CUSTOMER-CM TRANSACTIONS STANDARD TERMS

BACKGROUND:

In respect of a Clearing Member and Customer using a Customer Account:

- (1) Clearing Member is a Clearing Member, as defined in the rules (together with the procedures, as interpreted in accordance with guidance and circulars thereunder, the "**Rules**") of ICE Clear Singapore Pte. Ltd. (the "**Clearing House**") and is thereby permitted to submit certain Transactions which result in a cleared Contract arising in accordance with the Rules and the Procedures of the Clearing House.
- (2) Clearing Member and Customer are or intend to become party to one or more Customer-CM Transactions, where related cleared Contracts are requested or are to be requested by the Clearing Member to be recorded in a Customer Position Account in which Contracts may be recorded. They further desire to agree to the operation of the Rules and the Procedures in relation to any Customer-CM Transactions that may arise following the submission of the related Transactions, as further provided for in these Customer-CM Transactions Standard Terms (these "**Standard Terms**").
- (3) Clearing Member and Customer have established a "master" futures account, clearing agreement or other master agreement (the "**Cleared Transactions Master Agreement**", as amended from time to time) and, if applicable, a related collateral arrangement, whether contained in the same or another agreement with respect to cleared transactions, including such Customer-CM Transactions (which Cleared Transactions Master Agreement may be supplemented by a cleared derivatives addendum, or similar document, as agreed by Clearing Member and Customer (together, the "**Customer-Clearing Member Agreement**") and as amended and supplemented by these Standard Terms).

STANDARD TERMS:

1. **Defined Terms.** Terms used but not otherwise defined in these Standard Terms shall have the meaning set forth in the Rules or the Procedures, as applicable.
2. **Exhibit to Rules.** These Standard Terms are published by the Clearing House as an Exhibit to the Rules but do not form part of the Rules. Clearing Member and Customer agree that any amendments, modifications, restatements or supplements in respect of such Exhibit to the Rules (including the withdrawal of any part of these Standard Terms) may be effective if made by the Clearing House pursuant to the provisions of Rule 109 as if the Exhibit were Rules and as if Rule 109 applied to Customers in addition to, and in the same way as it applies to, Clearing Members. At the request of Clearing Member or the Clearing House, Customer will enter into a written confirmation of the terms of any such amendment, modification, supplement or restatement.

3. ***Cleared Transactions.***

- (a) Clearing Member may designate, by specifying that certain Transactions submitted to the Clearing House are to be recorded in a Customer Position Account, that certain transactions between Clearing Member and Customer shall arise at the same time as related Contracts and shall constitute Customer-CM Transactions.
- (b) Clearing Member and Customer agree that a Customer-CM Transaction shall arise automatically and without further action on the part of Clearing Member or Customer as set out in Part 4 of the Rules in respect of the related Contract.
- (c) The terms of any Customer-CM Transaction shall, save as contemplated by these Standard Terms, be identical to those of the related Contract between Clearing Member and the Clearing House (as such Contract may be amended from time to time in accordance with the Rules and/or Procedures), except that:
 - (i) if the Clearing Member is the seller under the Contract it shall be the buyer under the Customer-CM Transaction and vice versa;
 - (ii) Customer's recourse against Clearing Member shall be limited and Clearing Member's obligations to Customer shall be conditional as provided for in Section 8(c) below;
 - (iii) Customer-CM Transactions shall also be subject to these Standard Terms and the terms of the Customer-Clearing Member Agreement; and
 - (iv) except where a Customer-Clearing Member Agreement provides for specific timings in respect of the performance of obligations:
 - (1) any obligation of the Clearing Member to the Customer shall not be required to be performed until a reasonable period has passed after the Clearing Member has received equivalent performance from the Clearing House; and
 - (2) any obligation of the Customer to the Clearing Member may be required by the Clearing Member to be performed a reasonable period in advance of the Clearing Member becoming obliged to the Clearing House in respect of an equivalent obligation.
- (d) If any Customer-CM Transactions are governed by a Customer-Clearing Member Agreement which is not a separate agreement from any master agreement applicable to transactions between Clearing Member and Customer other than Customer-CM Transactions ("**Non-Cleared Transactions**"), Clearing Member and Customer shall distinguish in their books and records Customer-CM Transactions from Non-Cleared Transactions to the extent required to enable them to comply with the Rules, the Procedures and these Standard Terms.

- (e) For purposes of the Customer-Clearing Member Agreement, in the event of any inconsistency among or between the Customer-Clearing Member Agreement, these Standard Terms, the Rules and the Procedures with respect to Customer-CM Transactions the following provisions shall prevail in the following order: (i) first, the Rules from time to time; (ii) second, subject to (m) below, the Procedures from time to time; (iii) third, these Standard Terms from time to time; and (iv) fourth, the Customer-Clearing Member Agreement.
- (f) Customer agrees with Clearing Member that Customer-CM Transactions shall be subject to the provisions of the Rules and the Procedures applicable to Customer-CM Transactions as such Rules or Procedures are amended, modified, supplemented or restated from time to time. In particular but without limitation, Customer hereby agrees that it shall be bound by, shall comply with and shall facilitate compliance by Clearing Member with the terms and conditions set forth in Parts 5 and 9 of the Rules and Rule 202 in so far as they relate to Customer-CM Transactions.
- (g) Customer agrees that publication of a Circular by the Clearing House shall constitute valid notice by the Clearing House of any matter under or relating to the Rules, the Procedures, Customer-CM Transactions or these Standard Terms.
- (h) Clearing Member and Customer agree that, save in the circumstances contemplated by these Standard Terms and as provided for in any Customer-Clearing Member Agreement or other agreement between Clearing Member and Customer, each Customer-CM Transaction is intended to reflect exactly the operation of the related Contract. In any circumstances in which a Contract is netted (in whole or in part), terminated or voided under the Rules, the related Customer-CM Transaction will also be netted (in whole or in part), terminate or be voided by reference to the same price as the Contract is so netted, terminated or voided and a payment in respect of such price may be payable between Customer and Clearing Member pursuant to the Customer-Clearing Member Agreement or as determined by the Clearing Member. Thereupon, Customer and Clearing Member shall have no further rights and be under no further liability with respect to such Customer-CM Transaction(s) (or, if applicable, part thereof) other than in respect of any unpaid payments under such Customer-CM Transactions (which shall be payable as and when originally payable). Clearing Member may, at its discretion, elect to continue an equivalent transaction with Customer as a Non-Cleared Transaction.
- (i) In addition, without limiting any rights that Clearing Member may have under the Customer-Clearing Member Agreement, if the Clearing House takes any step, including but not limited to the following events or actions, or any such event or action otherwise occurs (in each case including but not limited to any change in Applicable Law or any action taken by any Regulatory Authority pursuant to Applicable Law) in relation to a Contract, Clearing Member, at its option and discretion, shall be entitled to take equivalent action (or, if it cannot take equivalent action, it is not advisable to do so or equivalent action would not deal with the matter in hand, other appropriate action) in good faith and in a commercially reasonable manner, in relation to the related Customer-CM

Transaction and/or against Customer, including but not limited to terminating, and/or modifying the non-economic terms of, such Customer-CM Transaction and/or making adjustments to any determination of amounts paid or payable under the Customer-Clearing Member Agreement:

- (i) imposition of a fine or disgorgement payment pursuant to Part 10, any arbitral award or any other payment obligation arising other than pursuant to the Contract Terms or Parts 5 or 11 of the Rules, where the conduct in question is caused by, or in any way due to, the Customer and/or under the Customer-CM Transaction;
 - (ii) any other event or action the effect of which is to create a material mismatch between the rights, obligations or exposures as between Clearing Member and the Clearing House pursuant to a Contract on the one hand and the rights, obligations or exposures as between Clearing Member and Customer, including without limitation pursuant to the related Customer-CM Transaction, on the other hand; and
 - (iii) any other event or action the effect of which is to result in any loss, liability, cost, claim, damages or expenses being incurred by Clearing Member in connection with a Contract where such event or action does not form part of the Contract (and so is not reflected in the related Customer-CM Transaction).
- (j) Notwithstanding Section 3(c), Clearing Member and Customer may agree different settlement arrangements between Clearing Member and Customer so as to accommodate any particular requirements of Clearing Member or Customer.
- (k) Any price or rate determined by the Clearing House under the Rules in relation to a Contract shall be used as the same price or rate by the Clearing Member in relation to the related Customer-CM Transaction(s).
- (l) Customer shall not be entitled to serve any type of notice under a Customer-CM Transaction in circumstances in which or by means that the Clearing Member would not, by virtue of the Rules or Procedures, be entitled to serve a corresponding notice on the Clearing House in relation to the corresponding Contract. Clearing Member and the Clearing House shall be entitled to treat any service of a notice in breach of this provision as invalid.
- (m) Clearing Member may, but (subject as otherwise agreed) is not obliged to, deliver any electronic notices in relation to Customer-CM Transactions at the times allowed under the Rules and Procedures.
- (n) These Standard Terms may, pursuant to the process provided for in Section 2 of these Standard Terms, from time to time, incorporate additional standard terms published by the Clearing House so as to establish mechanics for dealing with the relationship between Contracts and Customer-CM Transactions until such time as market infrastructure solutions are available to address the relevant operational issues. Such additional standard terms shall form part of these Standard Terms, may (if so specified) prevail over the

applicable Procedures in respect of Customer-CM Transactions and may be amended and/or withdrawn only as provided for in Section 2 of these Standard Terms.

- (o) On each date on which the Customer has any open Customer-CM Transaction, the Customer shall represent that the Clearing House is not prevented from entering into any Contract nor is the Clearing Member prevented from entering into any Customer-CM Transaction as a result of any sanctions administered or imposed by a Governmental Authority of Singapore, the European Union, H.M. Treasury, the United Nations Security Council or any other relevant Governmental Authority affecting the Customer or any of its assets.

4. ***Margin Requirements.***

- (a) Subject as agreed otherwise in the Customer-Clearing Member Agreement, Clearing Member shall be entitled to require each of its Customers in respect of Contracts to provide margin (or permitted cover in respect thereof) in an amount no less than the amount of Margin of each relevant type required on a gross basis by the Clearing House with respect to the relevant Open Contract Position(s) for its Customer Account. For this purpose, "gross basis" shall mean that the margin requirement will be determined giving effect to any offset permitted under the Rules of such Open Contract Positions against Open Contract Positions relating to the same Set and Customer in such Customer Account, but without giving effect to any offset or permitted offset of such Open Contract Positions against Open Contract Positions relating to a different Customer.
- (b) Customer agrees that Clearing Member may use any margin provided by Customer under the Customer-Clearing Member Agreement to satisfy Clearing Member's obligations to the Clearing House under Rule 504 or Part 11. Customer shall not be entitled to assert any equitable or other claim to any such collateral and/or Permitted Cover that has been transferred to the Clearing House except as required under the SFA and the SF(CF)R, including, without limitation, any trust obligation on the Clearing House arising pursuant to Regulation 23(3) of the SF(CF)R. Where Clearing Member uses margin other than that provided by Customer under the Customer-Clearing Member Agreement to satisfy Clearing Member's obligations to the Clearing House under Rule 504 in relation to a Contract where Customer is party to the related Customer-CM Transaction, Customer shall provide Customer-margin of the same value to Clearing Member within a reasonable period.
- (c) Customer consents to the Clearing House acting as agent and/or attorney for the Clearing Member pursuant to Rule 301(e) or any Clearing Membership Agreement and, without prejudice to the rest of the Rules and Procedures, Customer acknowledges and agrees to Rule 505 which Rule shall be incorporated into these Standard Terms *mutatis mutandis*.

5. ***Events of Default and Termination.***

- (a) In the event of the declaration by the Clearing House of an Event of Default (as defined in the Rules) with respect to Clearing Member (such an event being an "**ICE-Declared Default**"), whether or not any other default (howsoever defined or described) has also occurred under the Customer-Clearing Member Agreement or otherwise, Customer shall not be entitled to exercise any remedies with respect to Customer-CM Transactions pursuant to the Customer-Clearing Member Agreement or otherwise, except as provided herein (and any other remedies being exercised at the time of the declaration of such ICE-Declared Default shall cease and be superseded by the applicable provisions of these Standard Terms).
- (b) If an ICE-Declared Default occurs at a time when Clearing Member has not already terminated the relevant Customer-CM Transactions by reason of the occurrence of an event of default or termination event relating to Customer, Clearing Member may not take any action against Customer that may interfere with the Default Portability Rule resulting in Customer discharging its obligations to Clearing Member as provided for in Section 6(e) below. Save for such restriction, nothing in these Standard Terms will limit Clearing Member's remedies under the Customer-Clearing Member Agreement in respect of Customer-CM Transactions if an event of default or termination event (or similar concept) with respect to Customer occurs under the Customer-Clearing Member Agreement.

6. ***Post-default Portability; Termination and Valuation of Cleared Transactions.***

- (a) Customer shall indicate to Clearing Member in such manner as the Clearing House may direct:
 - (i) Customer's preference as to whether, in the event of an ICE-Declared Default, it would prefer the Clearing House to apply the Default Portability Rules and related processes to the Customer's Customer-CM Transactions and related Contracts; and
 - (ii) its Default Portability Preference.

Any Default Portability Preference notified by Customer must apply to all Customer-CM Transactions with Clearing Member. Any such Default Portability Preference by Customer may be amended by notice to Clearing Member (who will, in turn, notify the Clearing House in accordance with the Rules and the Procedures), at any time prior to the occurrence of an ICE-Declared Default in respect of Clearing Member or, at the discretion of the Clearing House, by notice directly to the Clearing House in accordance with the Rules and the Procedures, following the occurrence of such an ICE-Declared Default.

- (b) Unless it has notified the Clearing Member and Clearing House in writing to the contrary, Customer hereby consents and agrees that, in the event of an ICE-Declared Default, whether or not Customer has specified a Default Portability Preference, the Clearing House shall be entitled (but shall not be

obliged) to apply the Default Portability Rules with respect to Contracts to which Clearing Member and Customer's Customer-CM Transactions relate, including by taking any of the following steps:

- (i) transferring, assigning, selling or novating Customer-CM Transactions (and related Contracts) to any Transferee Clearing Member;
 - (ii) terminating Customer-CM Transactions (and related Contracts) and arranging for the entry into of new replacement Customer-CM Transactions (and related Contracts) with any Transferee Clearing Member (by way of novation or otherwise); and/or
 - (iii) transferring Margin (in such amount as the Clearing House may determine) credited to the Customer Margin Account of Clearing Member to the Customer Margin Account of the Transferee Clearing Member and, if such a transfer occurs, Clearing Member's obligations to Customer in respect of the transferred Margin shall be fully discharged.
- (c) In the event that the Clearing House arranges for a replacement Contract and related Customer-CM Transaction pursuant to Section 6(b)(ii), the Customer-CM Transaction with the Transferor Clearing Member shall be deemed terminated at the same time that the replacement Contract and related Customer-CM Transaction is entered into. Customer shall take no action, including but not limited to attempting to obtain a court order, that could interfere with the ability of the Clearing House to take action contemplated by Part 9 of the Rules, including, without limitation, the Transfer of Contracts and Customer-CM Transactions, the transfer of any related Margin or other collateral or cover (or contingent cover) for the same or the imposition of the Transferee Clearing Member's form of Customer-Clearing Member Agreement where so permitted under the Default Portability Rules.
- (d) Customer hereby appoints the Clearing House as its lawful agent and attorney-in-fact to take such actions on behalf of the Customer as the Clearing House determines necessary or appropriate in order to effect the Default Portability Rules with respect to Customer's Customer-CM Transactions and the Customer Margin Account, including executing any document or instrument with respect to the Transfer or replacement of the Customer-CM Transaction and/or exercising rights and remedies to terminate or Transfer Customer-CM Transactions, including (without limitation) the execution of any Transfer, or the exercise of any termination notice or the transfer of amounts recorded in the Customer Margin Account. Such appointment shall not be revoked by Customer. Customer shall take such actions as the Clearing House and/or a Transferee Clearing Member may request to give full effect to the Default Portability Rules, including without limitation execution of documentation confirming or agreeing to any terms specified by Transferee Clearing Member pursuant to Rule 904(j).
- (e) In connection with any Transfer of Customer-CM Transactions pursuant to the Default Portability Rules, any termination payments owed between Customer and Clearing Member in respect of the relevant Customer-CM Transactions

(determined in accordance with the Rules and the provisions of the Customer-Clearing Member Agreement), any termination payments owed between Clearing Member and the Clearing House in respect of the related Contracts (which in each case shall be determined by the Clearing House pursuant to its default rules), any upfront variation margin payments owed between Customer and the Transferee Clearing Member with respect to the initiation of the replacement cleared transactions and any upfront Variation Margin payments owed between such Transferee Clearing Member and the Clearing House with respect to the initiation of replacement Contracts shall be equal.

- (f) In the event of an ICE-Declared Default:
- (i) There will be a minimum 4-hour period, after issuance by the Clearing House of a Circular including a Default Notice naming a Clearing Member, for Customers and their Transferee Clearing Members to notify the Clearing House of their agreement that Contracts and/or Margin can be Transferred to a Transferee Clearing Member pursuant to the Default Portability Rules ("**Porting Notice**"). Any Porting Notice, in order to be valid, must:
 - (A) [Not used.]
 - (B) concern and be duly authorised and executed by a Customer who would not, if it were a Clearing Member, be capable of being declared a Defaulter;
 - (C) concern and be duly authorised and executed by a Transferee Clearing Member who is not a Defaulter;
 - (D) be delivered to the Clearing House electronically in the form and to the address specified by the Clearing House;
 - (E) concern positions which have not already been closed out or Transferred; and
 - (F) otherwise comply with the requirements of Part 9 of the Rules.

Subject to Rule 904(c), the Clearing House will act upon Porting Notices received by it within the 4-hour period specified above. The Clearing House may also act upon other Porting Notices received by it after the end of such period, at its discretion. However, Customers and Transferee Clearing Members acknowledge that due to operational constraints and depending on market conditions, it may not be possible for the Clearing House to process all Porting Notices (whether received within the 4-hour period or thereafter) within a reasonable period of time. Porting Notices received within the initial 4-hour period will be prioritised over any other notice. The Clearing House may select Porting Notices to be dealt with in such order as it sees fit, based on such criteria as it determines are relevant, including completeness and due execution of Default Notices, legibility, time of receipt, size of positions, lawfulness of porting, Customer jurisdiction of incorporation or place of

business, whether risk increasing or risk decreasing and satisfaction of the requirements of Part 9 of the Rules. The Clearing House will not be obliged to comply with any Porting Notice which has not been acted upon by it:

- (A) if the Default Notice was issued before 13:00 hrs on a Business Day prior to the close of business on the same Business Day;
- (B) if the Default Notice was issued on a day which is not a Business Day prior to close of business on the next following Business Day; or
- (C) if the Default Notice is issued after 13:00 hrs on a Business Day prior to noon of the next following Business Day.

At the end of this period, the Clearing House may, at its sole discretion, terminate any open Contracts and related assets of the Defaulter or undertake other Transfers under consents provided for in the Rules and these Standard Terms. The deadlines for the delivery of prioritised Porting Notices or for the Clearing House to act upon any Porting Notices may be extended at the Clearing House's discretion by Circular. If, as of the end of the period for acting upon Default Notices, any Customer-CM Transactions have not been Transferred pursuant to the Default Portability Rules, such Customer-CM Transactions shall be deemed terminated, and in such case an early termination date (or similar concept) in respect of the Customer-CM Transactions shall occur under the Customer-Clearing Member Agreement, on the applicable date on which the Clearing House terminates the related Contracts pursuant to Part 9 of the Rules.

- (ii) Notwithstanding anything to the contrary in the Customer-Clearing Member Agreement or any other agreement or arrangement between Clearing Member and Customer, the amount payable pursuant to the Customer-Clearing Member Agreement in respect of the termination of the Customer-CM Transactions shall be determined on the basis of the termination value calculated by the Clearing House for the corresponding Contracts pursuant to Part 9 of the Rules but subject always, in the case of amounts due from Clearing Member, to Section 8(c) below. Customer hereby agrees and acknowledges that any determination made by the Clearing House with respect to the termination value of a Contract or a Customer-CM Transaction shall be conclusive and binding upon Customer for this purpose to the same extent that any 'net sum' declared by the Clearing House is conclusive and binding on Clearing Member. The obligation of a Clearing Member to a Customer under a Customer-CM Transaction shall be discharged to the extent that the Clearing House makes payment of any net sum or any part thereof direct to the Customer.
- (iii) Customer acknowledges and agrees that the allocation and, subject to Applicable Law, return of available amounts in the relevant Customer Margin Account shall be governed by Part 9 of the Rules, which may reduce or defer Clearing Member's obligations to Customer.

- (g) For the avoidance of doubt, nothing in these Standard Terms shall prevent other amounts being due and payable between Clearing Member and Customer as provided for in the Customer-Clearing Member Agreement.

7. ***Consents to Disclosure.***

- (a) Customer hereby consents to:
 - (i) the Clearing House having the right to obtain information in relation to the Customer-CM Transactions from any Market so as to enable the Clearing House to identify which Contracts and Margin or Permitted Cover between the Clearing House and Clearing Member relate to such Customer-CM Transactions;
 - (ii) Clearing Member making any disclosures in connection with Customer and Customer-CM Transactions as are required by the Rules and/or Procedures or as are required by Applicable Law;
 - (iii) disclosures to, use by and disclosures by the Clearing House of information relating to Customer (including the Personal Data of its Data Subjects) pursuant to Rule 106; and
 - (iv) submissions of and other actions relating to data concerning Customer-CM Transactions by the Clearing House pursuant to Section 12, the Rules and the Procedures.

8. ***Certain Limitations.***

- (a) Customer agrees and acknowledges for the benefit of the Clearing House and Clearing Member that: (i) the liability of the Clearing House to Customer shall be excluded and limited as set forth in Rule 111 and specifically that the Clearing House shall have no liability or obligation to Customer in respect of a Customer-CM Transaction or otherwise nor shall it have any duty of care directly to Customer, in any case whether in tort, contract, restitution, in respect of any Contract, pursuant to the Rules, pursuant to a Clearing Membership Agreement, pursuant to these Standard Terms or otherwise, save for any liability which by law may not be excluded, (ii) in no event shall Customer attempt to interfere with the ability of the Clearing House to exercise its rights hereunder or as set forth in the Rules, the Procedures or any Clearing Membership Agreement, and (iii) it is not entitled to, and will not, petition a court or take any action or commence any proceedings against the Clearing House, directly or indirectly and will if any such action is taken fully indemnify the Clearing House against any costs, losses or other consequences of Customer taking any such action. Customer agrees that Clearing Member acts as principal at all times in all its Contracts with the Clearing House.
- (b) The Clearing House shall have no responsibility for the compliance by Clearing Member or Customer with its obligations under a Customer-Clearing Member Agreement. The Clearing House shall be under no obligation to enquire into, and shall be fully protected in relying on, any instructions or directions with respect to a Customer Account or the assets recorded therein or

transferred thereto or therefrom under the Rules received from a Person that the Clearing House believes to be authorised to act on behalf of Clearing Member.

- (c) Customer agrees and acknowledges that the performance and payment obligations of Clearing Member to Customer are limited by and contingent on the actual performance or payment by the Clearing House under the related Contract and that Clearing Member shall have no responsibility for the compliance by the Clearing House (or any person other than that Clearing Member) with its obligations, including without limitation, under any Contract, the Rules or the Procedures. In the event that the Clearing House defaults in or defers or varies the payment or performance of any obligation otherwise owed by it in respect of a Contract corresponding to a Customer-CM Transaction (including, without limitation, any shortfall in repayment of Permitted Cover or any recovery of less than 100% of amounts owed by the Clearing House or property provided to the Clearing House in circumstances in which Rule 912 applies), Clearing Member will be entitled to make a corresponding deduction, withholding or other reduction from, or tolling or deferring of, any payment or performance otherwise owed by it under such corresponding Customer-CM Transactions and/or to make its performance under such Customer-CM Transactions conditional on performance by the Clearing House under the related Contract (and where any such deduction may be attributable to both Customer-CM Transactions and to Customer Account Contracts of other Customers, Clearing Member shall allocate such deduction among such contracts on a *pro rata* basis) provided that if such defaulted or delayed payment or performance is subsequently obtained by Clearing Member from the Clearing House (in whole or in part), Clearing Member shall thereupon make the corresponding payment or performance (or portion thereof) to Customer.

9. ***Certain Tax Matters.***

Subject always, and without prejudice, to any provisions of a Customer-Clearing Member Agreement: (i) if Clearing Member is required to pay to Clearing House any additional amount under Rule 301(j) or the Contract Terms with respect to a Contract corresponding to a Customer-CM Transaction, Customer shall be obliged to pay to Clearing Member an amount equal to such additional amount (or the applicable portion thereof), but without duplication of any additional amount payable by Customer under any relevant provision of the Customer-Clearing Member Agreement, (ii) for the avoidance of doubt, and without prejudice to the above, if Clearing House deducts or withholds any amount otherwise payable to Clearing Member on a Contract pursuant to Rule 301 or the Contract Terms, Clearing Member shall be entitled to make a corresponding deduction from any amount otherwise payable by Clearing Member to Customer under a corresponding Customer-CM Transaction, and (iii) where such additional amount or deduction may be attributable to both Customer-CM Transactions and to Customer-CM Transactions of other customers, Clearing Member shall allocate such additional amount or deduction among such contracts on a *pro rata* basis.

10. ***Reliance on Transactions etc.***

The Clearing House shall be entitled to assume, without enquiry, that at each Acceptance Time at which a Customer-CM Transaction arises, the respective obligations of Clearing Member and Customer under such Customer-CM Transaction constitutes its legal, valid and binding obligations enforceable in accordance with their respective terms, subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles in general application (regardless of whether enforcement is sought in a proceeding in equity or at law). The sole remedy of Customer in the case of any error shall be to request that Clearing Member request the Clearing House to amend or correct any error pursuant to the Rules or Procedures.

11. ***Third Party Rights.***

The Clearing House shall be entitled to rely upon and enjoy the benefit of the representations, warranties, agreements, obligations and covenants of the Customer under these Standard Terms and shall have the right to enforce such representations, warranties, agreements, obligations and covenants against the parties under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore). Other than as set out in this Section 11, no persons other than Clearing Member and Customer shall have the right to enforce any provision of these Standard Terms under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) or otherwise.

12. ***Miscellaneous.***

- (a) ***Intellectual Property.*** Customer agrees to the representation, warranty and undertaking specified in Rule 406(g).
- (b) ***Entire Agreement.*** These Standard Terms (together with the Customer-Clearing Member Agreement and the Rules and the Procedures incorporated by reference herein) constitutes the entire agreement and understanding of Customer and Clearing Member with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.
- (c) ***Headings.*** The headings used in these Standard Terms are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting these Standard Terms.
- (d) ***Governing Law.*** Any contractual or non-contractual disputes arising out of or in connection with the Customer-Clearing Member Agreement are governed by and shall be construed in accordance with the law specified in the Customer-Clearing Member Agreement and subject to the non-exclusive jurisdiction of the courts specified in the Cleared Transactions Master Agreement provided that: (i) Sections 6(d) and 11 of these Standard Terms shall be governed by and shall be construed in accordance with the laws of Singapore and are subject to arbitration under Rule 117 as if such provisions of these Standard Terms were Rules and the parties were bound thereby as if they were both Clearing Members, notwithstanding any choice of law or jurisdiction in the Cleared Transactions Master Agreement; and (ii) each

provision of the Rules and the Procedures incorporated by reference herein or in the Customer-Clearing Member Agreement shall be governed by and construed in accordance with the laws of the Republic of Singapore. Clearing Member and Customer hereby irrevocably waive any right to object to any such proceedings on the basis of *forum non conveniens* or otherwise.

EXHIBIT 3

[Not used.]

EXHIBIT 4

[Not used.]



ICE Clear Singaporesm

Finance Procedures

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1. **GENERAL**

1.1 These Finance Procedures are 'Procedures' as defined in the ICE Clear Singapore rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rule 102. These Finance Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law, and any Dispute arising under these Finance Procedures will be subject to arbitration under Rule 117. These Finance Procedures set out details on how Clearing Members' financial obligations are met, including the provision of cash and securities to the Clearing House.

1.2 The Clearing House will execute and initiate a range of financial transactions on a daily basis to manage Clearing Members' requests, rights, liabilities and obligations. Such transactions will result in payments being made to cover Margin obligations and to pay fees, among others. ICE Clear Singapore has established a network of Approved Financial Institutions for this purpose. This is also known as the "**Assured Payment System**" or "**APS**".

2. **CASH COLLATERAL**

2.1 The Clearing House will support transactions and account holdings in four currencies: USD, EUR, SGD and CNH. Original Margin obligations may be met only in these currencies. Other currencies may be used by Clearing Members only for the receipt of income on non-cash Permitted Cover with coupons payable in those currencies. CNH may also be used for settlement payments or Variation Margin payments only for Contracts which settle in CNH (whether in whole or in part).

2.2 The Clearing House supports cross currency collateral, which means that it is not necessary to cover Margin requirements in the same currency as the underlying Contract (other than Variation Margin in accordance with Rule 502(c)). The relevant exchange rates (or methodology concerning exchange rates) to be applied in such circumstances shall be specified in ECS or otherwise published by the Clearing House by Circular, or in the event that such exchange rate is not available, such other reasonable exchange rate as determined by the Clearing House. The Clearing House may impose a "haircut" on any Original Margin provided in a currency other than the reference currency to cover fluctuations in exchange rates. Applicable exchange rate haircuts will be published from time to time by Circular.

3. **[NOT USED.]**

4. **ASSURED PAYMENT SYSTEM: ACCOUNTS**

4.1 Each Clearing Member must, as a minimum, maintain the following accounts at one or more Approved Financial Institutions:

- (a) up to three Nominated Proprietary Bank Accounts (also known as 'house' accounts) linked to each Proprietary Account, denominated in up to one each of USD, EUR, SGD and CNH as follows:
 - (i) all Clearing Members must have an account denominated in USD;
 - (ii) a Clearing Member that transfers non-cash Permitted Cover to the Clearing House which pays a coupon, interest or redemptions must have an account in the currency of such coupon, interest or redemption; and
 - (iii) a Clearing Member which has an Open Contract Position in a contract for which CNH is a settlement currency must have an account denominated in such currency; and

- (b) additional Nominated Customer Bank Accounts (also known as 'client' accounts), one for each currency used by it for its Customer Account, based on the same principles as set out in Paragraphs 4.1(a)(i) to (iii).
- 4.2 [Not used.]
- 4.3 Nominated Proprietary Bank Accounts and Nominated Customer Bank Accounts must be accounts at Approved Financial Institutions but need not all be at the same Approved Financial Institution.
- 4.4 [Not used.]
- 4.5 The Clearing House's Extensible Clearing System ("ECS") will be used for payments. Successful applicants for membership status will be issued with log-ins and given training in the use of ECS. ECS will be used by Clearing Members to give instructions in respect of certain transactions relating to the transfer of cash and securities to the Clearing House and, when there is excess Permitted Cover in place and when requested by the Clearing Member, to the Clearing Member. The Clearing House will be entitled to act upon instructions made through ECS by the Clearing Member or any of its Representatives. The accounts described in Paragraph 4.1 are the only accounts that may be used for day-to-day transfers to and from the Clearing House through ECS.
- 4.6 The Clearing House operates Clearing House Accounts in each of the currencies at each Approved Financial Institution and separately for each Customer Account and Proprietary Account of Clearing Members. Such separation by the Clearing House is undertaken to comply with Applicable Laws and provide administrative benefits to Clearing Members. Upon an Event of Default being declared, amounts in all Proprietary Accounts of a Clearing Member may be combined and set off, and amounts relevant to a single separate Customer Account may be combined and set off with one another but not with any other Account, as set out in the Rules.
- 4.7 Additionally, the Clearing House will hold Clearing House Accounts at a Concentration Bank in order to facilitate transfers between accounts at Approved Financial Institutions.
5. **ASSURED PAYMENT SYSTEM: PROCEDURES**
- 5.1 Each Clearing Member will be required to have in place at all times a standard debit mandate, allowing the Clearing House to call funds from its Nominated Bank Accounts, established in the relevant Approved Financial Institution's standard form ("**Third Party Authority Form**"). Pursuant to the Clearing Membership Agreement, each Clearing Member must at all times have in place a duly executed Third Party Authority Form in favour of each Approved Financial Institution used by it and in respect of each of its Nominated Bank Accounts. Pursuant to Clearing Membership and arrangements between the Clearing House and Approved Financial Institutions, the Clearing House is given various powers, including to take any action as it in its discretion determines in the Clearing Member's or the Clearing House's name in connection with a Clearing Member's Nominated Bank Accounts. Approved Financial Institutions will act upon any instructions received from the Clearing House in relation to the Nominated Bank Accounts without any further reference to, or authority from, a Clearing Member.
- 5.2 Changes in APS account details must be notified at least five Business Days in advance.
- 5.3 It is the responsibility of each Clearing Member to have sufficient funds in its Nominated Bank Accounts to enable all cash transfers required under the Rules to be settled. Approved Financial Institutions will not be able to reverse any payment from or to a Clearing House Account without receipt of authorisation from the Clearing House evidenced in writing.
- 5.4 Clearing Members will be advised of debits from or credits to their physical accounts by the standard SWIFT advices of debit and credit (MT900 and MT910 respectively) or otherwise in accordance with arrangement established with Approved Financial Institutions.

- 5.5 Clearing Members must ensure that Approved Financial Institutions make payment to the Clearing House Account at the relevant Approved Financial Institution within the time periods specified in Table 1. The Clearing House will notify all affected Approved Financial Institutions if a contingency method is to be invoked. In the event that no payment notification is received from an Approved Financial Institution by the time specified in Table 1, the Clearing House will be permitted to act as if the funds have not and will not be received, which includes the declaration of an Event of Default in respect of any affected Clearing Member. In such circumstances, the Clearing House will use its reasonable endeavours to determine the cause of the late notification with the relevant Approved Financial Institutions. The remittance of funds remains at all times the responsibility of Clearing Members. The Clearing House may otherwise treat funds as not having been received and take similar actions as a result of Rule 301(f). In the case of the failure or Insolvency of an Approved Financial Institution used by a Clearing Member in circumstances in which an amount is not treated as having been paid as a result of Rule 301(f), the amount must still be paid (through a further payment, if necessary) by a Clearing Member using alternative methods or a different Approved Financial Institution, in order to discharge the Clearing Member's liabilities.
- 5.6 If the Clearing House has been transferred excess cash (beyond applicable Margin requirements) by any Clearing Member, the Clearing Member in question is entitled to request repayment through ECS, either on an *ad hoc* basis or automatically on a daily or other regular basis. Such repayments will take place through the same systems and accounts as for payments to the Clearing House.

TABLE 1: TIME PERIODS FOR DELIVERY OF FUNDS AND SWIFT MT900/MT910

Type of Instruction	Time for Receipt of Instruction	Latest time for APS Bank to make payment of amount specified in Instruction and send SWIFT MT900/MT910
Routine End-of-day Instruction	On or after 00:00:00 Singapore Time on Business Day X+1 but on or before 08:59:59 on Business Day X+1	Before 10:00:00 Singapore time on Business Day X+1
Intra-day Instruction (contingency)	On or after 10:00:00 on Business Day X but on or before Cut-Off Time on Business Day X	Within one hour of instruction on Business Day X

6. PAYMENTS TO AND FROM THE CLEARING HOUSE

6.1 General

- (a) [Not used.]
- (b) Pursuant to Part 3 of the Rules, payments between the Clearing House and a Clearing Member may be set off and consolidated into end-of-day or *ad hoc* payments in respect of each Account. Adjustments in Margin calls resulting from price changes in underlying open Contracts will result in either a payment from the Clearing Member's relevant Nominated Bank Account by direct debit or a payment from a Clearing House Account to a Clearing Member's relevant Nominated Bank Account. Margin payments are combined with all other amounts due and payable pursuant to the Rules and discussed further in this Paragraph.
- (c) Payments will be executed as an intra-APS-bank, between accounts, book transfer from the relevant Nominated Bank Account to a Clearing House Account at the same Approved Financial Institution. Payment into Clearing Members' relevant Nominated Bank Accounts will generally take place through a similar book transfer. However, if insufficient funds are available within the relevant Clearing House Account at that Approved Financial Institution,

the remaining balance may be transferred from a relevant Clearing House Account at another Approved Financial Institution or Approved Financial Institutions.

- (d) In ECS, Clearing Members have the ability to set standing instructions to return all funds above applicable Margin requirements or above a threshold (if higher). Such standing instructions can only be set for cash collateral.
- (e) If a Clearing Member has not established standing instructions in ECS, it may manage its cash accounts by giving manual instructions. An increase in cash positions through ECS will result in a direct debit from the relevant Nominated Bank Account of the Clearing Member. A reduction in cash positions will result in a payment from a Clearing House Account to one of the Clearing Member's Nominated Bank Accounts. ECS does not permit requested reductions or standing instructions to result in a Clearing Member holding any positions below applicable Margin and Guaranty Fund Contribution requirements.

All cash instructions should be instructed before:

Currency	Instruction deadline
EUR	Before 12:00 Singapore time
USD	Before 12:00 Singapore time
SGD	Before 12:00 Singapore time
CNH	Before 12:00 Singapore time or as specified in the Delivery Procedures, as applicable

- (f) Withdrawals entered after these deadlines will be executed in the end-of-day process unless required to cover liabilities before the end-of-day process. Clearing Members are still able to enter cash deposits for value next day. These requests need to be entered and approved by Clearing Members prior to end-of-day, but will only be accepted by the Clearing House on the following morning. Following acceptance by the Clearing House, the changes will take effect immediately. The Clearing House may require any Clearing Member to reduce excess cash on account with the Clearing House or may specify that excess cash on account above a certain threshold does not receive interest.
- (g) Overnight payments must be made to the Clearing House at or before 10:00 on the morning following a call. *Ad hoc* payments must be made within one hour of an instruction being issued by the Clearing House through ECS. In relation to overnight pending transactions, any withdrawals or deposits instructed after the relevant deadline will be rejected by ECS.
- (h) The Clearing House will not provide Clearing Members with any specific notifications or confirmations after the execution of a cash movement. Clearing Members may instead find details of all instructions in daily and other reports available through the ECS graphical user interface (or "GUI"). After execution, the status of an instruction within ECS will change from 'pending' to 'processed'.
- (i) The following sections describe the various payments that may be included in any cash transfer:
 - (i) *Variation Margin*

Daily Calls: Pursuant to Rule 503, all Contracts will be revalued and subject to Variation Margin calls on a daily basis for settlement on the same-day in accordance with Table 1. Variation Margin requirements are calculated and settled only in cash. Adjustments will be calculated and payments will ordinarily be executed in the

currency of the relevant Contracts (or underlying Contracts). Liabilities resulting from Variation Margin requirements will be included in the overnight call or return.

Intra-day Calls: Contracts may also be marked to market and subject to an additional Variation Margin call (the proceeds of which may be applied against future Variation Margin calls) on an *ad hoc* intra-day basis. Affected Clearing Members will be informed (not in writing) by the Clearing House in the event of an intra-day call being applicable. If the call affects a significant number of Clearing Members, the Clearing House may issue a Circular. Intra-day calls will be executed via a direct debit from the Clearing Member's Nominated Bank Account at an Approved Financial Institution. Payment must be made within one hour. Intra-day calls will only be in USD.

(ii) *Original Margin*

Daily Calls: Pursuant to Part 5 of the Rules, Original Margin requirements will be recalculated on a daily basis. Requirements will be calculated and payments will ordinarily be executed in the currency of the relevant Contracts (or underlying Contracts). Liabilities resulting from Original Margin requirements will be included in the overnight call or return.

Intra-day Calls: Original Margin may also be subject to *ad hoc* intra-day recalculations and calls. Affected Clearing Members will be informed (not in writing) by the Clearing House in the event of an intra-day call being applicable. If the call affects a significant number of Clearing Members, the Clearing House may issue a Circular. Intra-day Original Margin calls will be executed via a direct debit from the Clearing Member's Nominated Bank Account at an Approved Financial Institution. Payment must be made within one hour. Intra-day calls will only be in USD.

As explained in the Clearing Procedures, in the event that an intra-day Margin call is anticipated, the Clearing House will contact the Clearing Member by phone to notify them of the requirement. This will be followed by written notification distributed by email. Intra-day Margin calls can be made between 10:00 and 18:00 Singapore Time and must be met within 60 minutes of notification by the Clearing House. Clearing Members will be able to answer the call by reducing positions (e.g. reallocation of trades/clearing give-ups) or submitting new cash and/or collateral. Margin calls are rounded to the smallest currency unit (e.g. US dollar cents).

(iii) *Guaranty Fund adjustments*

Each relevant Guaranty Fund Period, the total value of the Guaranty Funds and required Guaranty Fund Contributions of Clearing Members are reviewed and may be amended. Each Clearing Member will be notified of its total Guaranty Fund Contribution requirements at each Guaranty Fund Period end by Circular. The Clearing House Contributions will also be notified to Clearing Members. Adjustments to Guaranty Fund Contributions will be notified to individual Clearing Members by e-mail to a nominated e-mail account of each Clearing Member the Business Day after the end of the relevant Guaranty Fund Period. Adjustments will be made ten Business Days after the date of notification unless the relevant Circular specifies otherwise. Other than in exceptional circumstances, any additional required Guaranty Fund Contribution payments will be included together with overnight calls and details will be included in daily reports provided to Clearing Members through ECS.

(iv) *Interest*

The Clearing House will notify Clearing Members of its interest rate in each currency on the Business Day following the day to which the rate applies. The Clearing House rates payable on Original Margin are referred to as the ICE Deposit Rate (IDR).

Payments of interest will be made to Clearing Members in respect of cash, assets and securities held by the Clearing House as Margin, Guaranty Fund Contributions or Permitted Cover. The rate of return may vary for different cash and asset classes and between types of cover. The IDR and accumulated interest over each month will be available to Clearing Members through the ECS-GUI.

Interest will be calculated on a simple daily basis and will become available for payment to Clearing Members, subject to any required deduction or withholding tax, monthly, by the fourth Business Day after the end of each month. Once credited, the interest is available to meet Margin payments or may be withdrawn by Clearing Members. If used to meet Margin payments, the interest then itself becomes eligible to accrue interest.

(v) *Income (interest and collateral) and redemption*

The Clearing House will make payment to Clearing Members in respect of income and redemptions on non-cash assets transferred to the Clearing House as Margin, Guaranty Fund Contributions or Permitted Cover. Distributions will be executed direct to the Clearing Member by the relevant custodian pursuant to a standing instruction made by the Clearing House based on account information provided by the Clearing Member. Clearing Members are required to provide account details in relation to accounts in all applicable currencies to the Clearing House. Changes in account details must be notified at least five Business Days in advance.

Payments in respect of income on non-cash assets will be paid to Clearing Members in the same currency as the income is distributed by the relevant issuer or payment agent to the Clearing House or the relevant custodian. Any required foreign exchange transaction following payment must be arranged by the Clearing Member and the costs of the same must be met by the Clearing Member. No currency exchange will be arranged by the Clearing House or its custodian.

If there is a failed payment in respect of income or redemption (e.g. as a result of account details being unavailable or incorrect), income may be retained by the Clearing House or custodian but will not be treated by the Clearing House as Permitted Cover. The Clearing House makes no representation or warranty to Clearing Members in respect of the promptness of payment by any issuer or payment agent, the custodian or any of its sub-custodians or agents (save for any liability which by Applicable Law may not be excluded).

(vi) *Fees and rebates*

All Market fees, Clearing House fees, delivery fees and other fees payable to the Clearing House or a Market will be calculated and charged to each Clearing Member as such fees accrue (typically on a monthly basis).

Rebates, fee discounts and incentive program payments which have been directed by the payee or beneficiary to be paid to the account of a Clearing Member will be calculated and credited to the relevant account of the Clearing Member as such rebates, fee discounts and incentive program payments accrue (typically on a

monthly basis) and may include payments for which the payer is a Market, payments for which the payer is the Clearing House or both.

The following additional provisions apply in respect of rebate, fee discount or incentive program payments except to the extent agreed or notified otherwise by the Clearing House from time to time. Terms, conditions and amounts of rebate, fee discount or incentive programs may be periodically modified by the Clearing House at its sole discretion. In certain circumstances, the Clearing House may make the availability of a rebate, fee discount or incentive program contingent on certain cleared volume levels. Rebate, fee discount and incentive programs may be withdrawn by the Clearing House or any relevant Market at any time. Persons may be required to meet participation criteria, conditions and obligations applicable to participants in this scheme as the same may be amended or added to from time to time, in order to be able to continue to participate in any such program. Where a rebate, fee discount or incentive program relates to a service for which both Market trading, clearing or other fees or Clearing House clearing fees are applicable, the payer of the rebate, fee discount or incentive program payment is the Clearing House as to the total amount of the Market and Clearing House rebate, fee discount or incentive program payments multiplied by the percentage that Clearing House fees represent of the sum of Clearing House and Market fees. The legal entity operating the relevant Market will be the payer of the remainder of the rebate, fee discount or incentive program payment. Where only Clearing House fees are charged for a rebate, fee discount or incentive program payment, the payer of the entire rebate, fee discount or incentive program payment is the Clearing House. The Clearing House or the operator of the relevant Market may arrange for one of its Affiliates or the Clearing House to make any payment in respect of rebates, fee discounts or incentive programs on the payer's behalf. The payee in respect of a rebate, fee discount or incentive program is the person who participates in the program, regardless of whether such person is or is not a Clearing Member or member or participant of the relevant Market. A qualifying participant in a rebate, fee discount or incentive program may from time to time direct that relevant payments be made directly to their account or to the account of their Clearing Member, exchange member, execution platform participant or any other third party. Any payment in accordance with such instructions shall constitute due and final payment by the Clearing House or Market to the account of the rebate, fee discount or incentive program participant. Rebate, fee discount or incentive program participants may direct changes to such payment arrangements from time to time by providing notice in writing to the Clearing House or the relevant Market. In the absence of any payment instructions, the Clearing House shall be entitled (but shall not be required) to make payment in respect of any rebate, fee discount or incentive program payment by crediting amounts to the Proprietary Account or Customer Account of the relevant Clearing Member and in doing so shall have made good discharge of its obligations and those of any Market in relation to the relevant rebate, fee discount or incentive program payment.

Fee invoices will be made available via ECS by the sixth Business Day of each month. Fees and any applicable rebates, incentive payments or discounts will be included in the overnight call or return by the seventh Business Day after the end of each month. All fees are collected through a Clearing Member's Nominated Proprietary Bank Account. Rebates, incentive payments or discounts may be credited to a Clearing Member's Nominated Proprietary Bank Account or Nominated Customer Bank Account, as instructed from time to time by the payee.

Clearing Members that wish to query a fee invoice should contact the Clearing House Finance department on or before the 10th Business Day of the relevant month. Any required amendments will be reflected in the next billing cycle.

(vii) *Other Amounts*

Any amount payable by a Clearing Member to the Clearing House (or *vice versa*) pursuant to the Rules or any Contract may be included within an end-of-day or *ad hoc* payment. This may include settlement amounts, delivery-related payments (e.g. Buyer's Security and Seller's Security), fines, damages, amounts payable as a result of arbitration or disciplinary proceedings, dividends and coupons and other corporate action payments relating to Investments being delivered under Contracts and other amounts payable under the Rules.

(viii) *Currency Holidays and payments in other currencies*

Before the start of each calendar year, the Clearing House will publish a Circular setting out details of bank/public holidays relevant to the currencies supported by the Clearing House in different jurisdictions (each, a "**Currency Holiday**"). Transfer of funds in a currency will not take place on a Currency Holiday for that currency.

If there is a Currency Holiday, the Clearing House will call and Clearing Members shall pay (or receive as applicable) Margin on the next Business Day which is not a Currency Holiday.

Transactions in collateral on bank/public holidays in a relevant jurisdiction will not necessarily be rejected upon instruction but will be cancelled at the end of day and must be re-instructed by Clearing Members on a day which is not a bank/public holiday in the relevant jurisdiction.

7. CUSTODY ACCOUNTS

7.1 Pursuant to Rule 502, Original Margin, requirements are payable initially in cash but a Clearing Member may substitute such cash Original Margin with other Permitted Cover by delivery of the replacement Permitted Cover to the Clearing House. Such transfers must first be notified to the Clearing House by the relevant Clearing Member through ECS and will not be effective and may not be made until after the Clearing House has approved the proposed transaction in ECS. Guaranty Fund Contribution requirements may also be satisfied through non-cash assets to the extent allowed under the Rules and these Procedures. The Clearing House holds all non-cash assets provided to it as Permitted Cover with a third party custodian (which may in turn use sub-custodians). Non-cash assets transferred to the Clearing House by way of title transfer cease to belong to the Clearing Member upon transfer to the Clearing House but subject always to Part 5 of the Rules (including but not limited to Rule 504). The Clearing House will operate separate custody accounts in respect of each Clearing Member, one custody account in respect of and linked to each of its Accounts and in respect of its Guaranty Fund Contributions. In addition, the Clearing House will operate at least one custody account in respect of each Proprietary Account of each Clearing Member. Such accounts are labelled by the custodian with the name of the relevant Clearing Member, for administrative convenience only. Client accounts will not be maintained for Clearing Members undertaking only Proprietary Account business. This structure is intended to facilitate tax reporting and avoids unnecessary withholding of tax at source. Returns on Permitted Cover held in a Guaranty Fund Contribution custody account will be for the credit of the relevant Proprietary Account.

7.2 In the event that a Clearing Member wishes to lodge U.S. Government securities as Permitted Cover, Clearing Members are required to complete and return a Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" (non-U.S. entities) or a Form W-9 "Request for Taxpayer Identification Number and Certification" (U.S. entities). Clearing Members must inform the Clearing House of any changes in relevant tax status or the information provided in any such form. Late provision of information may result in unnecessary tax withholdings, deductions, penalties or costs. The Clearing House shall not be liable to Clearing Members for any such withholdings, deductions, penalties or costs. Where necessary, the Clearing House's custodian will make available a

tax certificate or other details which may be required for tax purposes from time to time. Declarations relating to 'beneficial ownership' on IRS Form W-8BEN or IRS Form W-9 are based upon U.S. tax law concepts and do not affect the transfer of title, pledge or property rights provided for under Clearing Membership Agreements, nor do they put the Clearing House on notice of any Encumbrance.

8. **PERMITTED COVER: SECURITIES**

8.1 The Clearing House will publish by Circular a list from time to time setting out all security classes acceptable as non-cash Permitted Cover, specifying any restrictions for such Permitted Cover applicable by way of class or status of Clearing Member, account or Contract. Applicable 'haircuts' will also be published and amended by Circular. The amount of recognised Permitted Cover at the Clearing House attributable to a particular security is the market value of the relevant security multiplied by the applicable haircut. Within ECS, details of international security identification numbers (ISINs) for all acceptable Permitted Cover will be provided. New issues are automatically added to the list and can be selected for settlement and coverage. The Clearing House is entitled to remove securities from the list of accepted Permitted Cover or to vary haircuts at any time.

8.2 Clearing Members may suggest to the Clearing House's risk department that a new class or series of permitted cover be included within the list of acceptable Permitted Cover. A request form to lodge new certificates of deposit is available on the member-only section of the Clearing House website. New classes will only be added after approval by the risk department. A limited sub-set of the acceptable securities are accepted by the Clearing House in respect of required Guaranty Fund Contributions. The Clearing House will set out and amend the list of acceptable Permitted Cover by a Circular.

8.3 The Clearing House does not recognise any value for non-cash collateral as from the day falling one full Business Day prior to redemption or maturity. Clearing Members must arrange for substitute Permitted Cover on or prior to such time. The Clearing House will use endeavours (but shall not be required) to contact Clearing Members who have securities nearing maturity in order to assist with the timely lodgement of alternative Permitted Cover.

8.4 Notwithstanding Paragraph 8.1, a Clearing Member may not use any financial instrument otherwise agreed by the Clearing House to be eligible as Permitted Cover where such financial instrument is issued by such Clearing Member or one of its Affiliates except in the case of a covered bond and only where the assets backing that bond are appropriately segregated within a robust legal framework which the Clearing House determines to satisfy applicable requirements under Applicable Law.

9. **[NOT USED.]**

10. **[NOT USED.]**

11. **SETTLEMENT PROCEDURES FOR NON-CASH COLLATERAL**

11.1 **Instruction Type**

All transactions to deposit or withdraw from the Clearing House will be executed free of payment.

11.2 **Trade and Settlement Date**

(a) The Clearing House presumes that all trade dates and contractual settlement dates are equal to the date of entry of an instruction in ECS, because all relevant settlement systems and depositories for Permitted Cover support same-day settlement. Any deviation from this assumption must be notified to the Clearing House as it will result in a mismatch and non-settlement.

(b) Settlements must take place during normal opening hours of the relevant settlement or depository system. The Clearing House will not give settlement instructions in extended settlement periods such as 'daylight' or 'Real Time Settlement' periods.

11.3 **Custody and Sub-custody**

- (a) Settlement of a transfer of Permitted Cover from the Clearing House to a Clearing Member may only be effected when the relevant securities to be subject to settlement are under custody of the Clearing House's custodian at the moment that settlement instructions are made.
- (b) Each settlement between the Clearing House and a Clearing Member must be effected pursuant to a transaction within the relevant settlement or depository system.

11.4 **Matching of Settlement Instructions**

The Clearing House will support the matching mechanism of at least one major settlement system or depository for securities acceptable as Permitted Cover. ECS requires only the minimum necessary information required by such systems and depositories in order for matching of a counterparty's instruction. The Clearing House will notify Clearing Members of the relevant account details for matching. However, it is the responsibility of the Clearing Member to ensure that instructions entered into ECS are correctly matched. The Clearing House will not be liable for any losses of Clearing Members or third parties caused by non-settlement or a delay in settlement as a result of the actions or omissions of a settlement system, a depository or the Clearing Member (save for any liability which by law may not be excluded).

Matching criteria per settlement institute (and ICE settlement details) will be set out by Circular.

Direct accounts of the Clearing House at settlement systems may also be notified by the Clearing House to Clearing Members from time to time and must be used instead of any of the accounts referenced in any Circular issued by the Clearing House pursuant to the preceding paragraph, where the Clearing House and Clearing Member are able to do so.

11.5 **Settlement cancellations and unsettled transactions**

- (a) Clearing Members may only cancel settlement instructions prior to the time when the Clearing House sends settlement instructions to its custodian. After the Clearing House has sent instructions to its custodian, the Clearing House and ECS will assume that the transaction has been executed and settled.
- (b) All unsettled transactions are automatically cancelled at the end of each day in ECS. In the event that the relevant settlement system or depository does not support one-sided cancellations and the transaction settles after the contractual settlement date, relevant securities will not be taken into account as Permitted Cover. If same-day settlement does not occur but the Clearing Member still wishes to make settlement, it must cancel the instruction and re-enter that instruction.

11.6 **Settlement deadlines**

All settlements will be executed by the Clearing House with a request for same-day settlement. As deadlines for settlement systems or deadlines on particular days may vary, the Clearing House will provide details of normal deadlines for free-of-payment instructions for each supported settlement system by Circular. Deadlines for settlement systems will be set out and updated in Circulars. Any adjustments of deadlines will be published by Circular. Instructions received after a specified deadline will be rejected by ECS.

11.7 **Holidays affecting settlement systems**

- (a) If a settlement system or depository is closed, it will not be possible to transfer securities within that system. Clearing Members are allowed to use alternative settlement systems or types of collateral to cover Margin requirements or Guaranty Fund Contribution requirements.

Clearing Members wishing to deliver securities through such alternative settlement systems or types of collateral should contact the Clearing House's Treasury department.

11.8 Status settlement transaction

The Clearing House will provide updated information on the settlement status of transactions through ECS. Clearing Members are responsible for monitoring the status of settlements. The status of a transaction as matched or not matched is not reported upon by the Clearing House and must be confirmed by Clearing Members directly with the relevant settlement system or depository.

12. [NOT USED.]

13. RISK MANAGEMENT

13.1 Contacting Risk Management

Clearing Members should contact the Clearing House's risk department to discuss any special issues relating to Margin, Permitted Cover, Guaranty Fund Contributions, Exposure Limits or any unusual circumstances or events.

13.2 Specific information request

Clearing Members may be required from time to time to respond to an information request made by the Clearing House. Such a request may include (but shall not be limited to) information concerning:

- (a) the nature and extent of Open Contract Positions;
- (b) identification of a Customer or Customers for whom Open Contract Positions are held;
- (c) explanation of the commercial strategy or rationale relating to Open Contract Positions;
- (d) any economically similar positions at other Clearing Organisations or Exchanges or in over-the-counter instruments; and/or
- (e) details around plans to close out or reduce any Open Contract Positions.

13.3 The Clearing House shall be entitled to require written responses and may make further or follow-up requests and visits and inspections. This Paragraph is without prejudice to the Clearing House's rights under the Rules, including in relation to the provision of information, audit and disciplinary proceedings.

13.4 Staff Availability

Clearing Members may be required from time to time to make staff of suitable seniority available to attend meetings, called by the Clearing House at reasonable notice, in order to assess:

- (a) the Clearing Member's compliance with the Rules and these Procedures;
- (b) risks to which the Clearing House, Clearing Member is exposed; or
- (c) any related purposes.

13.5 **Default Procedure**

In the case where the payment deadline is not met, the Clearing House may initiate a default procedure. Without prejudice to Part 9 of the Rules, the default procedure in general may use the following tools:

- (a) setting of final deadlines for the Clearing Member to meet requirements;
- (b) imposition of Exposure Limits;
- (c) additional Margin requirements;
- (d) restriction of trading (e.g. new trades only allowed to liquidate existing positions);
- (e) transfer of Open Contract Positions;
- (f) liquidation of Permitted Cover;
- (g) liquidation of Guaranty Fund Contributions; or
- (h) closure of Open Contract Positions.

13.6 **Margin Parameters**

The Clearing House monitors market volatilities on a daily basis. The Clearing House will review Original Margin rates on a periodic and *ad hoc* basis. Changes to Original Margin rates will be notified to Clearing Members by Circular. *Ad hoc* rate changes will become effective on the next Business Day. Routine rate changes will be implemented on the date given in the Circular announcing such changes, normally five Business Days after the date of the Circular.

13.7 **Haircuts**

The Clearing House will review haircuts applicable for Permitted Cover on a periodic and *ad hoc* basis. Changes to haircuts will be notified to Clearing Members by Circular. *Ad hoc* rate changes will become effective on the next Business Day. Routine rate changes will be implemented on the date given in the Circular announcing such changes, normally five Business Days after the date of the Circular.

13.8 **Permitted Capital Limits**

The Clearing House monitors the relationship between Capital and outstanding Original Margin obligations of Clearing Members. If, on aggregate, a Clearing Member's Original Margin is greater than three times the Clearing Member's Capital, the Clearing House may require that further Capital (or substitute Capital) be put in place by the Clearing Member.

The Clearing House will endeavour to contact Clearing Members that may be required to put in place additional Capital in advance of such requirement becoming necessary, in order to agree steps to be taken by the Clearing Members.

13.9 **Concentrated Positions**

The Clearing House monitors Open Contract Positions on a daily basis. Where the Clearing House determines an Open Contract Position to be concentrated, as defined by its large positions policy, the Clearing House may, at its discretion, require that the Clearing Member do any of the following:

- (a) reduce an Open Contract Position; or
- (b) lodge additional Permitted Cover with the Clearing House;

Positions will be subject to an extra Margin requirement in the case that a single Clearing Member holds more than 20% of the total Margin requirement in the margined product group.

14. **GUARANTY FUND PARAMETERS AND RESTRICTIONS**

14.1 **Guaranty Fund**

The following parameters apply to the Guaranty Fund and Guaranty Fund Contributions, in addition to those parameters specified in the Rules (in the case of currencies save to the extent that the Clearing House notifies otherwise whether by Circular or to a particular Clearing Member or allows a different currency to be used to cover the relevant requirements in accordance with these Finance Procedures):

- (a) Guaranty Fund Contributions will be calculated and payable in USD;
- (b) minimum Guaranty Fund Contribution of USD 0.5 million;
- (c) minimum cash portion of Guaranty Fund Contribution is 50%;
- (d) in addition to the above requirement, first USD 10 million in cash (such that any Guaranty Fund Contribution of less than USD 10 million must be provided entirely as cash) unless agreed otherwise by the Clearing House; and
- (e) other Permitted Cover for Guaranty Fund Contributions must be USD denominated for Guaranty Fund Contributions.

15. **CLEARING HOUSE CONTRIBUTIONS**

15.1 **Clearing House Initial Contributions**

- (a) The Clearing House shall contribute 25% of the total amount of the Guaranty Fund, with 15% being by way of the Clearing House Initial Contribution and 10% being by way of the Clearing House GF Contribution;
- (b) [Not used.]
- (c) [Not used.]
- (d) [Not used.]
- (e) The Clearing House shall review the minimum sum of the Clearing House Initial Contribution and Clearing House GF Contribution on a yearly basis.
- (f) [Not used.]

15.2 **[Not used.]**

15.3 **[Not used.]**

15.4 The Clearing House may substitute assets constituting Clearing House Contributions in the same way and to the same extent that assets constituting Guaranty Fund Contributions may be substituted by Clearing Members.

15.5 Without prejudice to Applicable Laws relating to insolvency, the Clearing House shall have no obligation to contribute or allocate any additional Clearing House Contributions in any situation in which the final sentence of Rule 209(c)(iii) applies, except in respect of any due but unallocated amounts at the time of such occurrence.

15.6 There shall not be any breach by the Clearing House of its obligations under this Paragraph 15 solely as a result of any temporary reduction to any Clearing House Contributions as a result of the application of any amount of Clearing House Contributions pursuant to Rule 1103.

**ICE CLEAR
SINGAPORE
S-1 SUPPLEMENT**

ANNEX A-5 (iii)



ICE Clear Singaporesm
Membership Procedures

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1. INTRODUCTION

1.1 These Membership Procedures are 'Procedures' as defined in the ICE Clear Singapore Pte. Ltd. rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rules 101 and 102. These Membership Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law and any Dispute under these Membership Procedures will be subject to arbitration under Rule 117.

2. ADDITIONAL DEFINITIONS

2.1 The term "**Adjusted Net Head Office Funds**" has the meaning given to the term "adjusted net head office funds" in Regulation 2 of the SF(FMR)R and shall be calculated in accordance with the SF(FMR)R. Where, pursuant to Paragraph 2.9, these Membership Procedures apply to a Clearing Member which is a Bank incorporated outside Singapore and which maintains adequate Net Head Office Funds in accordance with Paragraph 3.2, the Adjusted Net Head Office Funds shall be calculated without reference to any capital held by such Bank pursuant to applicable capital requirements under Applicable Laws for any of its business as a Bank.

2.2 The term "**Aggregate Indebtedness**" has the meaning given to the term "aggregate indebtedness" in Regulation 2 of the SF(FMR)R.

2.3 The term "**Aggregate Resources**" means a Clearing Member's Financial Resources and Qualifying Letters of Credit (subject to the total amount payable under the Qualifying Letters of Credit not exceeding 50% of the Clearing Member's Total Risk Requirement), less its Total Risk Requirement.

2.4 The term "**Base Capital**" has the meaning given to the term "base capital" in Regulation 2 of the SF(FMR)R with references to a holder of a CMS Licence in the SF(FMR)R being construed as references to a Clearing Member, irrespective of whether such Clearing Member has a CMS Licence.

2.5 The term "**Financial Resources**" has the meaning given to the term "financial resources" in Regulation 2A of the SF(FMR)R and shall be calculated in accordance with the SF(FMR)R. Where, pursuant to Paragraph 2.9, these Membership Procedures apply to a Clearing Member which is a Bank incorporated in Singapore, references to a holder of a CMS Licence in the SF(FMR)R shall be construed as references to such a Clearing Member and Financial Resources shall be calculated without reference to any capital held by such Clearing Member pursuant to applicable capital requirements under Applicable Laws for any of its business as a Bank.

2.6 The term "**Net Head Office Funds**" has the meaning given to the term in Regulation 2 of the SF(FMR)R.

2.7 The term "**Qualifying Letter of Credit**" has the meaning given to the term "qualifying letter of credit" in Regulation 2 of the SF(FMR)R.

2.8 The term "**Total Risk Requirement**":

(a) for a Clearing Member which is not a Bank, has the meaning given to the term "total risk requirement" in Regulation 2 of the SF(FMR)R;

(b) for a Clearing Member which is: (i) a Bank incorporated in Singapore; or (ii) a Bank incorporated outside Singapore and which maintains adequate Net Head Office Funds in accordance with Paragraph 3.2, shall have the same meaning as in paragraph (a) provided that such Clearing Member shall compute the Total Risk Requirement for contract positions in: (y) any contracts traded on any Exchange (including Contracts); and (z) over-the-counter contracts novated or otherwise subject to clearing by a Clearing Organisation; and

- (c) for a Clearing Member which is a Bank incorporated outside Singapore which has deposited Permitted Cover in accordance with Paragraph 3.3 shall have the same meaning as in paragraph (a) provided that such Clearing Member shall only compute the Total Risk Requirement for contract positions in Contracts.

2.9 Any provision or definition set out in the SF(FMR)R and referenced or used in the Rules shall be construed as applying to Clearing Members who are Banks where provided for in the Rules.

3. CAPITAL REQUIREMENTS

3.1 All Clearing Members incorporated in Singapore are subject to a minimum Base Capital requirement of SGD 10,000,000. Requirements may be satisfied in Singapore Dollars or in other currency equivalents, based on the exchange rates from time to time used by the Clearing House under Paragraph 2 of the Finance Procedures. Changes to the minimum capital requirements will be notified by Circular.

3.2 A Clearing Member which is a Bank incorporated outside Singapore is subject to a minimum Net Head Office Fund requirement of SGD 10,000,000.

3.3 The Net Head Office Fund requirement set out in Paragraph 3.2 above may be disapplied by the Clearing House where SGD 10,000,000 (by way of Permitted Cover) is deposited by such Clearing Member with the Clearing House or with such third party as the Clearing House may permit. For the avoidance of doubt, Permitted Cover deposited for the purposes of this Paragraph 3.3 shall not be offset or netted with, or used as a substitute for, Permitted Cover deposited as Margin or as a Guaranty Fund Contribution.

3.4 Additional capital requirements may be imposed on particular Clearing Members pursuant to Rules 206 and 602.

4. FINANCIAL RESOURCE REQUIREMENTS

4.1 In accordance with Regulation 16 of the SF(FMR)R, a Clearing Member with a CMS Licence shall not cause or permit its Aggregate Indebtedness to exceed 1,200% of its Aggregate Resources.

4.2 A Clearing Member with a CMS Licence or which is a Bank incorporated in Singapore shall not cause or permit its Financial Resources to fall below its Total Risk Requirement.

4.3 In accordance with Regulation 19 of the SF(FMR)R, a Clearing Member which is not a Bank and which has a CMS Licence shall maintain a reserve fund to which a sum of not less than 30% of the audited net profits of each year shall be transferred out of the net profits after due provision has been made for taxation, so long as its Base Capital, less unappropriated profits in the latest audited accounts, is less than SGD 5,000,000.

4.4 A Clearing Member which is a Bank incorporated outside Singapore shall not cause or permit its Adjusted Net Head Office Funds (or any deposit of Permitted Cover made pursuant to Paragraph 3.3) to fall below its Total Risk Requirement.

4.5 Additional financial resource requirements may be imposed on particular Clearing Members pursuant to Rules 206 and 602.

5. ADDITIONAL NOTIFICATION REQUIREMENTS AND RESTRICTIONS

5.1 A Clearing Member with a CMS Licence shall notify the Clearing House immediately of any circumstances it is required to notify to the Clearing House pursuant to the SF(FMR)R, including, without limitation, pursuant to Regulations 4(2), 6(3), 7(1), 16(2), 17(1), 21(1), 21(2), 22(1), 22(2)(b)(i) and 25(1).

- 5.2 A Clearing Member with a CMS Licence shall, in accordance with Regulation 7(5) and 17(4) of the SF(FMR)R, submit such statements as the Clearing House may direct in accordance with Regulation 7(3) and Regulation 17(2) of the SF(FMR)R.
- 5.3 As required pursuant to Regulation 22(2)(a)(i) of the SF(FMR)R, a Clearing Member with a CMS Licence shall not repay, whether in part or in full, any subordinated loan principal before the maturity date set out in the subordination loan agreement without the prior approval of the Clearing House.
- 5.4 As required pursuant to Regulation 23 of the SF(FMR)R, a Clearing Member with a CMS Licence shall not make any unsecured loan or advance, pay any dividend or director's fees or increase any director's remuneration if the circumstances set out in Regulation 23 of the SF(FMR)R apply, without the prior approval of the Clearing House.
- 5.5 A Clearing Member incorporated in Singapore shall notify the Clearing House immediately if it causes or permits its Base Capital to fall below the Clearing House's minimum Base Capital requirement in Clause 3.1 below such other Base Capital requirement specified by the MAS pursuant to Regulation 4(2) of the SF(FMR)R or below 150% of either such minimum Base Capital requirement.
- 5.6 A Clearing Member which is a Bank incorporated outside Singapore shall notify the Clearing House immediately if it causes or permits its Net Head Office Funds to fall below the minimum Net Head Office Fund requirement imposed by the Clearing House, or below 150% of such minimum Net Head Office Fund requirement.
- 5.7 A Clearing Member incorporated in Singapore shall notify the Clearing House immediately if its Financial Resources falls below 150% of its Total Risk Requirement.
- 5.8 A Clearing Member which is a Bank incorporated outside Singapore shall notify the Clearing House immediately if its Adjusted Net Head Office Funds (or any deposit of Permitted Cover made pursuant to Paragraph 3.3) falls below 150% of its Total Risk Requirement.

6. APPLICATION PROCESS

- 6.1 The membership criteria and certain aspects of the application process are set out in detail in Rule 201. An application for clearing membership must be made by completing an application form and delivering a Clearing Membership Agreement ("CMA") duly executed by duly authorised signatories of the Clearing Member (but not the Clearing House). The Clearing House will liaise with an applicant to ensure that the application form and supporting documentation is complete.
- 6.2 On receipt of a completed application form, the Clearing House will undertake a due diligence and a review process. As part of its application, an applicant must have provided the information requested on the application form to the Clearing House.
- 6.3 The Clearing House may grant approval to an applicant conditional upon satisfying certain requirements, provided that the applicant has expressed its intention to meet such requirements and provided evidence of its ability to do so. In such circumstances, the applicant must provide evidence of satisfaction of the additional requirements specified by the Clearing House in order to become a Clearing Member. Upon receipt of such evidence of satisfaction of such requirements as it considers to be acceptable, the Clearing House will confirm if an applicant has met these requirements before issuing its final approval.
- 6.4 Clearing Members trading on particular Markets must also meet the membership criteria and any other applicable requirements of the relevant Markets.

7. RESIGNATION PROCESS

- 7.1 The membership termination process is set out in detail in Rule 209.

8. MATTERS REQUIRING NOTIFICATION BY CLEARING MEMBERS

8.1 In the table below, details are provided of notifications that should be made to the Clearing House. Notifications should be made at or before the time specified, in accordance with the Rules and these Procedures and including the required contents or on the required form. If no form is referred to in the Table below, notification should be made to the Clearing House in writing.

8.2 In the Notification column in the table below, the items marked * require formal written notification under Rule 113(b). Other matters do not require follow-up notification in writing unless requested by the Clearing House. Matters notified or actioned electronically through the Clearing House's systems do not require formal notifications to be made to the Clearing House unless specified below.

	Notification	Periodicity of Submission	Requirements and form
A	Financial and Regulatory Notifications		
1.	Annual audited financial statements including: profit and loss account, balance sheet and auditors report <i>Rule 205(a)(i)</i>	Within 5 months of the end of the Clearing Member's or relevant Controller's fiscal year	In original format. Sent to the attention of the Clearing House's membership department. If any such material is other than a routine periodic return, statement or report required under Applicable Laws, a written statement is required setting out, to the extent known, the reasons why the Clearing Member or Controller is filing it must also be filed with the Clearing House. For Clearing Members who are CMS Licence-holders, the annual financial statements should consist of the documents in the form prescribed by the MAS, as required by section 107(1) of the SFA and Regulation 27(8) and 27(9) of the SF(FMR)R.
2.	Quarterly financial statement including: management profit and loss accounts and balance sheet <i>Rule 205(a)(ii)</i>	Within 14 days of the end of each quarter	Drawn up in accordance with Applicable Laws and Accounting Standards or otherwise following the requirements of the Clearing House. For Clearing Members who are CMS Licence-holders, the quarterly financial statements should consist of the documents in the form prescribed by the MAS, as required by Regulation 27(1) of the SF(FMR)R.
3.	Copy of financial returns, reports, statements and notices provided to Regulatory Authority <i>Rule 205(a)(iii)</i>	As soon as provided to Regulatory Authority	If any materials provided are not routine periodic financial returns, statements or reports, then the Clearing Member or relevant Controller must produce a written statement setting out the reasons for filing it.
B	Capital and Financial Resource Notifications		
1.	Base Capital or Net Head Office Funds, as applicable, fall below SGD 5,000,000* <i>Membership Procedures, Paragraph 5.1</i>	Immediately or as soon as the Clearing Member becomes aware that it will fail to hold at least SGD 5,000,000 Base Capital or minimum Net Head Office	In the form prescribed by the MAS under Regulation 4(2) of the SF(FMR)R or otherwise following the requirements of the Clearing House

	Notification	Periodicity of Submission	Requirements and form
		Funds, as applicable.	
2.	Financial Resources or Adjusted Net Head Office Funds (as the case may be) fall below Total Risk Requirement* <i>Membership Procedures, Paragraph 5.1</i>	Immediately or as soon as the Clearing Member becomes aware that its Financial Resources or Adjusted Net Head Office Funds (as the case may be) will fall below its Total Risk Requirement	In the form prescribed by the MAS under Regulation 6(3) of the SF(FMR)R or otherwise following the requirements of the Clearing House
3.	Financial Resources or Adjusted Net Head Office Funds (as the case may be) fall below 120% of Total Risk Requirement <i>Membership Procedures, Paragraph 5.1</i>	Immediately	In the form prescribed by the MAS under Regulation 7(1) of the SF(FMR)R or otherwise following the requirements of the Clearing House
4.	Aggregate Indebtedness exceeds 1,200% of its Aggregate Resources* <i>Membership Procedures, Paragraph 5.1</i>	Immediately or as soon as the Clearing Member becomes aware that its Aggregate Indebtedness will exceed 1,200% of its Aggregate Resources	In the form prescribed by the MAS under Regulation 16(2) of the SF(FMR)R or otherwise following the requirements of the Clearing House
5.	Aggregate Indebtedness exceeds 600% of its Aggregate Resources* <i>Membership Procedures, Paragraph 5.1</i>	Immediately	In the form prescribed by the MAS under Regulation 17(1) of the SF(FMR)R or otherwise following the requirements of the Clearing House
6.	Issuance of preference shares <i>Membership Procedures, Paragraph 5.1</i>	Prior to the date of issue of the preference share	In the form prescribed by the MAS under Regulation 21(1) of the SF(FMR)R or otherwise following the requirements of the Clearing House
7.	Repayment of preference share	3 months before the proposed date of	In the form prescribed by the MAS under Regulation 21(2) of the SF(FMR)R or otherwise following the

	Notification	Periodicity of Submission	Requirements and form
	principal (other than any paid-up irredeemable and non-cumulative preference share capital) that is computed as part of its Financial Resources through repurchase or redemption <i>Membership Procedures, Paragraph 5.1</i>	repurchase or redemption	requirements of the Clearing House
8.	Draw down of a qualifying subordinated loan (within the meaning of Regulation 2 of the SF(FMR)R) in accordance with Regulation 22(1) of the SF(FMR)R <i>Membership Procedures, Paragraph 5.1</i>	No later than the date of draw down	In the form prescribed by the MAS under Regulation 22(1) of the SF(FMR)R or otherwise following the requirements of the Clearing House
9.	Repayment of any subordinated loan principal that has matured in accordance with Regulation 22(2)(b)(i) of the SF(FMR)R <i>Membership Procedures, Paragraph 5.1</i>	At least one business day before date of repayment	In the form prescribed by the MAS under Regulation 22(2)(b)(i) of the SF(FMR)R or otherwise following the requirements of the Clearing House
10.	Customer account is under-margined by an amount which exceeds the Aggregate Resources of the relevant Clearing Member* <i>Membership Procedures, Paragraph 5.1</i>	Immediately	In the form prescribed by the MAS under Regulation 25(1) of the SF(FMR)R or otherwise following the requirements of the Clearing House
11.	Financial Resources or Adjusted Net Head Office Funds (as the case may be) fall below 120% of Total Risk Requirement for	Not later than one business day after the end of the week and then on a weekly basis or not less than one	In the form prescribed by the MAS under Regulations 7(3) and 27(1) of the SF(FMR)R, signed by a director of the relevant Clearing Member or such other person as the MAS may allow under Regulation 7(5) of the SF(FMR)R, or otherwise following the requirements of the Clearing House

	Notification	Periodicity of Submission	Requirements and form
	<p>5 consecutive business days or more and the Clearing Member is directed by the Clearing House to submit the documents required under Regulation 27(1) of the SF(FMR)R*</p> <p><i>Membership Procedures, Paragraph 5.2</i></p>	<p>business day after the end of such other interval as may be determined by the Clearing House, until the Financial Resources or Adjusted Net Office Funds (as the case may be) are not less than 120% of the relevant Clearing Member's Total Risk Requirement for 8 consecutive weeks or such other period as may be determined by the Clearing House</p>	
12.	<p>Aggregate Indebtedness exceeds 600% of its Aggregate Resources for 5 consecutive business days or more and the Clearing Member is directed by the Clearing House to submit the documents required under Regulation 27(1) of the SF(FMR)R*</p> <p><i>Membership Procedures, Paragraph 5.2</i></p>	<p>Not later than one business day after the end of the week and then on a weekly basis or not less than one business day after the end of at such other interval as may be determined by the Clearing House, until the Aggregate Indebtedness is equal to or less than 600% of the relevant Clearing Member's Aggregate Resources for 8 consecutive weeks or such other period as may be determined by the Clearing House</p>	<p>In the form prescribed by the MAS under Regulations 17(2) and 27(1) of the SF(FMR)R, signed by a director of the relevant Clearing Member or such other person as the MAS may allow under Regulation 17(4) of the SF(FMR)R, or otherwise following requirements of the Clearing House</p>
13.	<p>Request for approval to repay any subordinated loan principal before the maturity date set out in the subordination loan agreement in accordance with Regulation 22(2)(a)(i) of the SF(FMR)R</p> <p><i>Membership Procedures,</i></p>	<p>In advance</p>	<p>In the form prescribed by the MAS under Regulation 22(2)(a)(i) of the SF(FMR)R or otherwise following the requirements of the Clearing House</p>

	Notification	Periodicity of Submission	Requirements and form
	<i>Paragraph 5.3</i>		
14.	Request for approval to make any unsecured loan or advance, pay any dividend or director's fees or increase any director's remuneration where the circumstances in rows 1, 3 or 5 also apply <i>Membership Procedures, Paragraph 5.4</i>	In advance	In the form prescribed by the MAS under Regulation 23 of the SF(FMR)R or otherwise following the requirements of the Clearing House
15.	Any other circumstance requiring notification to the Clearing House pursuant to the SF(FMR)R* <i>Membership Procedures, Paragraph 5.1</i>	Immediately	In the form prescribed by the MAS under the SF(FMR)R or otherwise following the requirements of the Clearing House
16.	Clearing Member causes or permit its Base Capital or Net Head Office Funds (as the case may be) to fall below SGD 10,000,000* <i>Membership Procedures, Paragraphs 5.4 and 5.5</i>	Immediately or as soon as the Clearing Member becomes aware that it will fail to comply with the Clearing House's minimum Base Capital or minimum Net Head Office Funds requirements, as applicable.	Full particulars by email to icesingaporemembership@theice.com , followed by a telephone call via the Clearing House's helpdesk at +65 6594 0160 and confirmation in writing.
17.	Clearing Member causes or permits its Base Capital or Net Head Office Funds (as the case may be) to fall below 150% of its Base Capital or Net Head Office Funds requirement (as the case may be). <i>Membership Procedures, Paragraphs 5.4 and 5.5.</i>	Immediately or as soon as the Clearing Member becomes aware that it will fail to comply with the Clearing House's minimum Base Capital or minimum Net Head Office Funds requirements, as applicable.	Full particulars by email notification to icesingaporemembership@theice.com .
18.	Financial Resources falls below 150% of	Immediately	Full particulars by email notification to icesingaporemembership@theice.com .

	Notification	Periodicity of Submission	Requirements and form
	its Total Risk Requirement. <i>Membership Procedures, Paragraphs 5.6</i>		
19.	Adjusted Net Head Office Funds (or any deposit of Permitted Cover made pursuant to Paragraph 3.3) falls below 150% of its Total Risk Requirement. <i>Membership Procedures, Paragraphs 5.7</i>	Immediately	Full particulars by email notification to icesingaporemembership@theice.com .
C	Risk-related Disclosures		
1.	Failure to meet any obligation to transfer, deposit or pay any margin requirements of a Clearing Organisation* <i>Rule 204(a)(vi)</i>	Immediately in this section in all cases	Full particulars by email to icesingaporemembership@theice.com , followed by a telephone call via the Clearing House's helpdesk at +65 6594 0160 and confirmation in writing.
2.	Failure to comply with any applicable financial requirements of any Governmental Authority, Regulatory Authority, Exchange, Clearing Organisation or Delivery Facility* <i>Rule 204(a)(vii)</i>		
3.	Insolvency* (affecting a Clearing Member or any of its Controllers or Affiliates) <i>Rule 204(a)(viii)</i>		
4.	Financial or commercial difficulty such as would give rise to a risk of an Event of Default occurring* <i>Rule 204(a)(x)</i>		
5.	Force Majeure Event (occurrence and		

	Notification	Periodicity of Submission	Requirements and form
	cessation) <i>Rules 112(b)(i), 112(b)(vi) and the Business Continuity Procedures</i>		
6.	Ceasing to have sufficient Capital* <i>Rule 204(a)(iii) and Rule 206</i>		
7.	Reduction of Capital by more than 10% from latest financial statement or any reduction of Capital prior to any payment, loan, distribution or redemption of Capital* <i>Rule 204(a)(iv) and Rule 204(a)(v)</i>		
<p>Note: for Clearing Members who hold a CMS Licence, notifications under Rule 204(a)(xiii) of any matter, circumstance or change of occurrence of previously furnished statements or information supplied in connection with the relevant Clearing Member's application shall only be required if a notification is also required to the MAS under MAS Requirements.</p> <p><i>Rule 204(b)(ii).</i></p>			
D	Changes to Contact and Company Details		
1.	Change of Legal Name*	Within three Business Days of the change	<p>Any changes to company details should be notified as soon as practicable unless otherwise set out in these Membership Procedures to the Clearing House by email to: icesingaporemembership@theice.com and/or mailing it to the Clearing House registered address.</p> <p>Include copy of document from relevant Governmental Authority, where applicable.</p> <p>Where the change is time sensitive, this should be backed up by a telephone call via the Clearing House's helpdesk at: +65 6594 0160.</p>
2.	Change of Address (registered address, mailing/operations address or address for service in Singapore)*		
3.	Change of contact details for Clearing Member (telephone number, fax number or website)		
4.	Change of contact details for key personnel or change of key personnel including the board of directors of a Clearing Member	Immediately Allow two Business Days for changes to become effective	
5.	Change to emergency	Immediately	

	Notification	Periodicity of Submission	Requirements and form
	contact details including the board of directors of a Clearing Member		
6.	Change to e-mail address for the delivery of Circulars	As soon as practical and as often as necessary. Allow two Business Days for changes to become effective	
7.	Change to details for downloading monthly volumes from the Clearing House's website	Promptly and without delay. Allow two Business Days for changes to become effective	
8.	Change of Approved Financial Institution for Nominated Customer Bank Accounts or Nominated Proprietary Bank Accounts*	At least five Business Days' advance notice	
9.	Change to clearing activity or list of markets that the Clearing Member clears	Immediately	
10.	Change of Account number or other details*	At least five Business Days' advance notice	
11.	Changes to " Eligible Persons " (e.g. exchange members that a Clearing Member clears for) including suspension of a clearing arrangement with an Eligible Person	At least one week's advance written notice prior to the Business Day on which a Clearing Member proposes to begin or cease providing such clearing services to an Eligible Person	Any changes to Eligible Persons should be notified to the Clearing House by completing the relevant "Supplementary Eligible Persons Form" or "Termination Letter", as appropriate, and emailing it to: icesingaporemembership@theice.com and/or mailing it to the Clearing House registered address.
E	Changes to Corporate Details		
1.	Change of legal status or registered number*	14 days in advance, where possible. At latest, within three Business Days of change	Any changes to company details should be notified to the Clearing House by email to: icesingaporemembership@theice.com and/or mailing it to the Clearing House registered address. Where the change is time sensitive, this should be backed up by a telephone call via the Clearing House's helpdesk at: +65 6594 0160.
2.	Changes to constitutive	Immediately	

	Notification	Periodicity of Submission	Requirements and form
	documents* (e.g. Memorandum and Articles of Association)		
3.	Change to regulatory or authorised status* (e.g. name of the lead regulator, contact name at regulator, status, regulator's identification code/number)	Immediately	
5.	Change to the GST or other tax status or GST number*	Immediately	
6.	Change to the nature of the Clearing Member's business* including any Insolvency of the Clearing Member or its shareholders or any death of a substantial shareholder.	Immediately	
7.	Change to authorised signatories	As soon and as often as practicable Allow two Business Days for change to become effective	
8.	Change to power of attorney, appointment of any agent or Representative or other authorisation including the board of directors of a Clearing Member * <i>Rule 202(a)(xv)</i>	Original terms will bind the Clearing Member until not less than five Business Days after written notice of the change has been received.	
9.	Proposed changes of control* <i>Rule 204(a)(i)</i>	As soon as possible	
10.	Changes of Control, substantial (5%) shareholders or group organisational structure* <i>Rule 204(a)(i)</i>	In advance of the change. Where detailed advanced notice is impossible, where possible, the Clearing House should be contacted in advance and informed of the nature of the impending change	
11.	Change to internal organisational chart		

	Notification	Periodicity of Submission	Requirements and form
12.	Change to corporate authority or powers to enter into and perform the obligations of a Clearing Member including changes to the board of directors of a Clearing Member	Immediately	
13.	Changes to membership of futures and/or options, securities or commodities exchange or clearing house*	Immediately	
<p>Note: for Clearing Members who are CMS Licence holders, notifications under Rule 204(a)(i) of any proposed change in Control, notification shall only be required if a notification is also required to the MAS under MAS Requirements. In such cases, the relevant Clearing Member should provide the Clearing House contemporaneously with a copy of all submissions sent to the MAS in respect of that change of Control</p> <p><i>Rule 204(b)(i)</i></p>			
F	Ad Hoc Legal Notifications		
1.	Breach of Clearing House Rules <i>Rule 204(a)(xii)</i>	As soon as identified	Any changes should be notified to the Clearing House by email to: icesingaporemembership@theice.com and/or mailing it to the Clearing House registered address.
2.	Termination of Clearing Membership Agreement or of membership as a Clearing Member* <i>Rule 209(c)(i)</i>	No less than 30 Business Days advance notice, if termination is not for cause. Otherwise, as specified in and allowed pursuant to the Rules	Where the change is time sensitive, this should be backed up by a telephone call via the Clearing House's helpdesk at: +65 6594 0160.
3.	Rejection upon application or suspension or expulsion from any futures and or options, securities or commodities exchange or clearing house	As soon as identified and detailing the full particulars of the breach	
4.	Disciplinary matters or events in any Markets cleared by the Clearing House*	Immediately	
5.	Any loss, liability, damage, injury, delay, cost or expense	Within seven Business Days of either the day on	

	Notification	Periodicity of Submission	Requirements and form
	<p>incurred under the terms of the Contract in relation to tender, delivery or physical settlement*</p> <p><i>Rule 111(c)(xiii)(D)</i></p>	<p>which documents must be taken up and paid for by the Buyer or the Buyer must take delivery of the Deliverable or Investment, whichever is the earlier</p>	
6.	<p>Any positions carried by another Clearing Member (Position Holder)*</p> <p><i>Rule 407</i></p>	<p>The Business Day following the Business Day on which a position was carried by the Position Holder</p>	
7.	<p>Breach of Position Limit</p> <p><i>Rule 204(a)(ii) and Rule 602(a)(i)</i></p>	<p>Immediately</p>	
8.	<p>Event of Default or any financial or commercial difficulty giving rise to the risk of an Event of Default*</p> <p><i>Rule 204(a)(ix) and Rule 204(a)(x)</i></p>	<p>Immediately</p>	
9.	<p>Breach of Applicable Law*</p> <p><i>Rule 204(a)(xii)</i></p>	<p>Without delay</p>	
10.	<p>Any possible action, suit or proceeding against the Clearing House*</p> <p><i>Rule 111(d)</i></p>	<p>As soon as reasonably practicable</p>	

	Notification	Periodicity of Submission	Requirements and form
11.	Anything relating to the Clearing Member of which the Clearing House would reasonably expect notice, including any matter, circumstance, change or occurrence which would cause a statement previously furnished pursuant to Rule 204 or any information supplied in connection with the Clearing Member's application for membership or otherwise to be inaccurate, incomplete or superseded* <i>Rule 204(a)(xiii)</i>	Without delay	
G	Clearing Procedures		
1.	Any event, system-related issue or anything else that would prevent the Clearing Member from operating timely and accurately on the Markets cleared. <i>Clearing Procedures Paragraph 1.4.</i>	Immediately	Clearing Members should contact the Clearing House by email at: icesingaporemembership@theice.com , or by a telephone call via the Clearing House's helpdesk at: +65 6594 0160.
2.	Notification of system errors or processing errors in relation to ICE Systems. <i>Clearing Procedures Paragraph 2.2(g) & (h).</i>		Clearing Members should contact the Clearing House's operations department.
H	Complaint Resolution Procedures		
1.	Any complaint must be notified to the Clearing House. <i>Complaint Resolution Procedures Paragraphs 2 & 3.</i>	Within 12 months from the date on which the Complainant becomes aware of the circumstances giving rise to the	A Complaint should be made in writing, signed on behalf of the Complainant, marked "Complaints Resolution Procedure" and sent to the complaints handling officer at the Clearing House or by e-mail to icesingaporemembership@theice.com .

	Notification	Periodicity of Submission	Requirements and form
		Complaint unless the Complainant can show reasonable grounds for delay	
2.	Complainant must notify the Clearing House in writing whether it accepts the proposals or requires that the Complaint be referred to the Commissioner. <i>Complaint Resolution Procedures Paragraph 6.</i>	Within fifteen days of receipt of notice of the outcome of the Clearing House Investigation	
I	Business Continuity Procedures		
1.	Clearing Member is affected by a Business Continuity Event. <i>Business Continuity Procedures Paragraphs 2.1 & 2.2.</i>	Immediately	The Clearing House must be contacted either by the Help Desk on +65 6594 0160 or icesingaporemembership@theice.com . The Clearing Member must provide the following information: (a) the name of Clearing Member; (b) the name and contact details of person at the Clearing Member who is authorised to take action and decisions on its behalf; (c) details of nature of the problem; (d) expected time when the problem is expected to be over or mitigated; and (e) any assistance or forbearance requested of the Clearing House.
2.	Member ceases to be affected by a Business Continuity Event. <i>Business Continuity Procedures Paragraph 2.3.</i>		



ICE Clear Singaporesm

Delivery Procedures

DELIVERY PROCEDURES

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1. GENERAL

- 1.1 These Delivery Procedures are 'Procedures' as defined in the ICE Clear Singapore rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rule 102. These Delivery Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law and any Dispute arising under these Delivery Procedures will be subject to arbitration under Rule 117 save as provided in Market Rules.
- 1.2 With regard to all open Contracts, which, pursuant to the Contract Terms, give rise to delivery obligations:
- (a) Clearing Members with Open Contract Positions at cessation of trading or auctioning are obliged to make or take delivery (as applicable);
 - (b) Clearing Members must make themselves fully aware of their delivery obligations under each relevant Contract; and
 - (c) these Delivery Procedures form part of the terms of the relevant Contract if such Contract becomes deliverable and should be read in conjunction with the Rules, particularly Part 7, and the relevant Market Rules.
- 1.3 Any enquiries concerning these Delivery Procedures should be directed to the clearing operations department of the Clearing House.
- 1.4 The following definitions apply to these Delivery Procedures:
- (a) The term "**Clearing Day**" means a day on which the Clearing House is open for business.
 - (b) The term "**Business Day**" means a Clearing Day that is not a public holiday in Singapore.
 - (c) The term "**Delivery Period**" means a period during which delivery and settlement occurs in accordance with these Delivery Procedures and applicable Market Rules.
 - (d) The term "**Non-Clearing Day**" means each Saturday and Sunday where the Clearing House and the relevant Exchange are closed and any other day that is not a Clearing Day, as determined by the Clearing House from time to time.
 - (e) The term "**Tender**" means a notice given pursuant to these Delivery Procedures and/or Market Rules, of an intention to make or take delivery of a Deliverable.

2. DELIVERY OF DOCUMENTATION

Clearing Members must submit the required delivery documentation to the Clearing House by email to iceclearsingaporeoperations@theice.com marked "URGENT: for the attention of the Deliveries Department" or by courier to the Clearing House's registered office.

3. AUTHORISED SIGNATORIES

Clearing Members, or their Transferor(s) or Transferee(s), must ensure that all delivery documents are signed by a director or officer who is properly authorised to sign such documentation on behalf of the Clearing Member. The Clearing House is entitled to rely upon the information specified in all forms and documents submitted by Buyers, Sellers, Transferors and Transferees without making any enquiry, investigation or check as to the accuracy of the information or whether the signatory is authorised to sign or submit the form or document to the Clearing House.

4. **CLEARING MEMBER ACCOUNTS**

No offset is allowed for either physical delivery or financial settlement between Clearing Members' Proprietary Account and Customer Account. Separate delivery documentation is required for each such Account.

5. **TRANSFERORS AND TRANSFEREES**

5.1 Each Contract, of a kind specified by the Clearing House from time to time, subject to delivery obligations may allow Sellers and Buyers to nominate Transferors and Transferees respectively. A Transferor or Transferee may be a Seller or Buyer, respectively, itself. Transferors and Transferees are permitted to make or take delivery to or from the Clearing House by the prescribed delivery method. The Clearing House permits the nomination of Transferors or Transferees for reasons of convenience of Clearing Members only. Notwithstanding the appointment of a Transferor or Transferee, the relevant Clearing Member remains at all times fully responsible for meeting all of its obligations and liabilities to the Clearing House.

5.2 A Clearing Member may appoint a Representative (which may be another Clearing Member) to undertake delivery administration or obligations.

5.3 A person who is not the Buyer, Seller or the Clearing House shall have no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any provision of a Contract (including any requirement of these Delivery Procedures). As further described in Rule 111, the Clearing House is not liable to or for Transferors or Transferees.

5.4 Where separate procedures apply to a Transferor/Transferee who is not the Seller/Buyer, this is indicated in these Delivery Procedures. Any form to be completed and submitted to the Clearing House by a Transferor/Transferee shall be signed by an authorised signatory of the Transferor/Transferee. The Clearing House is entitled to rely upon the information specified in the form without making any enquiry, investigation or checks as to the accuracy of such information or whether the signatory on the form has been authorised by the Transferor/Transferee. Each Clearing Member acknowledges and agrees that it is responsible for ensuring the accuracy of the information on each form submitted by a Transferor/Transferee and that the form is signed by an authorised signatory of such Transferor/Transferee.

6. **[NOT IN USE.]**

7. **[NOT IN USE.]**

8. **[NOT IN USE.]**

9. **ALTERNATIVE DELIVERY PROCEDURES**

Clearing Members may not agree alternative delivery procedures for any Contract subject to a delivery from time to time for which no specific alternative delivery procedure applies, save where a Governmental Authority of competent jurisdiction orders or requires or Applicable Law so requires or the Clearing House provides its consent in writing.

10. **[NOT IN USE.]**

11. **[NOT IN USE.]**

12. **SIMILAR OBLIGATIONS UNDER DIFFERENT CONTRACTS**

Where a Seller or a Buyer has delivery obligations under one or more Contracts that are not of the same Set but which result in a delivery obligation in respect of the same Deliverable at the same time, the Clearing House may notify the Seller (and its Transferor, if applicable) and the Buyer (and its Transferee, if applicable) of their aggregated delivery obligations under the affected Contracts and,

upon such notification, the Seller and Buyer shall be required to make and take delivery in respect of such aggregated delivery obligations instead of such other obligations as may otherwise have been required.

13. **INTERPRETATION**

Words and phrases defined in the Rules or these Delivery Procedures bear the same meanings when used in any form or other document delivered pursuant to these Delivery Procedures.

The Clearing House may, from time to time, enter into clearing services arrangements with ICE Futures Singapore in respect of Contracts, pursuant to which the functions of the Clearing House (as designated in these Delivery Procedures) may be performed by ICE Futures Singapore, and *vice versa*. Accordingly, references in these Delivery Procedures to the Clearing House may be interpreted as references to ICE Futures Singapore in respect of such Contracts, and *vice versa*, as circumstances require.

14. **REPORTS AND NOTIFICATIONS**

Unless otherwise specified, the Clearing House will make the reports and confirmations it issues as part of the delivery processes available to the Clearing Members electronically, both via email and via the Clearing House Web Reporting Service (described in the Clearing House User Guide).

15. **LIABILITY, MARGIN, DEFAULT AND DISCIPLINARY**

15.1 The requirements relating to liability set out in the Rules apply equally in relation to deliveries. Without prejudice to the generality of, and subject to, the provisions of the Rules relating to liability:

- (a) it is the responsibility of Clearing Members to ensure that all forms are in place at the relevant time, and any failure or omission to ensure that they are in place that causes or contributes to the failure of any delivery may itself constitute a failure to deliver by the Clearing Member; and
- (b) upon any such failure or omission, the Clearing Member will be liable to the Clearing House for any cost, loss or expense of the Clearing House arising as a result of such failure or omission, which may include any delivery failure costs.

15.2 The Clearing House may at any time make an additional Margin call as a result of any event or circumstance occurring in relation to a delivery.

15.3 Notwithstanding the availability of any possible alternative or late delivery procedure, failure to comply with any requirement of these Delivery Procedures may constitute an Event of Default.

15.4 Nothing in these Delivery Procedures shall preclude the Clearing House, in its discretion, from bringing disciplinary proceedings or levying a fine against a Clearing Member, including (without limitation) in respect of late or failed delivery.

15.5 Clearing Members are referred to Rules I.19 to I.21 of the ICE Futures Singapore Rules which provisions are, to the extent relevant to the Rules, incorporated herein.

15.6 Nothing in these Delivery Procedures shall exclude any liability for fraud, death, personal injury or any liability which under Applicable Laws may not be excluded.

16. **PAYMENTS**

All payments to and from Clearing Members pursuant to these Delivery Procedures shall take place to and from relevant Nominated Accounts as described in the Finance Procedures. Amounts due in respect of delivery obligations may be set off against or aggregated with other amounts due under the Rules, as described in the Finance Procedures.

17. **GUARDIAN**

Guardian is an electronic grading and delivery system which is used in the process of making and taking delivery of certain Deliverables as specified in these Delivery Procedures.

PART A: ICE FUTURES SINGAPORE 1 KILO GOLD FUTURES CONTRACT

This part applies to deliveries of ICE Futures Singapore 1 Kilo Gold Futures Contract as traded under the ICE Futures Singapore Rules.

1. DEFINITIONS

1.1 The following definitions apply to this part of the Delivery Procedures:

- (a) The term "**Assayer**" means an assayer listed by ICE Futures Singapore from time to time as an assayer pursuant to which Gold may be assayed in accordance with the Rules and the ICE Futures Singapore Rules.
- (b) The term "**Gold**" means gold meeting the specifications set out in an ICE Gold Contract and Paragraph 2.3(a) and held in a Regular Vault, including any specifications as to markings or branding.
- (c) The term "**ICE Gold Contract**" means a physically deliverable ICE Futures Singapore 1 Kilo Gold Futures Contract.
- (d) The term "**Refinery**" means a refinery listed by ICE Futures Singapore from time to time as a refinery pursuant to which Gold may be refined in accordance with the Rules and the ICE Futures Singapore Rules.
- (e) The term "**Regular Vault**" means a vault operated by a Regular Vault Operator listed by ICE Futures Singapore from time to time as a vault pursuant to which Gold may be imported, exported and stored.
- (f) The term "**Regular Vault Operator**" means a vault operator listed by ICE Futures Singapore from time to time as an operator of at least one Regular Vault.
- (g) The term "**Last Trading Day**" means the last trading day for a Set of ICE Gold Contracts, as specified in the ICE Futures Singapore Contract Terms and Procedures or ICE Futures Singapore Rules, and, where not so specified, is the first Business Day of the delivery month.
- (h) The term "**Warrant**" means a warrant issued in Guardian by a Regular Vault Operator (as amended from time to time in accordance with these Delivery Procedures) which specifically acknowledges that the Regular Vault Operator holds the relevant Gold which is the subject of the Warrant, on behalf of the relevant Clearing Member named on the warrant in accordance with the Rules.

2. DELIVERY SPECIFICATION

2.1 Relationship with Regular Vault Operator

- (a) ICE Futures Singapore appoints each Regular Vault Operator to operate Regular Vaults to facilitate the satisfaction of delivery obligations in ICE Gold Contracts. Subject to paragraph (c) below, Clearing Members are responsible for making their own arrangements with a Regular Vault Operator to import, export or store Gold from a Regular Vault, irrespective of whether a Warrant has been issued or has been revoked. Neither ICE Futures Singapore nor the Clearing House has any duty of care to any Person in respect of the Regular Vault Operator and neither shall be liable to any Clearing Member, any member of ICE Futures Singapore or any other Person for any act or omission of a Regular Vault Operator.
- (b) In the event of any discrepancy or inconsistency between any instruction given to a Regular Vault Operator in relation to the import, export or storage of Gold for delivery in satisfaction of an ICE Gold Contract by a Clearing Member, ICE Futures Singapore or the Clearing House, the instructions given by ICE Futures Singapore shall prevail in the first instance,

followed by those of the Clearing House and then those of the relevant Clearing Member. Any Dispute relating to such instructions shall be subject to applicable ICE Futures Singapore Rules and the Rules.

- (c) For as long as a Warrant is issued in respect of Gold, ICE Futures Singapore shall pay to the Regular Vault Operator any applicable storage fees on behalf of Clearing Members. Such fees may be collected by the Clearing House for the account of ICE Futures Singapore pursuant to Rule 301(b). For the avoidance of doubt, as between the Clearing House and Clearing Members, the payer for such fees when collected by the Clearing House is the Clearing Member acting as Seller or Buyer as applicable, notwithstanding that the Warrant may be in the name of a Transferor or Transferee. The payee of such fees is the Clearing House at all times.
- (d) If Gold is not continuously stored in, or under the custody or possession of, a Regular Vault Operator, the Clearing House reserves the right to request ICE Futures Singapore or the Regular Vault Operator to revoke any existing Warrant and issue another Warrant in its stead. The Clearing House reserves the right to revoke Warrants relating to Gold which has already been delivered under an ICE Gold Contract subject to consultation with the relevant Clearing Members and the relevant Regular Vault Operator.

2.2 Delivery

- (a) Where a Clearing Member acts as Seller, its delivery obligation under an ICE Gold Contract will be satisfied by the transfer of a Warrant in its name, or in the name of its Transferor, to a Clearing Member acting as Buyer, or its Transferee, under a corresponding ICE Gold Contract allocated by the Clearing House. Where the Clearing House acts as Seller, its delivery obligation under an ICE Gold Contract will be satisfied by the transfer, to the Buyer, or its Transferee, of a Warrant in the name of a Clearing Member acting as Seller (or its Transferor) under a corresponding ICE Gold Contract allocated by the Clearing House. Transferors or Transferees may only be Clearing Members.
- (b) Transfers of Warrants shall occur by changing the underlying name of the Clearing Member entitled to Gold under a Warrant by electronic book entry in Guardian. All risks in, and legal and beneficial title to, Gold Tendered for delivery under a Warrant shall transfer to such Clearing Member at the moment of such book entry transfer.
- (c) The submission of a Delivery Notice (as described in part 4 of the Delivery Timetable) in accordance with the Delivery Timetable shall constitute each Seller's (and Transferor's where applicable) consent and authorisation for the Clearing House to effect the electronic book entry transfer described in Paragraph 2.2(b) above so as to deliver such lots of Gold (which is the subject matter of a specified Warrant in the name of that Seller or its Transferor) to such Buyer or Transferee as the Clearing House may allocate.
- (d) For the avoidance of doubt, the Regular Vault Operator acknowledges that it holds the relevant Gold which is the subject of a Warrant as bailee on behalf of the Clearing Member named on the Warrant as bailor.
- (e) The electronic registry of the Warrants in Guardian shall be made accessible to the Buyer, Seller and Regular Vault Operator. Accordingly, the electronic book entry transfer of Warrants set out in Paragraphs 2.2(a) and 2.2(b) shall:
 - (i) constitute notice to the Seller (and its Transferor, where applicable), the Buyer (or its Transferee, where applicable) and the Regular Vault Operator of such transfer;
 - (ii) constitute acknowledgement by the relevant Regular Vault Operator, that the underlying Gold referenced in the Warrant is now held by it, as bailee, for the newly named Clearing Member referenced in the Warrant, as bailor, in lieu of the previously named Clearing Member.

- (iii) constitute notice to the Buyer (or its Transferee, where applicable) of the Regular Vault Operator's acknowledgement under paragraph (ii).
- (f) Once a Seller has submitted the Delivery Notice to Guardian in accordance with the Delivery Timetable, the Delivery Notice will be deemed to be the final and binding instructions of such Seller, subject to any other provision of the Rules, or ICE Futures Singapore Rules, enabling the amendment or revocation of a Delivery Notice.
- (g) A Delivery Notice, and other instructions sent by or on behalf of the Clearing Member, shall be deemed to have been submitted to, and received by, the Clearing House when such Delivery Notice or instruction can be viewed and retrieved by the Clearing House on Guardian. The Seller accepts full responsibility for the authenticity and accuracy of all Delivery Notices and instructions sent by it or on its behalf and acknowledges and agrees that each of the Clearing House and the Regular Vault Operator shall be entitled to assume that all Delivery Notices and instructions retrieved from Guardian have in fact been input by the relevant Clearing Members. A Seller or its Transferee, where applicable, must notify the Clearing House immediately upon discovery of any Delivery Notice being submitted on its behalf pursuant to any unauthorised access or fraudulent use.
- (h) In the event of any inconsistency between a Warrant and any non-electronic copy or other document referencing the same Gold, the details set out in the Warrant shall prevail, subject to any other provision of the Rules or ICE Futures Singapore Rules. The Clearing Member acknowledges and agrees that such Warrants are admissible in a court of law under Applicable Law, including the Evidence Act (Chapter 97 of Singapore), the Evidence (Computer Output) Regulations and associated Schedules to the same, without further requirement of proof of authenticity or accuracy.
- (i) There is no cash settlement option except as provided for under the Rules or the ICE Futures Singapore Rules, including pursuant to an allowed alternative delivery process under Paragraph 9 of the main body of these Delivery Procedures.
- (j) Sellers should ensure that they are entitled to sufficient Gold at Regular Vaults to enable satisfaction of their delivery obligations. Without prejudice to the Clearing House's rights and powers under the Rules (including disciplinary measures or declaration of an Event of Default), failure to meet delivery obligations will result in referral to ICE Futures Singapore for potential action under the ICE Futures Singapore Rules.
- (k) Each Seller represents and warrants to the Clearing House that it (or its Transferor as the case may be, in which case the Transferor also represents and warrants the same) has good title to any Gold delivered to a Regular Vault to satisfy a delivery obligation under an ICE Gold Contract and that such Gold is free from any and all Encumbrances, subject only to the Regular Vault Operator being a bailee of the Gold in accordance with the terms agreed between the Regular Vault Operator and ICE Futures Singapore. Each Seller represents and warrants to the Clearing House that the details included in any Warrant issued in its name (or in the name of its Transferor as the case may be, in which case the Transferor also represents and warrants the same) are true, complete and accurate and each Seller and Transferor shall notify the Clearing House and the relevant Regular Vault Operator without delay in the event that it identifies or comes to know of any information on a Warrant which is untrue, incomplete, inaccurate or misleading.
- (l) Transfers of Warrants shall occur during the relevant Delivery Period for the relevant ICE Gold Contract in accordance with ICE Futures Singapore Rules.
- (m) Original Margin shall continue to be called and payable to the Clearing House in relation to any ICE Gold Contract until such time as settlement of such ICE Gold Contract actually occurs. Contingent Variation Margin shall be payable in accordance with the Delivery Timetable.

2.3 **Quality**

- (a) Only Gold meeting the specifications set out in the applicable ICE Futures Singapore Contract Terms, and the list published by ICE Futures Singapore, of brands approved for delivery under an ICE Gold Contract are eligible for delivery under an ICE Gold Contract.
- (b) Without prejudice to a Regular Vault's rights under its own procedures to refuse acceptance of Gold, Gold must be brought to a Regular Vault from an approved source listed by ICE Futures Singapore from time to time or from another Regular Vault, in each case by way of insured or bonded delivery at the expense of the relevant Seller.
- (c) Without prejudice to their right to be delivered Gold which meets the relevant specification under an ICE Gold Contract, any Clearing Member acting as Buyer may request, by notice to the Clearing House, that Gold delivered to it be assayed or refined, at their own expense and under insurance or bond, by an Assayer or Refinery respectively. Clearing Members must make their own arrangements with the Regular Vault Operator and any Assayer or Refinery for any such assay or refining process. ICE Futures Singapore or the Clearing House may by Circular restrict the types of assay or refining available to Clearing Members. Any dispute as to delivery or the specifications of Gold shall be subject to ICE Futures Singapore Rules and the Clearing House shall be entitled to enjoin or instigate proceedings against Sellers or Buyers under corresponding ICE Gold Contracts in accordance with ICE Futures Singapore Rules and the Rules. Neither ICE Futures Singapore nor the Clearing House shall be liable for any act or omission of an Assayer or Refinery.
- (d) The Clearing House and ICE Futures Singapore may, at their own expense and under insurance or bond, arrange, or direct a Clearing Member to arrange, for the assaying or refinement of Gold by an Assayer or Refinery respectively. Relevant Clearing Members shall be required to cooperate at all times with any such directed assay or refinement process, including executing and providing any relevant documents and undergoing any standard know your client processes with such Assayer or Refinery.

2.4 **Price**

The price at which the Gold is delivered is the Exchange Delivery Settlement Price of the Business Day immediately preceding the day of Tender, adjusted in accordance with ICE Futures Singapore Rules.

2.5 **Cessation of Trading**

Unless otherwise specified by ICE Futures Singapore Rules, a Set of ICE Gold Contracts shall cease trading at 15:00 (Singapore time) on the Last Trading Day.

3. DELIVERY TIMETABLE

	TIME	ACTION
Tender Day other than Last Tender Day	Tender Day other than Last Tender Day	
	By 19:30 (Singapore time)	<p>Sellers who wish to Tender input Delivery Notices via Guardian with the details of the lots to be Tendered.</p> <p>A Delivery Notice may be deleted by Clearing Members up to the deadline on the relevant Business Day.</p> <p>Clearing Members must ensure that all Delivery Notices are completed in Guardian by the 19:30 deadline.</p>
Last Tender Day (the Last Trading Day)	Last Tender Day	
	15:00 on Last Tender Day	<p>The ICE Gold Contract ceases trading.</p> <p>All Clearing Members' remaining Open Contract Positions automatically become subject to delivery obligations.</p> <p>Sellers holding Open Contract Positions must submit Delivery Notices via Guardian setting out the details of the lots to be Tendered.</p> <p>Delivery Notices may be modified by Clearing Members up to the deadline.</p> <p>Clearing Members must ensure that all Delivery Notices are completed in Guardian by the 15:00 deadline.</p>
T+1 Allocation	Tender Day or Last Tender Day ("T") + 1	
		<p>Gold allocated to Buyers on a <i>pro rata</i> basis subject to the Clearing House's discretion to allocate any non-divisible bar to any Buyer.</p> <p>Delivery Notices become available on Guardian informing Buyers of the number of lots allocated to them.</p> <p>The following are made available to Buyers via Guardian:</p> <ul style="list-style-type: none"> - invoice report. - Delivery Notice. <p>The following Notice made available to Sellers via Guardian:</p> <ul style="list-style-type: none"> - account sale report. - Delivery Notice.
T+2 Settlement	Settlement (T+ 2)	
	By 10:00	The Clearing House debits Buyers, as detailed on the invoice report referred to above.
	After 10:00	<p>The Clearing House credits Sellers, as detailed on the account sales report referred to above.</p> <p>The Clearing House transfers Warrants to Buyers via Guardian.</p> <p>Original Margin and contingent Variation Margin released to</p>

	TIME	ACTION
		Buyers and Sellers.

4. DELIVERY DOCUMENTATION SUMMARY

Sellers and Buyers should ensure that relevant Delivery Documentation is completed in full, including standard details such as Clearing Member name, mnemonic, etc.

Name of Delivery Document	Explanation	Timing
Delivery Notice	Sellers input Delivery Notices via Guardian with the details of the lots to be Tendered.	By 19:30 on each Tender Day and by 15:00 on the Last Tender Day.
ICSG 1 Kilo Gold: Buyer's Invoice	Buyers are provided with invoice reports via Guardian.	T + 1
ICSG 1 Kilo Gold : Seller's Account Sales	Sellers are provided with account sales reports via Guardian.	

PART B: ICE FUTURES SINGAPORE MINI OFFSHORE RENMINBI FUTURES CONTRACT

1. DEFINITIONS

1.1 The following definitions apply to this part of the Delivery Procedures:

- (a) The term "**ICE CNH Contract**" means a physically deliverable ICE Futures Singapore Mini Offshore Renminbi Futures Contract;
- (b) The term "**Last Trading Day**" means the last trading day for a Set of ICE CNH Contracts, as specified in the ICE Futures Singapore Contract Terms and Procedures or ICE Futures Singapore Rules, and, where not so specified, is two Hong Kong business days prior to the third Wednesday of the delivery month.

1.2 Any reference in this part to a Buyer or Seller shall exclude the Clearing House.

1.3 Neither Buyers nor Sellers are permitted to appoint Transferees or Transferors to effect settlement of delivery obligations arising out of an ICE CNH Contract.

2. SETTLEMENT OF ICE CNH CONTRACTS

2.1 Parts 3 and 5 of the Rules and the Finance Procedures apply in respect of payments and Margin obligations arising from settlement obligations for an ICE CNH Contract in the same way as they apply to other payments to and from the Clearing House. Settlement amounts payable by Clearing Members shall become due and payable pursuant to the overnight payment call referred to in Rule 302 and Paragraphs 6.1(g) and 6.1(i)(vii) of the Finance Procedures.

2.2 For the purposes of Rule 703 and the Rules, the Deliverable under an ICE CNH Contract is USD and the corresponding cash payment for the Deliverable is CNH.

2.3 Original Margin shall continue to be called and payable to the Clearing House in relation to any ICE CNH Contract until such time as settlement of such ICE CNH Contract actually occurs. Contingent Variation Margin shall be payable in accordance with the Delivery Timetable.

3. DELIVERY TIMETABLE

	TIME	ACTION
Last Trading Day	Last Trading Day ("LTD")	
		At the end of LTD, all Clearing Members' remaining Open Contract Positions automatically become subject to delivery obligations.
LTD+1	LTD+1	
	During LTD+1 and up to 04.30 on LTD +2	Settlement obligations (and any contingent Variation Margin obligations) of Seller and Buyer are automatically incorporated into the overnight payment call issued by the Clearing House.
T+2 Settlement	T+2	
	By 10:00	Sellers and Buyers must have transferred settlement amounts via ECS by this deadline.

	TIME	ACTION
	After 10:00	Clearing House pays out settlement amounts via ECS (CNH to Sellers and USD to Buyers). Original Margin and contingent Variation Margin released to Buyers and Sellers.

PART C: ICE FUTURES SINGAPORE US DOLLAR/SINGAPORE DOLLAR FUTURES CONTRACT

1. DEFINITIONS

1.1 The following definitions apply to this part of the Delivery Procedures:

- (a) The term "**ICE USD/SGD Contract**" means a physically deliverable ICE Futures Singapore US Dollar/Singapore Dollar Futures Contract;
- (b) The term "**Last Trading Day**" means the last trading day for a Set of ICE USD/SGD Contracts, as specified in the ICE Futures Singapore Contract Terms and Procedures or ICE Futures Singapore Rules, and, where not so specified, is two Business Days prior to the third Wednesday of the delivery month.

1.2 Any reference in this part to a Buyer or Seller shall exclude the Clearing House.

1.3 Neither Buyers nor Sellers are permitted to appoint Transferees or Transferors to effect settlement of delivery obligations arising out of an ICE USD/SGD Contract.

2. SETTLEMENT OF ICE USD/SGD CONTRACTS

2.1 Parts 3 and 5 of the Rules and the Finance Procedures apply in respect of payments and Margin obligations arising from settlement obligations for an ICE USD/SGD Contract in the same way as they apply to other payments to and from the Clearing House. Settlement amounts payable by Clearing Members shall become due and payable pursuant to the overnight payment call referred to in Rule 302 and Paragraphs 6.1(g) and 6.1(i)(vii) of the Finance Procedures.

2.2 For the purposes of Rule 703 and the Rules, the Deliverable under an ICE USD/SGD Contract is USD and the corresponding cash payment for the Deliverable is SGD.

2.3 Original Margin shall continue to be called and payable to the Clearing House in relation to any ICE USD/SGD Contract until such time as settlement of such ICE USD/SGD Contract actually occurs. Contingent Variation Margin shall be payable in accordance with the Delivery Timetable.

3. DELIVERY TIMETABLE

	TIME	ACTION
Last Trading Day	Last Trading Day ("LTD")	
		At the end of LTD, Clearing Members' remaining Open Contract Positions automatically become subject to delivery obligations.
LTD+1	LTD+1	
	During LTD+1 and up to 04.30 on LTD +2	Settlement obligations (and any contingent Variation Margin obligations) of Seller and Buyer are automatically incorporated into the overnight payment call issued by the Clearing House.
T+2 Settlement	T+2	
	By 10:00	Sellers and Buyers must have transferred settlement amounts via ECS by this deadline.

	TIME	ACTION
	After 10:00	Clearing House pays out settlement amounts via ECS (SGD to Sellers and USD to Buyers). Original Margin and contingent Variation Margin released to Buyers and Sellers.



ICE Clear Singaporesm
Clearing Procedures

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1. SYSTEMS

- 1.1 These Clearing Procedures are "Procedures" as defined in the ICE Clear Singapore Pte. Ltd. rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rule 102. These Clearing Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law and any Dispute arising under these Clearing Procedures will be subject to arbitration under Rule 117.
- 1.2 The Clearing House's primary systems, to which Clearing Members require interfaces, consist of:
- (a) Post-trade administration/clearing and settlement processing: ICE clearing systems including ICE Clear Singapore's Extensible Clearing System ("**ECS**"), Assured Payment System ("**APS**"), Post Trade Management System ("**PTMS**"), Allocation and Claim Transaction System ("**ACT**"), and Guardian (the "**ICE Post Trade and Clearing Systems**" or the "**ICE Systems**");
 - (b) Risk management: the ICE Systems and SPAN[®];
 - (c) Banking: ECS;
 - (d) Deliveries: Guardian; and
 - (e) Billing: ICE in-house system.
- 1.3 These Clearing Procedures deal primarily with matters relating to post-trade administration, clearing and settlement and risk management. Details relating to finance and deliveries are set out in the Finance Procedures and Delivery Procedures respectively.
- 1.4 Clearing Members should immediately inform the Clearing House of any event, system-related or otherwise, that would prevent them from operating timely and accurately on the Markets cleared by the Clearing House. Clearing Members must, at all times, ensure that they are able to continuously monitor communication facilities for receipt of communications from the Clearing House.

2. TRADE CLEARING AND POSITION MANAGEMENT

- 2.1 The Clearing Systems
- (a) The components of the ICE Systems are licensed to, and supplied and maintained for the benefit of, the Clearing House. The ICE Systems are integrated trade registration and clearing processing systems used for the clearing of the relevant Market.
 - (b) The ICE Systems work together to process transactions from the time of trading and entry into the system, through the maintenance and settlement of Open Contract Positions, the calculation of Margin, and the delivery/expiry of Contracts.
- 2.2 Trade registration and clearing process
- (a) The instant a Contract arises pursuant to Rule 401, the Clearing House becomes the buyer to the Selling Counterparty and the seller to the Buying Counterparty.
 - (b) Data in relation to matched trades will automatically pass to the ICE Systems.

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- (c) The ICE Systems receive details of trades in real-time from the relevant Market. It allows Clearing Members and their Representatives to perform the following functions, among others:
 - (i) assign trades to one of various accounts described below;
 - (ii) allocate trades to other Clearing Members as allowed under Rule 408(a)(ii) and Market Rules or between position keeping accounts;
 - (iii) accept trades allocated or split by other Clearing Members as allowed under Rule 408(a)(ii) and Market Rules;
 - (iv) allocate or split trades between different position keeping accounts;
 - (v) enter position settlement instructions;
 - (vi) input consolidation crosses in order to consolidate trades at various prices into average prices; and
 - (vii) view trading history and status of trades.
- (d) Clearing Members should refer to the ICE Systems user guides for more detailed information concerning the ICE Systems' functionality.
- (e) The ICE Systems will allow Clearing Members and their Representatives to perform the following functions, among others:
 - (i) monitor Open Contract Positions;
 - (ii) close out open Contracts by netting off equal and opposite Contracts in its Customer Account;
 - (iii) process physical delivery of Deliverables pursuant to Futures Contracts; and
 - (iv) review Margin requirements.
- (f) A number of reports are available in the ICE Systems, the list and details of which are available in the ICE Systems user guide.
- (g) In the event of any system errors or other systemic issues connected with the ICE Systems, Clearing Members should contact the Clearing House's operations department.
- (h) In the event of any processing errors or error in communications with the Clearing House, Clearing Members should contact the Clearing House's operations department.

2.3 Position keeping

- (a) Position-keeping activities are governed by Market Rules. In the event of any conflict between these Clearing Procedures and Market Rules in relation to position-keeping, Market Rules shall prevail.
- (b) Open Contract Positions can be maintained in several accounts within the ICE Systems, identified in the ICE Systems by one letter as follows:

Accounts linked to a Proprietary Account for purposes of the Rules:

- (i) H – House;

- (ii) [Not used.];
- (iii) [Not used.];
- (iv) D - Default (trades not assigned to a specific account or sought to be allocated but left unclaimed by another Clearing Member will automatically clear in the default account);
- (v) T – Segregated (shall be used by Clearing Members for transactions entered into for the account of their Affiliates);
- (vi) U – Unallocated (for intra-day usage only); and
- (vii) [Not used.]
- (viii) such other accounts as are made available to Clearing Members for Proprietary Accounts by the Clearing House.

Account linked to a Customer Account:

- (ix) S - Segregated Customer - maps to a Customer Account.
- (x) [Not used.]
- (xi) [Not used.]
- (c) Clearing Members may maintain separate position-keeping accounts for each Exchange member for whom they provide clearing services.
- (d) Where a Clearing Member holds accounts of Exchange members who are not Clearing Members, the mapping of these accounts to a Customer Account or Proprietary Account will be determined by the Clearing Member in conjunction with the relevant Market and in accordance with Applicable Laws.

2.4 Open Contract Positions and Close-outs

- (a) The House (H) will only reflect net Open Contract Positions.
- (b) The Default (D), Segregated (T) and Customer Account (S) hold gross Contracts, showing all sell and all buy positions that have not been netted or closed out (in the case of position-keeping accounts linked to a Customer Account, to the extent that there is more than one Customer interested in the Account, and in the case of the Segregated (T) account, to the extent that there are Contracts recorded for the account of more than one Affiliate). The ICE Systems and Rule 406 allow Clearing Members to close out opposite Contracts that are held gross in certain circumstances. In order to ensure a true representation of Open Contract Positions, Clearing Members may be required to perform manual close-outs (netting) in the accounts where gross Open Contract Positions are maintained, in accordance with the Rules. Clearing Members are responsible for inputting any required manual netting or close-out instructions in relation to such accounts.
- (c) Any close-outs should be performed in a fashion and at a time in accordance with Market Rules. Position transfers between accounts in the ICE Systems must be complete at or before the time specified by the relevant Market from time to time in order to be reflected in Open Contract Positions.
- (d) For Clearing Members, Customer-CM Transactions arise only in respect of transactions recorded in a position-keeping account linked to a Customer Account.

2.5 Invoicing Back, Void Contracts, etc.

- (a) Any Contracts that are subject to Invoicing Back will be reflected by the entry into by the Clearing House through the ICE Systems of a new Contract of opposite effect to the original Contract (or pursuant to such other terms or prices as are determined by the Clearing House pursuant to the Rules). Clearing Members will be notified of Contracts subject to Invoicing Back or amendment by the Clearing House's operations department. Each such event will be confirmed in writing.
- (b) Any Contracts that are void or voided will be deleted from the ICE Systems by the Clearing House. Clearing Members will be notified of Contracts which are void or voided by the Clearing House's operations department. Each such event will be confirmed in writing.
- (c) The Clearing House may make other trade or Open Contract Position adjustments as directed by the relevant Market. In each such event, the Clearing House's operations department will contact the Clearing Member and confirm such adjustment in writing.

3. FINANCIAL ACCOUNTS

3.1 Margining accounts

- (a) While Open Contract Positions are held in several different accounts through the ICE Systems, the margining of Open Contract Positions will take place as follows:
 - (i) H, D, U and any other accounts established pursuant to Paragraph 2.3(b)(viii) will be margined on a net basis together via the House (H) account (referred to as a "Proprietary Account" under the Rules);
 - (ii) T, whilst also a sub-account of the "Proprietary Account" under the Rules, will be margined separately on a gross basis to the extent Open Contract Positions are referable to more than one Affiliate; and
 - (iii) S will be margined on a gross basis via a Customer Account.
- (b) Each separate Proprietary Account and Customer Account will be subject to calculations and calls for Margin separately. Transfers or offsets between any two such accounts will not be possible. These accounts are also all treated separately following any Event of Default, under Part 9 of the Rules.
- (c) Records of all financial information including, but not limited to, Margin requirements, cash balances, collateral, contingent Margin, Buyer's security and Seller's security will be held in ECS within the ICE Systems. The naming convention for the accounts in ECS used for Contracts will be the Clearing Member's three letter mnemonic followed by the account type (e.g. XXXH for a Proprietary Account).
- (d) Clearing Members can find more information about ECS functions and facilities in the ICE Systems user guide.

3.2 [Not used.]

Table A: Summary of Account Codes

Position Account	ICE Systems Term	ECS Term	ECS Account name	Rulebook
H U D T	House Unallocated Default Segregated	House Account (H) Segregated Account (T)	XXXH (may also be referred to as HOUSE segregation) XXXT (may also be referred to as Segregated T)	Proprietary Account
S	Segregated Customer	General Client Account (S)	XXXC (may also be referred to as CSEG segregation)	Customer Account

4. MARGIN PROCEDURES

4.1 General

The matters described in this Paragraph 4 will be recorded through ECS and will form part of the Clearing House's daily Margin processes. Margin requirements will determine whether funds are needed to be paid to, or received from, the relevant Clearing Member. Any required payments will be effected through Approved Financial Institutions that participate in the APS, as described in the Finance Procedures.

4.2 Original Margin

- (a) Original Margin calculations are made separately in respect of each of a Clearing Member's Proprietary Account and Customer Account. No Margin offset is possible between any of these accounts. Original Margin calculations for a Proprietary Account will be based on the net positions for a Set where only one position-keeping account is used or the sum of the gross positions for a Set where Contracts are recorded in separate position-keeping accounts. Original Margin requirements for a Customer Account will be based on the net positions for a Set of each underlying Customer where reported to the Clearing House or the sum of the gross positions for a Set where individual Customer positions are not reported to the Clearing House under Rule 401 and in the way set out in Paragraph 2.3(b).
- (b) Original Margin parameters are set by the Clearing House within the framework of the policy reviewed by the Clearing House's Risk Committee.
- (c) The Clearing House will notify Clearing Members of any change to Original Margin parameters by Circular no later than the day before calls are made based on the new parameters. For routine changes, the Clearing House will provide five Business Days' advance notice of changes to Margin parameters, unless another period is specified in the relevant Circular.
- (d) Original Margin requirements will be calculated overnight at a time notified to Clearing Members on a daily basis, for both Proprietary Accounts and Customer Accounts, using the SPAN® algorithm.

4.3 Variation Margin

All open Contracts are marked to market daily in accordance with the Contract Terms (which includes any applicable Market Rules). Profits and losses are credited to or debited from the relevant Nominated Customer Bank Account or Nominated Proprietary Bank Account of each Clearing Member as set out in the Finance Procedures.

4.4 [Not used.]

4.5 Cash Settlement

- (a) When it reaches maturity, a Contract can give rise either to cash settlement (if determined by the Contract Terms or, where permitted by the Contract Terms, if the Clearing Member opts out of the delivery via EFP) or delivery obligations.
- (b) Cash settlement for Contracts will be determined by the difference between the Exchange Delivery Settlement Price and the previous day's Exchange Delivery Settlement Price, as determined in accordance with Part 7 of the Rules.
- (c) Details relating to deliveries for Contracts are set out in the Delivery Procedures.

4.6 Contingent Variation Margin

- (a) A contingent Variation Margin amount will be calculated and called daily for Contracts under tender as notified by Circular. This contingent Variation Margin will result from the difference between the Exchange Delivery Settlement Price for the Contract under tender and the Exchange Delivery Settlement Price for the next maturing Contract Set of otherwise equivalent specifications.
- (b) Clearing Members will not receive repayment in respect of any contingent Variation Margin in cash. However, they will be able to use any excess against Margin requirements on the Contracts in respect of which contingent Variation Margin is called and other Contracts. If contingent Variation Margin is a debit, it will be possible for Clearing Members to use assets, as permitted by these Procedures and updated by Circular, as Permitted Cover.
- (c) Contingent Variation Margin will be released:
 - (i) for the Buyer, on payment of the Buyer's security; and
 - (ii) for the Seller, once all relevant deliveries are completed,as detailed or otherwise specified in the Delivery Procedures.

4.7 [Not used.]

4.8 Buyer's security and Seller's security

In accordance with Market Rules and where specified in the Delivery Procedures, Clearing Members will be liable for Buyer's security and Seller's security in respect of Contracts undergoing deliveries. Such amounts will be included in the Margin call process.

4.9 Intra-day or *ad hoc* margin calls

If market conditions dictate, the Clearing House may decide to proceed to an intra-day or *ad hoc* Margin call for certain, or all, Contract Sets or for all or particular Clearing Members. In the event of an intra-day or *ad hoc* call applying, any increased Margin requirements will be reflected in ECS. If there is a shortfall, ECS will generate a call which must be met in accordance with the Finance Procedures. Affected Clearing Members will be informed of the call by the Clearing House and such call will be confirmed by email to a designated e-mail account of each affected Clearing Member.

4.10 Contingency Holidays

If there is a bank holiday in the country of a particular currency, the Clearing House will call cash on the next Business Day which is not a bank holiday in the country of such particular currency, as described in the Finance Procedures

5. [NOT USED.]

6. CUSTOMER CLEARING

6.1 Open Contract Positions and accounts:

- (a) Provided that no Event of Default has been declared with respect to the Clearing Member, in the event of the termination of a Customer-CM Transaction (including but not limited to as a result of a default by a segregated Customer under the terms of a Cleared Transactions Master Agreement), the Clearing Member may, to the extent permitted under Applicable Law:
 - (i) request of the Clearing House that a Customer Account Position or any part thereof be transferred into a Contract in its Proprietary Account (in which case, for the avoidance of doubt, the Proprietary Position Account will reflect, and Rule 406 will apply to, such transferred Contracts); or
 - (ii) submit to the Clearing House particulars in respect of offsetting Transactions, one leg of which is to be recorded in a Customer Position Account (in which case, for the avoidance of doubt, the resultant Contract may be offset against Contracts in the same sub-account which relate to such Customer, pursuant to Rule 406).

For the avoidance of doubt, Rule 302 and the Finance Procedures apply in relation to the return of any Surplus Collateral at the Clearing House resulting from the termination of any Contract.

6.2 Transfer of Contracts absent an Event of Default:

- (a) Each Clearing Member (other than a Defaulter) with a Customer Account (the "**Transferor Clearing Member**") shall be required, upon request of a Customer to transfer such Clearing Member's rights and obligations with respect to Contracts recorded in its Customer Account (and any related Customer-CM Transactions) to one or more other Clearing Member (the "**Transferee Clearing Member**") designated by such Customer subject to the provisions of this Paragraph 6.2 and, to the extent not inconsistent with this Paragraph 6.2, to any terms agreed between the Transferor Clearing Member and Customer. Such transfer shall be effected as soon as practicable following satisfaction of the conditions set forth in paragraph 6.2(b).
- (b) A transfer pursuant to Paragraph 6.2(a) shall be subject to the following conditions:
 - (i) the Transferor Clearing Member shall have no obligation to locate or identify a Transferee Clearing Member (which shall be the responsibility of the Customer);
 - (ii) the transfer must be in accordance with Applicable Laws, including any applicable Market Rules, and, to the extent permitted thereunder, any applicable agreement between the Transferor Clearing Member and Customer;
 - (iii) the Transferor Clearing Member, Transferee Clearing Member and Customer shall, through an Exchange or the ICE Systems, have agreed and executed and submitted to the Clearing House an electronic transfer confirmation (the "**Transfer Confirmation**") in a form approved by the Clearing House (which may be written or electronic) which may include the following:

- (A) the relevant Contracts to be transferred (the "**Transferred Contracts**") and the corresponding Customer-CM Transactions, if any, to be transferred;
 - (B) the proposed transfer date (the "**Transfer Date**"), which shall be no earlier than the Business Day of submission of the Transfer Confirmation to the Clearing House and shall be a Business Day;
 - (C) whether relevant Original Margin of the Transferor Clearing Member recorded in the relevant Margin Account in respect of the Transferred Contracts is to be transferred to or to the account of the Transferee Clearing Member or returned to the Transferor Clearing Member for distribution to the Customer or to its account or order;
 - (D) the amount of such Original Margin, if any, to be so transferred or returned in respect of the Transferred Contracts; and
 - (E) such other matters as the Clearing House may specify;
- (iv) prior to the applicable transfer time determined by the Clearing House on the Transfer Date (such time, the "**Transfer Time**"), if required by the Clearing House, each of the Transferor Clearing Member and the Transferee Clearing Member shall have transferred additional Margin in the amount specified by the Clearing House to satisfy any additional Margin requirements as a result of the proposed adjustments in Open Contract Positions in relevant Accounts resulting from the proposed transfer; and
 - (v) the Clearing House has accepted such Transfer Confirmation, and the Transferor Clearing Member and Transferee Clearing Member have satisfied such other conditions as the Clearing House may have specified.
- (c) If such conditions are satisfied, then as of the Transfer Time, the transfer shall occur as set forth in the Transfer Confirmation in relation to the Transferred Contracts and corresponding Customer Transactions, if any, and Rule 408(a)(i), and the Clearing House shall:
 - (i) adjust the records of the Open Contract Positions in the relevant Account of the Transferor Clearing Member so as to reflect the transfer of the Transferred Contracts;
 - (ii) adjust the records of the Open Contract Positions in the relevant Account of the Transferee Clearing Member so as to reflect the transfer of the Transferred Contracts;
 - (iii) adjust the Margin requirements of relevant Accounts to reflect such adjustments of Open Contract Positions; and
 - (iv) record the transfer of any Margin to be transferred from an Account of the Transferor Clearing Member to an Account of the Transferee Clearing Member or return such Margin to the Transferor Clearing Member for distribution to the relevant Customer or to its account or order, as specified in the Transfer Confirmation.
 - (d) Notwithstanding anything to the contrary herein, no Clearing Member shall be required to accept a transfer of any Transferred Contracts as a Transferee Clearing Member without such Clearing Member's consent.
 - (e) [Not used.]
 - (f) Notwithstanding anything to the contrary herein or in any Transfer Confirmation, if an Event of Default occurs with respect to a Transferor Clearing Member prior to the transfer becoming irrevocable pursuant to Part 12 of the Rules, such transfer (and any related Transfer

Confirmation) will be cancelled and of no effect and the Clearing House will not adjust the related Open Contract Positions pursuant to this Paragraph 6.2.

- (g) Unless otherwise agreed between the Transferor Clearing Member and the Customer and subject to any applicable legal or regulatory requirements, the Customer must satisfy in full, at or prior to the proposed Transfer Time, any margin requirements ("**Pre-Transfer Margin Requirements**") imposed by the Transferor Clearing Member with respect to:
 - (i) any remaining Customer-CM Transactions; and
 - (ii) if the Customer and Transferor Clearing Member have expressly agreed (whether orally or in writing) to determine the margin requirements for contracts, transactions or positions of that Customer other than Customer-CM Transactions or Contracts (collectively, "**Non-cleared Positions**") by taking into account the margin requirements for the Customer-CM Transactions being transferred, such Non-cleared Positions;

in each case calculated after giving effect to such transfer. If there is an express agreement (whether written or oral) between the Transferor Clearing Member and the Customer with respect to the margining that will be imposed on Customer Transactions or Non-cleared Positions, the Transferor Clearing Member shall determine the Pre-Transfer Margin Requirements in accordance with the terms of such agreement. So long as: (x) the Pre-Transfer Margin Requirements specified in this Paragraph 6.2(g) are satisfied; and (y) no event of default has occurred with respect to the Customer under the applicable Cleared Transactions Master Agreement, no consent of the Transferor Clearing Member shall be required for such transfer.

6.3 Margin

- (a) If Customer-CM Collateral is not in the form of Permitted Cover, the relevant Clearing Member shall remain obliged to transfer only Permitted Cover to the Clearing House and to account accordingly for any transformation of assets with its Customer (without prejudice to arrangements under which fees or rates of return may be determined) in accordance with the relevant Standard Terms.
- (b) Any additional Customer-CM Collateral (beyond the Clearing House's requirement) required by a Clearing Member of a Customer may be held in any lawful manner as agreed between a Customer and Clearing Member. Subject to such agreement, such collateral may, but is not required hereunder to, be transferred to a Customer Margin Account of the Clearing Member and will, if so transferred, be treated as Surplus Collateral to the extent that a greater value of Permitted Cover is credited to the relevant Customer Margin Account than the Margin requirement for that Customer Margin Account.

6.4 Data in relation to Customer Clearing

- (a) Each Clearing Member shall keep and maintain written or electronic records showing, with respect to its Customer Account:
 - (i) the identity of each of its Customers;
 - (ii) all Default Portability Preferences of each of its Customers; and
 - (iii) such other information as may be requested by the Clearing House in accordance with the Rules or these Clearing Procedures from time to time.
- (b) Each Clearing Member shall provide any data of a nature described in Paragraph 6.4(a) to the Clearing House promptly upon demand. Data relating to the identity of Customers or Default

Portability Preferences may be requested by the Clearing House with reference to anonymous customer serial codes. Each Clearing Member shall provide accurate information to any Exchange for purposes of identifying its Customers. Each Clearing Member and Customer consents to an Exchange providing all such information as is referred to in Paragraph 6.4(a) to the Clearing House.

- (c) Each Clearing Member that has a Customer Account shall request each of its Customers to specify a Default Portability Preference or confirm that it has not specified a Default Portability Preference. Clearing Members and the Clearing House acknowledge that a Customer may designate permitted Transferee Clearing Members at any time prior to or after an Event of Default being declared in relation to a Clearing Member.

7. TERMS APPLICABLE TO POSITION TRANSFERS

7.1 Additional defined terms

In this Paragraph 7 only:

- (a) The term "**Novation**" or "**Position Transfer**" means a transfer by way of novation of Novating Contracts from a Position Transferor to a Position Transferee pursuant to Rule 408(a)(i), Part 12 of the Rules or Paragraph 6 of these Clearing Procedures and this Paragraph 7 of the Clearing Procedures.
- (b) The term "**Novation Time**" means the novation time specified by the Clearing House for a Novation of particular Novating Contracts which will be communicated to the Position Transferor and Position Transferee by the Clearing House.
- (c) The term "**Novating Contract**" means a Contract between a Position Transferor and the Clearing House which is open immediately prior to the Novation Time and which has not, as at the Novation Time, been cash settled or otherwise performed, discharged or closed out, void, voided, terminated or rescinded in full, and which is to be subject to a Novation, or a Contract between a Position Transferee and the Clearing House arising as a result of the same Novation (as applicable).
- (d) The term "**Position Transferee**" means a Clearing Member which is party to a Position Transfer as transferee.
- (e) The term "**Position Transferor**" means a Clearing Member which is party to a Position Transfer as transferor.

7.2 General

- (a) Rules 408(a)(i) and Part 12 of the Rules set out various provisions applicable to the transfer or novation of Contracts between Position Transferors and Position Transferees and to Position Transfer Orders. This Paragraph 7 sets out the terms of the novation and transfer under which all Position Transfers will take place.
- (b) Each Position Transferor and Position Transferee will be deemed to agree to the application of the terms set out in this Paragraph 7 in respect of each Position Transfer to which it is a party.
- (c) Each Position Transferor and Position Transferee shall ensure that immediately prior to the time at which any Position Transfer Order becomes irrevocable:
 - (i) it has made all due payments to the Clearing House in respect of Margin, including, if it is a Position Transferee, any additional pre-funded Margin required by the Clearing House in respect of the Contracts expected to arise as a result of the Novation, or if it is a Position Transferor, any additional pre-funded Margin required

by the Clearing House arising from the proposed termination of the Novating Contracts recorded in its accounts; and

- (ii) legally binding and enforceable agreements are in place to the extent necessary with all third parties that are affected by the Position Transfer and all necessary notices have been served on such third parties in order for the Position Transfer to take place at the Novation Time in accordance with the Rules and this Paragraph 7.

7.3 Novation Terms

- (a) On and as from the Novation Time, the following shall take place by operation of this provision:
 - (i) the Position Transferor releases and discharges the Clearing House from all covenants, undertakings, warranties and other obligations of the Clearing House pursuant to each of the Novating Contracts and (subject to Paragraph 7.3(a)(vii)) from all claims and demands whatsoever or howsoever arising out of or in respect of each of the Novating Contracts whether arising prior to, on or subsequent to the Novation Time;
 - (ii) the Clearing House releases and discharges the Position Transferor from all covenants, undertakings, warranties and other obligations of the Position Transferor pursuant to each of the Novating Contracts and (subject to Paragraph 7.3(a)(viii)) from all claims and demands whatsoever or howsoever arising out of or in respect of each of the Novating Contracts whether arising prior to, on or subsequent to the Novation Time;
 - (iii) the Position Transferee assumes in favour of the Clearing House and shall be vested with all the liabilities of the Position Transferor to the Clearing House whatsoever arising out of or under each of the Novating Contracts whether arising prior to, on or subsequent to the Novation Time, agrees to perform all the duties and to discharge all the obligations of the Position Transferor under each of the Novating Contracts whether arising prior to, on or subsequent to the Novation Time and agrees to be bound by all the terms and conditions of the Novating Contracts in every way as if the Position Transferee had been party to each of the Novating Contracts from inception instead of the Position Transferor;
 - (iv) the Clearing House agrees to perform all its duties and discharge all its obligations under the Novating Contracts and to be bound by all the terms and conditions of the Novating Contracts in every way as if the Position Transferee had been party to each of the Novating Contracts from inception instead of the Position Transferor;
 - (v) subject to Paragraphs 7.3(a)(vii) and (viii), the Position Transferor and the Position Transferee shall be deemed to acknowledge and agree that the Clearing House shall on and as from the Novation Time have the right to enforce each of the Novating Contracts and pursue all claims and demands whatsoever or howsoever arising out of or in respect of each of the Novating Contracts whether arising prior to, on or subsequent to the Novation Time as if the Position Transferee had been party to each of the Novating Contracts from inception instead of the Position Transferor;
 - (vi) subject to Paragraphs 7.3(a)(vii) and (viii), the Clearing House and the Position Transferor shall be deemed to acknowledge and agree that the Position Transferee shall on and as from the Novation Time have the right to enforce all of the Novating Contracts and pursue all claims and demands whatsoever or howsoever arising out of or in respect of the Novating Contracts whether arising prior to, on or subsequent to

the Novation Time as if the Position Transferee had been party to the Novating Contracts from inception instead of the Position Transferor;

- (vii) the Novation shall not affect any complaints made prior to the Novation Time or to be made by the Position Transferor against the Clearing House in relation to any matter or event occurring or circumstance arising prior to the Novation Time or any Dispute relating to any matter or event occurring or circumstance arising prior to the Novation Time, other than a claim or demand for payment of an amount due but unpaid at the Novation Time pursuant to the terms of a Novating Contract;
 - (viii) the Novation shall not affect any disciplinary, legal or other proceedings commenced against the Position Transferor by the Clearing House prior to the Novation Time or the right of the Clearing House to bring disciplinary, legal or other proceedings against the Position Transferor in relation to any matter or event occurring or circumstance arising (in whole or in part) prior to the Novation Time or any Dispute relating to any matter or event occurring or circumstance arising (in whole or in part) prior to the Novation Time, other than a claim or demand for payment of an amount due but unpaid at the Novation Time pursuant to the terms of a Novating Contract; and
 - (ix) the Clearing House, Position Transferor and Position Transferee shall each be deemed to agree that all materials, communications and instructions (whether written, electronic or oral) relating to or made in connection with any Novating Contract produced or used by any of them and all references in any Novating Contract to such contract shall be construed as a reference to the relevant Novating Contract after the Novation.
- (b) Subject to Paragraphs 7.3(a)(vii) and (viii), the Clearing House, Position Transferor and Position Transferee each shall be deemed hereby to agree and acknowledge that, as between them, each Novating Contract shall be construed for all purposes on and after the Novation Time as if it had, from its inception, always been the subject of the Novation and the amendments given effect to pursuant to this Paragraph 7, regardless of the date on which any event, matter, notice, circumstance, dispute or difference under the Novating Contract occurred or arose or was or is deemed to occur or arise.
 - (c) The Position Transferor and the Clearing House, and the Position Transferee and the Clearing House shall each hereby be deemed to agree and acknowledge to each other that, at the Novation Time and without the need for any further act on behalf of either of them, any and all requirements of the Rules or Applicable Law and all requirements for notices and other formalities in relation to the Novation of the Novating Contracts pursuant to this Paragraph 7 under the terms of such Novating Contracts have been satisfied or, to the extent not satisfied, are hereby waived. As from the time at which the Position Transfer Order becomes irrevocable, the Clearing House shall be deemed to have provided its consent to the Novation for purposes of Rule 408(a)(i).
 - (d) The Position Transferor shall make available to the Clearing House such data relating to the Novation and Novating Contracts that is in the Position Transferor's control as the Clearing House may reasonably request in order to give effect expeditiously to the Novation or to carry out its obligations under the Rules or Applicable Law.
 - (e) Notwithstanding any communication that the Position Transferor or Position Transferee may have had with any other party, each of the Position Transferor and Position Transferee shall hereby be deemed to represent and warrant to the Clearing House as at the Novation Time that:

- (i) it is not relying upon any representation or warranty of the Clearing House or any other Clearing Member except any representation or warranty expressly set out in the Rules or Procedures;
- (ii) it has consulted with its own legal, regulatory, tax, business, financial and accounting advisers to the extent that it has deemed necessary and agrees to the Novation based upon its own judgment and upon any advice from its advisors as it has deemed necessary and not upon any view or advice expressed by the Clearing House;
- (iii) it is entering into the Novation with a full understanding of the terms and conditions and risks thereof and it is capable of and willing to assume those risks.
- (iv) it has the power to execute and effect the Novation and any documents that may be required to effect the Novation, and to perform its obligations under the Rules, all Contracts to which it is party and this Paragraph 7 and all necessary action to authorise such execution, delivery and performance has been taken;
- (v) the execution, delivery and performance of the Novation do not violate or conflict with any Applicable Law applicable to it, any provision of its constitutional documents, any order or judgment of any court or Governmental Authority applicable to it or any of its assets or any contractual restriction binding on or affecting any of its assets; and
- (vi) all consents of any Governmental Authority or other Person that are required to have been obtained by it with respect to the Novation have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

**ICE CLEAR
SINGAPORE
S-1 SUPPLEMENT**

ANNEX A-5(vi)



ICE Clear Singaporesm
Complaint Resolution Procedures

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1. GENERAL INTRODUCTION

- 1.1 These Complaint Resolution Procedures are 'Procedures' as defined in the ICE Clear Singapore Pte. Ltd. rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rule 102. These Complaint Resolution Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law and any Dispute arising under these Complaint Resolution Procedures will be subject to arbitration under Rule 117.
- 1.2 These Complaint Resolution Procedures establish arrangements and adequate procedures for the recording, monitoring, investigation and resolution of complaints arising in connection with the performance of, or failure to perform, any of its regulatory functions (any such matter, a "**Complaint**"). Steps will be taken by the Clearing House to ensure that Complaints are handled fairly, consistently and promptly. These arrangements include procedures for a Complaint to be fairly and impartially investigated by an Independent Complaints Commissioner and for that person to report on the result of his investigation to both the Clearing House and the person making the Complaint ("**Complainant**"). The arrangements must also confer on the person the power to recommend, if appropriate, that the Clearing House: (i) makes a compensatory payment to the Complainant; and/or (ii) remedies the matter complained of. The Clearing House should also take prompt action to rectify systems and controls weaknesses highlighted by any Complaint.
- 1.3 The Clearing House has adopted these Complaint Resolution Procedures. A Complaint which runs its full course will consist of the following key stages:
- (a) an Eligible Complaint (as defined in Paragraph 2.1) must be submitted in writing;
 - (b) at first instance, the Clearing House will investigate the Complaint and attempt to resolve it. If the Complainant is dissatisfied with the Clearing House's response or proposals to redress the Complaint, the Complainant may refer the Complaint to an Independent Complaints Commissioner (the "**Commissioner**") or request that the Clearing House refers the Complaint to the Commissioner;
 - (c) the Commissioner, if he determines that the referral is an Eligible Complaint, will investigate the matter as appropriate;
 - (d) following due consideration, the Commissioner will produce a report outlining his recommendations which will be copied to the Clearing House and the Complainant; and
 - (e) if the Commissioner recommends a compensatory payment and/or remedial action, the Clearing House will consider and may act upon such recommendation.
- 1.4 There is no restriction on who can bring a Complaint, although a Complaint must be an Eligible Complaint in order to be capable of being handled in accordance with these Complaint Resolution Procedures. These Complaint Resolution Procedures do not limit the Clearing House from considering or refraining from considering any Complaint which is not an Eligible Complaint pursuant to such procedures as it may determine.
- 1.5 In referring any Eligible Complaint (or by asking the Clearing House to refer such a Complaint) to the Commissioner, the Complainant shall be deemed to agree to be bound by and be subject to these Complaint Resolution Procedures and, as a result, accepts that any recommendation made by the Commissioner to the Clearing House, if adopted by the Clearing House, shall be in full and final resolution and settlement of the Complaint and all associated rights and claims.
- 1.6 Without prejudice to the ability of any other Person to act as a Complainant, these Complaint Resolution Procedures apply in relation to all Clearing Members.

2. ELIGIBLE COMPLAINTS

- 2.1 "Eligible Complaints" are Complaints against the Clearing House arising in connection with the performance of, or its failure to perform, any of its regulatory functions.
- 2.2 A Complaint will not be an Eligible Complaint if it:
- (a) relates to:
 - (i) the Clearing House's relationship with its Directors, officers, employees, committees or any individual committee member;
 - (ii) the content of the Clearing House's Rules; or
 - (iii) a decision against which the Complainant has the right to appeal under Part 10 of the Rules;
 - (b) is connected with a contractual or commercial dispute involving the Clearing House and is not connected in any way with the Clearing House's regulatory functions;
 - (c) is made outside the period of 12 months from the date on which the Complainant becomes aware of the circumstances giving rise to the Complaint unless the Complainant can show reasonable grounds for delay; or
 - (d) is of a frivolous or vexatious nature or amounts to an abuse of process.
- 2.3 A Complaint connected with, or which arises from, any form of continuing action by the Clearing House under Part 10 of the Rules or in relation to an Event of Default will not normally be investigated by the Commissioner until the action has been completed.

3. MAKING A COMPLAINT

- 3.1 A Complaint should be made in writing, marked "Complaint for Resolution under ICE Clear Singapore Complaint Resolution Procedure" and sent to:
- Chief Regulatory Officer
ICE Clear Singapore Pte. Ltd.
6 Battery Road #36-01
Singapore 049909 or by e-mail to: icesingapore-complaints@theice.com
- 3.2 The Complaint should be signed on behalf of the Complainant, and in any case where it is made by a company, partnership or other body corporate, should be signed by a director or equivalent officer with appropriate authority.
- 3.3 If a Complaint is made orally, the Complainant will be asked to confirm its Complaint in writing. The Clearing House shall not be obliged to investigate any Complaint unless and until the Complainant has submitted a written Complaint in accordance with these Complaint Resolution Procedures.
- 3.4 The written Complaint should include sufficient information to allow the Clearing House to properly identify the Contracts or other matters to which the Complaint relates, the activities complained of, and the basis for any alleged loss or other detriment of the Complainant. If insufficient information is provided, the Clearing House may request further information and the Complaint may not be investigated further until such information is provided.
- 3.5 The Clearing House will not impose any charge to Complainants in relation to any Complaint. The Clearing House's and Commissioner's costs and expenses in relation to any Complaint will be paid by the Clearing House.

4. INVESTIGATION OF COMPLAINTS BY THE CLEARING HOUSE

- 4.1 At the first instance, an investigation into the Complaint will be conducted by a suitably senior member of staff who has not previously been involved in the matter and who is not the subject of the Complaint.
- 4.2 The Clearing House will acknowledge the Complaint within five Business Days of receipt, giving the name and job title of the individual handling the Complaint and including a copy of these Complaint Resolution Procedures.
- 4.3 Within 15 days of receiving any Complaint which the Clearing House considers to be ineligible, the Clearing House will inform the Complainant that it proposes not to investigate the Complaint for the reason specified. Within 15 days of receiving such notice, the Complainant may refer the Complaint to the Commissioner or ask the Clearing House to refer the Complaint to the Commissioner. The Commissioner may ask the Clearing House to investigate the matter if he deems it appropriate.
- 4.4 The Clearing House will seek to resolve any Eligible Complaint as quickly as possible. In most cases, the Clearing House will produce a final response to the Complaint within eight weeks from the date of receipt of the Complaint by the Clearing House. However, where the scope of the Complaint reasonably demands further investigation, after eight weeks the Clearing House will write to the Complainant explaining why the matter has not been resolved, indicating when a final response is likely to be made.
- 4.5 If the matter has not been resolved within 12 weeks, the Complainant will have the right to refer the Complaint to the Commissioner. In such cases, the Commissioner will be entitled to decline to consider the Complaint for a defined period notified to the Complainant in order to allow the Clearing House to complete its investigation, if: (i) it arises from any form of continuing action by the Clearing House under Part 10 of the Clearing House's Rules; (ii) it relates to an Event of Default; or (iii) it shares its subject matter with an investigation, arbitration or disciplinary proceeding on which the outcome of the Complaint would impinge or otherwise depend.
- 4.6 Where, in the opinion of the Clearing House, any Eligible Complaint is connected with or arises out of the same or similar facts or circumstances in respect of which an outstanding or otherwise unresolved Complaint has been made under these Complaint Resolution Procedures, the Clearing House may, in its absolute discretion and upon giving notice in writing to any Complainant or Complainants so concerned, join such Eligible Complaints so that they may be addressed in the same investigation and/or any final response. The Clearing House shall not in such circumstances be obliged to disclose the identity of a Complainant or facts that in its opinion would be likely to reveal such identity when notifying any individual Complainant of such a joinder or in its drafting of a final response.
- 4.7 The Clearing House may obtain professional advice as appropriate.

5. RESULT OF THE INVESTIGATION

- 5.1 The Clearing House will inform the Complainant of the outcome of the investigation, together with any proposed remedial action. The remedial action taken may include, but will not be limited to, offering an apology, taking steps to rectify the error, the offer of a compensatory payment on an *ex gratia* basis, or a combination of the above. If a Complaint is rejected, the Clearing House will give its reason for doing so.
- 5.2 The Clearing House may, where it deems it necessary, itself refer the Complaint to the Commissioner for investigation.

6. REFERRAL TO THE COMMISSIONER

Within 15 days of the receipt of notice of the outcome of the Clearing House's investigation, the Complainant must notify the Clearing House in writing whether it accepts the proposals or requires that the Complaint be referred to the Commissioner. If the Complainant wishes to refer the Complaint to the Commissioner, the Complainant should state the reason for its continued dissatisfaction. Failure by the Complainant to make such notification to the Clearing House within 15 days will result in the Complaint not being referable to the Commissioner and ceasing to be an Eligible Complaint.

7. THE COMMISSIONER'S INVESTIGATION

- 7.1 The Commissioner will acknowledge any Complaint referred to him within 10 Business Days of receipt, giving a proposed timetable for the completion of various stages in the investigation.
- 7.2 If the Commissioner determines at any time that a Complaint he is investigating is not an Eligible Complaint, he must cease conducting his investigations forthwith and give notice to the Complainant(s) and the Clearing House of his determination.
- 7.3 The Commissioner will seek to resolve Eligible Complaints as quickly as possible. The Commissioner will use reasonable endeavours in all cases to produce a final response to the Complaint within eight weeks from the date of his acknowledgment letter. However, where the scope of the Complaint reasonably demands further investigation, the Commissioner will instead explain why the matter has not been resolved and indicate when he is likely to produce a final response. The Commissioner will make every effort to resolve all Complaints within 12 weeks from the date of referral to the Commissioner but will otherwise inform the Complainant if this is not possible.
- 7.4 In considering whether a Complaint made against the Clearing House is justified or substantiated, the Commissioner must consider whether the Clearing House's conduct, in relation to its regulatory functions, amounted to, *inter alia*:
- (a) a failure to act fairly;
 - (b) a failure to perform its regulatory functions having regard to all the circumstances of the case;
 - (c) a lack of care or a mistake; or
 - (d) an act of fraud, bad faith or negligence.
- 7.5 Where, in the opinion of the Commissioner, any Eligible Complaint is connected with or arises out of the same or similar facts or circumstances as another Eligible Complaint already referred to him, he may, in his absolute discretion and upon giving notice in writing to any Complainant or Complainants so concerned, join such Eligible Complaints so that they may be addressed in the same investigation and/or any final response. The Commissioner shall not in such circumstances be obliged to disclose the identity of a Complainant or facts that in his opinion would be likely to reveal such identity when notifying any individual Complainant of such a joinder or in his drafting of a final response.
- 7.6 The Clearing House and the Complainant shall each make every effort to afford the Commissioner all reasonable cooperation, including access to its staff, documents, records and information. However, the Clearing House and Commissioner will have regard to the confidentiality of certain information (such as that given to the Clearing House under confidentiality arrangements) as outlined in Paragraph 11.
- 7.7 The Clearing House is not prevented from taking or continuing to take such action, or further action, as it considers appropriate during the investigation in relation to any matter which is related to a Complaint or Complainant.

- 7.8 If the appointed Commissioner is unable to consider the Complaint due to a conflict of interest, illness or other unavoidable commitments, the Commissioner must nominate an alternate, appointment of which alternate Commissioner is subject to the Clearing House's prior written approval. The Complainant will be subsequently informed of any such appointment.
- 7.9 Any alternate Commissioner must himself meet the requirements for being the Commissioner and shall be required to be bound by these Complaint Resolution Procedures and to conduct the investigation on behalf of the Commissioner. The alternate Commissioner will have the same powers and rights as the Commissioner and must conduct the investigation in accordance with these Complaint Resolution Procedures.
- 7.10 During the course of his investigation, the Commissioner may:
- (a) permit and/or request both the Complainant and the Clearing House to provide appropriate documentation, evidence or oral or written submissions in relation to any specific matters that arise in relation to the Complaint;
 - (b) make further requests of all relevant parties and/or take whatever action is considered appropriate which might assist in considering the Complaint and confirming its factual accuracy including, where reasonable and at the Clearing House's expense, appointing or seeking the advice of independent external advisers or experts;
 - (c) require the parties to co-operate; and
 - (d) otherwise, conduct the investigation as he sees fit.
- 7.11 The Commissioner may appoint a person to conduct any part of an investigation on his behalf, but subject to his direction. That person must be independent of the Clearing House and Complainant.
- 7.12 The Commissioner will ensure that, before he concludes an investigation and makes a report, any person who may be the subject of criticism in it is given notice of, and the opportunity to respond to, that criticism within a reasonable period.

8. RESULT OF THE INVESTIGATION

- 8.1 The Commissioner must report on the result of his investigation to both the Clearing House and the Complainant, giving reasons for any recommendations made. The Commissioner can recommend that the Clearing House takes remedial action including, but not limited to, offering an apology, taking steps to rectify the error, the offer of a compensatory payment on an *ex gratia* basis, or a combination of the above. The Clearing House may, where appropriate, also be required by the Commissioner to inform the Commissioner and the Complainant of such steps which it proposes to take in response to the report.
- 8.2 The Commissioner may, where appropriate, require the Clearing House to publish the Commissioner's report (or any part thereof), either publicly or to all Clearing Members, if the Commissioner considers that such report should be brought to the attention of the public or Clearing Members generally. Further, the Commissioner must ensure that his report, apart from identifying the Clearing House, does not mention the name of any other person or contain particulars which are likely to identify any other person unless:
- (a) in the opinion of the Commissioner the omission of such particulars would be likely to impair the effectiveness of the report;
 - (b) taking into account the public interest and the persons involved, the Commissioner considers it necessary to mention the name of that person or to include in the report those particulars;
 - (c) the consent of the person involved is given to such publication; or

(d) the information is otherwise already public knowledge.

8.3 The Clearing House may, where it considers appropriate to do so, disclose to third parties, such as other Regulatory Authorities, any information which is received with the Complaint or which is obtained from the Complainant in the course of a subsequent investigation. Such disclosures are subject to Rule 106.

8.4 The Clearing House may instigate disciplinary proceedings at any time as a result of the Clearing House's investigation or matters surrounding any Complaint.

9. RECORD-KEEPING

A copy of all documents and materials relating to Complaints should be sent to the Clearing House. The Clearing House will retain such documents and materials for a minimum of seven years.

10. EXCLUSION OF LIABILITY

The Commissioner shall not be liable to the Clearing House or any Complainant for any loss (direct or otherwise), damage or injury arising from any act, omission or negligence on his part, save in the case of fraud, death, personal injury or any other liability which by law cannot be excluded.

11. CONFIDENTIALITY

The Commissioner, the Clearing House and any Complainant must each observe the strict confidentiality of the investigation of any Complaint, all information provided (to the extent it has not been made public in the Commissioner's report) and all communications made for the purpose of the investigation subject to Rule 106.

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ANNEX A-5 (vii)



ICE Clear Singaporesm
Business Continuity Procedures

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1. GENERAL

- 1.1 These Business Continuity Procedures are 'Procedures' as defined in the ICE Clear Singapore Pte. Ltd. rules (the "**Rules**") and are subject to the Rules, including, without limitation, Rule 102. These Business Continuity Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law and any Dispute arising under these Business Continuity Procedures will be subject to arbitration under Rule 117.
- 1.2 These Business Continuity Procedures are intended to provide Clearing Members with an outline of possible steps that can be taken in the event of a Force Majeure Event or other business continuity event or the Clearing House or a Clearing Member being unable to access, or being evacuated from, a place of business material to its clearing operations ("**Business Continuity Event**"). Business Continuity Events are by their nature unpredictable. The Clearing House reserves the right to take any other action or not to take action prescribed herein upon a Business Continuity Event occurring.

2. BUSINESS CONTINUITY EVENTS AFFECTING A CLEARING MEMBER

- 2.1 **Clearing Members affected by a Business Continuity Event should contact the Clearing House by at least one of the following methods:**

- (a) The Clearing House's Help Desk on +65 6505 0455 or iceclearsingaporeoperations@theice.com.
- (b) The Help Desk in Atlanta on +1 770 738 2101 or icehd@theice.com.

- 2.2 A Clearing Member affected by a Business Continuity Event must contact the Clearing House immediately and provide the Clearing House with the following information:

- (a) name of Clearing Member;
- (b) name and contact details of person at Clearing Member authorised to take action and decisions on its behalf;
- (c) details of nature of the problem;
- (d) expected time when problem is expected to be over or mitigated; and
- (e) any assistance or forbearance requested of the Clearing House.

- 2.3 When a Clearing Member ceases to be affected by a Business Continuity Event, it must notify the Clearing House of the same.

- 2.4 The Clearing House shall not be obliged to provide any assistance or give any forbearance to a Clearing Member affected by a Business Continuity Event.

3. BUSINESS CONTINUITY EVENTS AFFECTING THE CLEARING HOUSE

- 3.1 If the Clearing House is affected by a Business Continuity Event, the same will be classed as either a "**Partial Business Continuity Event**", "**Full Business Continuity Event**" or "**Evacuation**".

- 3.2 If the Clearing House is affected by a Business Continuity Event, it will use reasonable endeavours to inform Clearing Members of the same through one or more of the following media:

- (a) an announcement on its website www.theice.com;
- (b) a Circular;

- (c) [Not used.]
- (d) messages sent through ECS; and
- (e) faxes, emails, telephone calls or other communications to Clearing Members at the emergency contact details notified to the Clearing House.

3.3 If a Partial Business Continuity Event is declared, the communication made by the Clearing House will as a minimum state that:

"A Partial Business Continuity Event has occurred affecting ICE Clear Singapore's [specify systems / locations]. Clearing Members should refer to the Business Continuity Procedures."

3.4 If a Full Business Continuity Event is declared, the communication made by the Clearing House will as a minimum state that:

"A Full Business Continuity Event has occurred affecting ICE Clear Singapore. Clearing Members should refer to the Business Continuity Procedures."

3.5 If an Evacuation is declared, the communication made by the Clearing House will as a minimum state that:

"ICE Clear Singapore's premises have been subject to an Evacuation. Clearing Members should refer to the Business Continuity Procedures."

3.6 Upon the Business Continuity Event ceasing to apply, the communication made by the Clearing House will, as a minimum state, that:

"The [Business Continuity Event / Evacuation] previously notified to Clearing Members is over. Clearing Members should refer to the Business Continuity Procedures."

4. EFFECTS OF A BUSINESS CONTINUITY EVENT

4.1 Provisions of the Rules and Contract Terms relating to Force Majeure Events and Events of Default may apply as a result of a Business Continuity Event. These Business Continuity Procedures are without prejudice to the provisions of the Rules, all Contract Terms and any discretions of the Clearing House under the Rules.

4.2 At the discretion of the Clearing House, any procedure or practice of the Clearing House or Clearing Members may be amended or deferred and Contract Terms may be amended following a Business Continuity Event provided that, in any such case, the requirements of Regulation 30 of the SF(CF)R would not prevent such amendment or deferment from being made. Without prejudice to the generality of the foregoing:

- (a) deadlines and procedures set out in the Delivery Procedures may be extended or amended;
- (b) [Not used];
- (c) financial procedures and calls may be amended, suspended or delayed;
- (d) intra-day or *ad hoc* calls for Margin may be made;
- (e) the time at which Contracts arise under Part 4 of the Rules may be deferred;
- (f) the time at which a payment transfer order arises, becomes irrevocable or terminates under Part 12 of the Rules may be deferred; and

(g) addresses and contact details for the service of notices may be amended.

4.3 The Clearing House operates a number of back-up facilities. The Clearing House's systems may become temporarily unavailable whilst processing is transferred to back-up facilities.

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ANNEX A-5 (viii)**



ICE Clear Singaporesm
Default Auction Procedures

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1. INTRODUCTION

- 1.1 These Default Auction Procedures (the "**Auction Terms**") govern the auctioning of a lot representing a Contract or number of Contracts ("**Contracts**") to which a Defaulter is or was a party, where such auction (an "**Auction**") is administered by the Clearing House pursuant to Part 9 of the ICE Clear Singapore Rules (the "**Rules**"). These Auction Terms are 'Procedures' as defined in the Rules and are subject to the Rules, including, without limitation, Rule 102.
- 1.2 These Auction Terms shall apply to every Auction conducted by the Clearing House pursuant to Part 9 of the Rules. However, they may be modified or supplemented for any particular Auction pursuant to the relevant Auction Specifications as set out in Paragraph 2.6.
- 1.3 The Clearing House will conduct Auctions in accordance with its default policies. In the event of a conflict between the terms of such default policies and these Auction Terms (as modified or supplemented by any applicable Auction Specification as set out in Paragraph 2.6), these Auction Terms shall prevail.
- 1.4 These Auction Terms, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with the laws of the Republic of Singapore and any Dispute under these Auction Terms will be subject to arbitration under Rule 117.
- 1.5 These Auction Terms are intended to constitute 'default rules' for purposes of Part III of the SFA and the CFR and any action taken by the Clearing House pursuant to these Auction Terms is intended to constitute "default proceedings" for purposes of Part III of the SFA and the CFR. In addition to these Auction Terms and the Rules, the Clearing House relies on its legal rights under Applicable Laws in handling Events of Default.

2. THE AUCTION PROCESS

- 2.1 Any Auctions of Contracts to which a Defaulter is or was party will take place after the Clearing House has issued a Circular in relation to the Event of Default in accordance with Rules 901 and 902 specifying that an auction or auctions are to take place (such Circular, the "**Auction Announcement Circular**").
- 2.2 Each Clearing Member is required to bid in every Auction regardless of whether such Clearing Member is at the time of the Auction a party to any Contract, has served a notice of termination for which the Termination Date has not yet passed or is in a Cooling-off Period. For these Auction Terms the term 'Clearing Member' shall be construed to exclude any Clearing Member that is a Defaulter. Subject to Paragraph 2.4 below, with respect to a lot, all Clearing Members are required to bid for a minimum of Contracts in each lot as determined by the Clearing House (the "**Minimum Bid Requirement**"). Each Clearing Member will be allocated a Minimum Bid Requirement, subject to Paragraphs 2.4 and 5.6 below. The sum total of the Minimum Bid Requirements may be set to an amount greater than 100% (but no greater than 150%) of the Contracts in the relevant lot as may be determined by the Clearing House from time to time, in consultation with the default management committee established by the Clearing House. No Auction Participants other than Clearing Members are subject to any minimum bid requirement.
- 2.3 Clearing Members shall be deemed to have confirmed to the Clearing House their intention to bid in a particular Auction prior to the time window for bidding. A Clearing Member may bid for the account of a Customer, subject to Paragraph 3.2 below. A bid for its Proprietary Account or Customer Account will count towards its Minimum Bid Requirement.
- 2.4 Each Clearing Member's Minimum Bid Requirement shall be communicated to it individually by the Clearing House prior to the relevant Auction in the format of the template notification set out in Annex B to these Auction Terms. A Minimum Bid Requirement shall not apply to a Clearing Member: (a) to the extent

such a Minimum Bid Requirement would be in breach of Applicable Law or the Rules; or (b) where the Clearing House, after being notified in writing by the relevant Clearing Member that a Minimum Bid Requirement is inappropriate in the current circumstances, reasonably determines that the Minimum Bid Requirement does not apply. A Clearing Member will notify the Clearing House promptly and in any event at least 12 hours prior to the opening of the relevant Auction, in writing, if it reasonably considers that this Paragraph 2.4 applies or should apply. Affiliated Clearing Members may transfer, outsource or aggregate their Minimum Bid Requirements to apply to a single one of them subject to notifying the Clearing House prior to an Auction. A Clearing Member that so transfers or outsources its Minimum Bid Requirement to an Affiliate remains liable for any breach by its Affiliate of these Auction Terms or the Auction Specifications in respect of such Clearing Member's Minimum Bid Requirement (in addition to the liability on the part of its Affiliate for such breach).

- 2.5 The Clearing House may divide the portfolio of a Defaulter into discrete Auctions or different lots as it considers appropriate. The Clearing House may at its discretion determine which particular Contracts or packages of Contracts are to be the subjects of a particular Auction lot and may establish Auction lots by selecting by way of Contract Set or generic type (*e.g.* by commodities, indices). The Clearing House may combine contracts with different currencies in the same lot. In these circumstances, Auction Participants must still provide bids in a single currency, being that specified in the relevant Auction Specifications. Payment obligations resulting from the Auction will be in the specified currency. In creating any such lots, the Clearing House will consider if Contracts that provide margin offsets for one another in the normal margining methodology of the Clearing House should be retained in the same lot. The Clearing House may auction lots in such order as it considers appropriate. Prior to the publication of an Auction Announcement Circular or the circulation of the Auction Specifications, the Clearing House may have engaged in close-out or hedging trades or other transactions in respect of the portfolio of a Defaulter. In exercising its discretion under this Paragraph 2.5, the Clearing House, in consultation with the default management committee established by the Clearing House, shall consider, wherever possible, taking into account the Clearing House's margining methodology, including within each lot of Contracts, any Contracts which have been offset for the purposes of calculating the Defaulter's margin requirements.
- 2.6 In respect of each lot, the Clearing House will provide each Clearing Member (and any other Person invited by the Clearing House to participate in the auction whose Clearing Member has confirmed its willingness to clear resulting transactions) (such Clearing Member or Customer, an "**Auction Participant**") in advance with information about Contracts to be auctioned, timing for the bidding process, participation criteria, in the case of Clearing Members, any applicable Minimum Bid Requirements and other matters in writing in the format of the template Auction Specifications set out in Annex A to these Auction Terms (such document, the "**Auction Specifications**"). The Auction Specifications may include amendments or additions to any provision of these Auction Terms or may disapply any provision of these Auction Terms. In the event of any conflict between the Auction Specifications and these Auction Terms in respect of any particular lot, the Auction Specifications shall prevail. If any Person which has been provided a copy of any Auction Specifications believes that he does not satisfy any of the specified participation criteria, he should contact the Clearing House immediately, and, if the Clearing House agrees that such Person does not satisfy the criteria, he shall refrain from bidding for the relevant lot. The Clearing House may restrict any such Person's access to Auctions if it determines that a Person does not satisfy the specified participation criteria. The Clearing House may update or correct any details in the Auction Specifications at any time prior to the commencement of bidding in the relevant Auction.
- 2.7 Auction Participants shall be treated equally as regards the provision of information relating to Auctions by the Clearing House. Any Person who receives any information in connection with an Auction or possible Auction shall hold such information in confidence and in accordance with the Rules, and shall not disclose it to any other Person except where such disclosure is made: (i) with the prior written consent of the Clearing House; (ii) to a Regulatory Authority or Governmental Authority where a request is formally made to the Person by or on behalf of the same or pursuant to Applicable Laws in writing, provided that the

Person making such disclosure notifies the Clearing House of its disclosure where it is lawful to do so; (iii) pursuant to an order of a competent court or other Governmental Authority or otherwise to such other Persons, at such times and in such manner as may be required by Applicable Laws, provided that the Person making such disclosure notifies the Clearing House of its disclosure where it is lawful to do so; or (iv) to a Customer where such Customer has expressed his interest in participating in the Auction and is subject to a duty of confidentiality similar to that set out in this Paragraph 2.7.

- 2.8 All bids must be made by submitting a bid form ("**Bid Form**") via ICE's file transfer server or otherwise in the format and manner specified by the Clearing House in the Auction Specifications. Bids must be received during the time window and prior to the Closing Time (as defined below) specified by the Clearing House in the relevant Auction Specifications. Auction Participants (or their Clearing Members) may be required by the Clearing House to post additional Margin as a condition of the Auction Participant being entitled to submit a valid bid.
- 2.9 The Auction will proceed pursuant to a 'sealed bid' process whereby the relevant Auction Participants will be asked to submit bids for the lot or a particular percentage of the lot in the appropriate Bid Form. The Auction Specifications may specify a minimum bid size. Any bid below any specified minimum bid size will be null and void unless the Clearing House, in its absolute discretion, determines otherwise. Successful bids will be determined in accordance with Paragraph 5.3.
- 2.10 A Bid Form will be treated as invalid and void if it is illegible, spoiled or is incomplete, as applicable.
- 2.11 During such period after the Closing Time as is specified in the Auction Specifications, the Clearing House will notify Auction Participants to inform them either: (i) that there were successful bidders and that such bidders have been notified; or (ii) that no bids were successful as determined in accordance with Paragraphs 5.1 and/or 5.3.
- 2.12 A successful bidder (or its Clearing Member, if applicable) may be required to post additional Margin after the Closing Time.

3. **THE BIDDING PROCESS**

- 3.1 Clearing Members will make bids which, as a minimum, comply with any Minimum Bid Requirement notified to it. Any failure to comply with an applicable Minimum Bid Requirement shall be a breach of the Rules. The Clearing House is not obliged to solicit bids from Clearing Members other than notifying Clearing Members of any applicable Minimum Bid Requirement.
- 3.2 An Auction Participant may submit multiple bids for each lot, or a percentage of each lot, in a particular lot on its own account or for the account of a Customer, as the case may be, provided that such Auction Participant ensures that all of its bids, whether for its account or for the account of its Customers, as the case may be, are submitted in the same Bid Form or otherwise as specified in the Auction Specifications. A bid made by an Auction Participant by, for, or on behalf of a Customer shall be identified as such and such bid shall be treated as a bid for the relevant Customer Account. A Clearing Member can satisfy its Minimum Bid Requirement by submitting multiple bids with differing bid prices and bid sizes provided that, in aggregate, its submitted bids equals or exceeds the Minimum Bid Requirement and any individual bid is larger than any applicable minimum bid size. Successful bidders will be determined in accordance with Paragraph 5.3.
- 3.3 All the requirements of the Rules concerning the provision of information to the Clearing House apply in respect of the submission of bids by an Auction Participant.

- 3.4 Bids can only be submitted during the time window specified by the Clearing House in the Auction Specifications. The time period for submission will end at the closing time specified by the Clearing House for the relevant Auction in the Auction Specifications ("**Closing Time**"). The Closing Time may be postponed for up to one hour by the Clearing House giving notice of such postponement to all Auction Participants, following consultation to the extent practicable with the default management committee established by the Clearing House and the term Closing Time shall be construed accordingly.
- 3.5 A bid must be in respect of all Contracts or a percentage of all Contracts in the relevant lot. Any partial bids, such as bids which specify a particular Contract, will be invalid and void. With respect to a particular lot, no Auction Participant is permitted to bid, in aggregate, in excess of the number of Contracts being auctioned in such lot.
- 3.6 No Auction Participant may make a referential bid (for example a bid which purports to be a bid which is \$1 higher or lower than the highest or lowest bidder) or make a bid that is subject to conditions. Any such bid will be treated as invalid and void.
- 3.7 An Auction Participant may amend or modify a submitted bid by resubmitting its entire Bid Form. In the event a Bid Form is resubmitted with any amendments or modifications the Clearing House will disregard any previous Bid Form submitted by such Auction Participant and any such previous Bid Form will be null and void. After the Closing Time, all submitted Bid Forms are irrevocable provided that if the Clearing House is satisfied, upon the request of an Auction Participant, that a genuine mistake has been made in the submission of a bid, the Clearing House may, at its own discretion, withdraw the bid and permit the Auction Participant to submit a corrected bid before the Auction Clearing Price is determined. If such erroneous bid is so withdrawn but not corrected by such time, it will be deemed not to have been submitted for purposes of these Auction Terms.
- 3.8 Each bid will be deemed to have been submitted at the time it is recorded as being received by the Clearing House. Any bid received after the Closing Time will be treated as invalid and void.
- 3.9 Any bid that does not comply with the requirements of these Auction Terms or the Auction Specifications will be treated as invalid and void.

4. PARTICIPATION BY CUSTOMERS IN THE AUCTION

- 4.1 A Clearing Member may make an unlimited number of separate bids in respect of its Customers (in addition to any bids for its Proprietary Account), in accordance with Paragraph 3.2 above. A Clearing Member must have all due approval, consent or authorisation from its Customer to make the relevant bid.
- 4.2 A Clearing Member shall become liable for the bids made on behalf of a Customer and for the entry into of Contracts in the same way as it is liable for and becomes party to other Contracts entered into for its Proprietary Account or a Customer Account (as applicable) or otherwise for Customers pursuant to the Rules.
- 4.3 Except as otherwise set out in these Auction Terms and as provided for in the Rules, each Auction Participant that is not a Clearing Member is hereby deemed to have agreed to become bound by these Auction Terms and by the Rules as if it were a Clearing Member in respect of its conduct in relation to an Auction.
- 4.4 The Clearing House reserves the right to verify any bid to ensure such bid will be cleared by a Clearing Member and reserves the right to invalidate a bid where the Clearing House reasonably believes that such bid, if accepted, would not be cleared by a Clearing Member (notwithstanding Paragraph 4.2) or that such bid would be in breach of any Exposure Limits or other risk policies implemented by the Clearing House

pursuant to the Rules. Any such invalidation will be made prior to the Closing Time. Bids so invalidated will not be counted toward a Clearing Member's Minimum Bid Requirement.

5. SELECTION OF THE WINNING BID

- 5.1 The Clearing House may at its discretion set any reserve price and/or any maximum price (which in either case will not be disclosed to any bidders). If no bids exceed the reserve price (if any) and are less than the maximum price, (if any) then, subject to Paragraph 5.10, there will be no successful bidder for the lot subject to the Auction in question and the Auction for that lot shall be treated as a failed Auction.
- 5.2 The Clearing House may at its discretion withdraw a lot prior to the Closing Time.
- 5.3 Promptly after the Closing Time, the Clearing House will sort bids submitted to it in the order of the price bid. The bids will be ordered sequentially, starting with the highest bid price, and ending with the lowest price. The price of the bid at which the sum of the number of Contracts of bids equal to or greater than the price in question matches or exceeds the number of Contracts being auctioned shall be the auction clearing price (the "**Auction Clearing Price**") such price being either payable by the Clearing House to the Auction Participant or its Clearing Member or to the Clearing House by the Auction Participant or its Clearing Member, as applicable. In the event that a bid is invalid or void or no Contract can be or is established with the Auction Participant (or its Clearing Member, as applicable) for any reason, such bid will not be accepted for the purpose of calculating the Auction Clearing Price.

Examples of how the Auction Clearing Price is calculated is set out below, for illustrative purposes only:

Example 1

Note in these examples a negative bid indicates a payment by the Clearing House

Ranking	Cash Bid	% of Portfolio	Cash/1%	Allocation % of Portfolio
1	\$20,000	20%	\$1,000	20%
2	\$0	30%	\$0	30%
3	-\$2,500,000	25%	-\$100,000	25%
4	-\$3,000,000	25%	-\$120,000	25%
5	-\$3,900,000	30%	-\$130,000	0%
6	-\$6,000,000	40%	-\$150,000	0%
7	-\$7,750,000	50%	-\$155,000	0%
8	-\$6,400,000	40%	-\$160,000	0%
9	-\$3,300,000	20%	-\$165,000	0%
10	-\$43,000,000	20%	-\$2,150,000	0%

Unless Paragraph 5.5 applies, the Auction Clearing Price will be - \$120,000/1%. Portfolio will be allocated in full to bids above the Auction Clearing Price.

Example 2

Ranking	Cash Bid	% of Portfolio	Cash/1%	Allocation % of Portfolio
1	\$20,000	20%	\$1,000	20%
2	\$0	30%	\$0	30%
3	-\$2,500,000	25%	-\$100,000	25%
4	-\$3,000,000	30%	-\$120,000	25%
5	-\$3,900,000	30%	-\$130,000	0%
6	-\$5,250,000	35%	-\$150,000	0%
7	-\$7,750,000	50%	-\$155,000	0%
8	-\$6,400,000	40%	-\$160,000	0%
9	-\$3,300,000	20%	-\$165,000	0%
10	-\$43,000,000	20%	-\$2,150,000	0%

Unless Paragraph 5.5 applies, the Auction Clearing Price will be - \$120,000/1%. Portfolio will be allocated in full to bids 1,2 and 3 and allocated in part to bid 4.

Example 3

Ranking	Cash Bid	% of Portfolio	Cash/1%	Allocation % of Portfolio
1	\$20,000	20%	\$1,000	20%
2	\$0	30%	\$0	30%
3	-\$2,500,000	25%	-\$100,000	25%
4 (1)	-\$3,000,000	30%	-\$120,000	12.5%
4 (2)	-\$3,000,000	30%	-\$120,000	12.5%
6	-\$3,900,000	30%	-\$130,000	0%
7	-\$5,250,000	35%	-\$150,000	0%
8	-\$7,750,000	50%	-\$155,000	0%
9	-\$6,400,000	40%	-\$160,000	0%
10	-\$3,300,000	20%	-\$165,000	0%

Unless Paragraph 5.5 applies, the Auction Clearing Price will be - \$120,000/1%. Portfolio will be allocated in full to bids 1,2 and 3. Bids 4(1) and 4(2) will receive a *pro rata* share of the remaining portfolio.

5.4 All Contracts shall be allocated to winning Auction Participants at the Auction Clearing Price in a fair and consistent manner and in accordance with the bid size used in the calculation of the Auction Clearing Price. In the event that there are multiple bids at the Auction Clearing Price, to the extent there is a shortfall of Contracts being available, Contracts shall be allocated *pro rata* according to the number of Contracts the relevant Auction Participants bid for at the relevant price. Bids below any applicable reserve price, above any applicable maximum price, or invalidated pursuant to Paragraph 4.4, may, at the discretion of the Clearing House be excluded for the purposes of calculating the Auction Clearing Price or allocating sizes at the Auction Clearing Price.

5.5 The Clearing House may, in any given Auction (the "**First Auction**") at its discretion, determine the Auction Clearing Price for less than 100% of the Contracts if in the reasonable determination of the Clearing House, a material impact on the amounts payable or receivable by the Clearing House would result if 100% of the Contracts were awarded in the Auction. In such circumstances the Clearing House would call a second Auction (a "**Second Auction**") to auction off any remaining lots. The Clearing House may also hold a Second Auction in the event that there is a failed Auction or not all Contracts are allocated, whether due to Clearing Members failing to meet any applicable Minimum Bid Requirements, any minimum bid size, any reserve price or maximum price or otherwise.

An example of how this Paragraph 5.5 would apply is set out below, for illustrative purposes only:

Ranking	Cash Bid	% of Portfolio	Cash/1%
1	\$20,000	20%	\$1,000
2	\$0	30%	\$0
3	-\$3,000,000	30%	-\$100,000
4	-\$2,400,000	20%	-\$120,000
5	-\$3,900,000	30%	-\$130,000
6	-\$6,000,000	40%	-\$150,000
7	-\$7,750,000	50%	-\$155,000
8	-\$6,400,000	40%	-\$160,000
9	-\$3,300,000	20%	-\$165,000
10	-\$43,000,000	20%	-\$2,150,000

The Auction Clearing Price for 80% of the portfolio shall be - \$100,000/1%

Price of remaining 20% will be determined in a Second Auction

5.6 Any Second Auction shall be announced pursuant to a further Auction Announcement Circular and shall be held in accordance with these Auction Terms. The Clearing House shall circulate an Auction Specification for a Second Auction. An Auction Participant for the First Auction shall be deemed to be an Auction Participant for the Second Auction. The Clearing House may at its discretion withdraw a lot in the Second Auction prior to the relevant Closing Time. The Minimum Bid Requirement applicable to each Clearing Member shall be reduced by any Contracts actually won by such Clearing Member (including any bids won

by, for, or on behalf of, such Clearing Member's Customers at the Auction Clearing Price pursuant to the First Auction. Any such reductions in Clearing Members' Minimum Bid Requirements will be shared *pro rata* as an increased Minimum Bid Requirement for all Clearing Members who did not have any Contracts allocated to them at the Auction Clearing Price pursuant to the First Auction.

- 5.7 In the case of a bid which results in the entry into a Contract or Contracts at the Auction Clearing Price, the "**Winning Bidder**" will be the relevant Clearing Member.
- 5.8 Each bid constitutes an offer to the Clearing House to enter into Contracts, such offer being made by the relevant Clearing Member. The Clearing House shall use reasonable endeavours to notify Winning Bidders within 15 minutes after the Closing Time of either the First Auction or the Second Auction, as the case may be. Immediately upon notification by the Clearing House to a bidder that it has a winning bid by e-mail, telephone, in writing or otherwise and without the need for any further step, this shall constitute acceptance of the offer by the Clearing House and resulting Contracts shall be entered into between the Clearing House and the Winning Bidder in accordance with the Rules, on economically identical terms to the Contracts that are the subject of the lot in the relevant Auction.
- 5.9 The Clearing House may abandon or alter the procedure for any Auction, including conducting subsequent Auctions, at any time prior to the entry into of Contracts with Winning Bidders, taking into account such considerations as it deems necessary or desirable to protect the financial integrity of the Clearing House, the Clearing Members generally or the marketplace for any instruments cleared by the Clearing House, and such other matters as it may deem appropriate.
- 5.10 In the event of a failed Auction for whatever reason, the Clearing House may either run a new Auction and shall do so in accordance with Paragraph 5.6 or withdraw the lot. There shall be no limit to the number of repeated Auctions under this provision. If the Auction Clearing Price falls below any reserve price or above any maximum price, the Clearing House may at its discretion nonetheless accept bids at such Auction Clearing Price.

6. **POST-BID PROCEDURE**

- 6.1 A Winning Bidder will become a party to new Contracts with the Clearing House on economically identical terms to the Contracts that are the subject of the lot in the Auction. Contracts will be established with each Winning Bidder pursuant to a termination of Contracts between the Defaulter and the Clearing House and the establishment of new, economically identical Contracts between the Clearing House and each Winning Bidder pursuant to Rule 904. Each Winning Bidder will be treated as if it were a "Transferee Clearing Member" for purposes of Part 9 of the Rules provided that the provisions of Part 9 to the extent relating to Customers shall not apply.

7. **APPLICATION OF ASSETS AFTER AN AUCTION**

- 7.1 Pursuant to Rule 908(i), if any Clearing Member does not comply with any of its obligations under these Auction Terms or any Auction Specifications or chooses not to participate in any Auction (except as provided for in these Auction Terms), then the Guaranty Fund Contributions and Assessment Contributions of that Clearing Member shall be applied *pro rata* to meet any shortfall, loss or liability in full, prior to the Guaranty Fund Contributions or Assessment Contributions (as applicable) of any other Clearing Member or Clearing House GF Contributions which, but for this Paragraph 7.1, would have ranked equally with such Guaranty Fund Contributions being so applied.
- 7.2 Further pursuant to Rule 908(i), after applying any Guaranty Fund Contributions or Assessment Contributions of Clearing Members in accordance with the previous paragraph, in the event of an Auction having taken place, the Guaranty Fund Contributions and Assessment Contributions of Clearing Members

other than Winning Bidders in the relevant Auction or Clearing Members who (in accordance with, and as provided for, in these Auction Terms) did not submit any bids in the relevant Auction (required to be applied in respect of the Event of Default which resulted in the Auction) shall not be applied *pro rata*, but instead shall be applied in sequence, with such Clearing Members with less competitive bids in the Auction having their Guaranty Fund Contributions and Assessment Contributions applied prior to Clearing Members with more competitive bids. The competitiveness of bids shall be determined based on the weighted average price per unit of each Clearing Member's bids, according to the following formula:

$$\text{Weighted average price per unit} = \frac{\sum (\text{Price Sign} \times \text{Unsigned Price})}{\sum \text{Size}}$$

- 7.3 Any Clearing Member with the same weighted average price per unit as another Clearing Member will have their Guaranty Fund Contributions and Assessment Contributions applied on a *pro rata* basis as between such Clearing Members within such sequence. After applying any such Guaranty Fund Contributions or Assessment Contributions of losing bidders, in the event of an Auction having taken place, the Guaranty Fund Contributions and Assessment Contributions of the Clearing Members that are Winning Bidders in the relevant Auction and Clearing Members who, in accordance with (and as provided for) in these Auction Terms, did not submit any bids and the Clearing House GF Contribution (if required to be applied in respect of the Event of Default which resulted in the Auction) shall be applied *pro rata*.
- 7.4 Nothing in this Paragraph 7 is intended to result in any Assessment Contribution being applied prior to any Guaranty Fund Contribution of any Clearing Member or Clearing House Contribution, nor shall affect the order of application of any Clearing House Initial Contribution.

8. **OTHER TERMS**

- 8.1 Neither the Clearing House nor any of its Affiliates makes any representation or warranty as to the accuracy of any records of the Defaulter or any of its Affiliates. In particular, the Clearing House makes no representation or warranty as to whether any Contract recorded in the Proprietary Account or the Customer Account of the Defaulter is correctly recorded in such account or as to whether any consent of any Customer or Affiliate of the Defaulter is required to any Auction or the termination of Contracts to which a Defaulter is party. The Clearing House makes no warranty, whether express or implied, as to quality, appropriateness or in respect of the merits of any investment decision relating to any lot. The Clearing House does not provide, and is not responsible or liable for, any investment advice in relation to any Auction.
- 8.2 Although the information provided by the Clearing House is believed to be accurate subject to the qualifications in Paragraph 8.1 above, neither the Clearing House nor any of its Affiliates, nor any of their respective agents, officers, Directors or directors (as the case may be), committee members, employees, or advisers makes any representation or warranty, express or implied, as to the accuracy or completeness of such information, including but not limited to the value or marketability of any Contracts or Open Contract Positions. Each Auction Participant is responsible for making its own determination as to whether to proceed with or without further investigation or as to its bidding on any lot.
- 8.3 The Clearing House is under no obligation to enforce these Auction Terms against a bidder at the request of any other bidder.
- 8.4 All Auction Participants are hereby on notice that the Clearing House is not a member of any professional or other association, society, institution or organisation of auctioneers or agents and is not therefore bound by the rules or practices of any such association, society, institution or organisation. The conduct of Auctions may be carried out only to manage an Event of Default in accordance with the Rules and does not constitute the ordinary day-to-day business of the Clearing House. Any standard rules, customs, good practice guidelines or guidance or other industry practices relating to auctions or agency sales are hereby

disapplied and disclaimed. All and any rights of any Person bound by these Auction Terms which may arise as a result of a liability of the Clearing House pursuant to common law duties applicable to auctioneers or selling agents are hereby expressly waived by all Auction Participants to the fullest extent permitted by Applicable Laws. Any implied term of care and skill of an auctioneer is hereby expressly excluded in respect of the conduct of any Auction by the Clearing House. The Clearing House expressly disclaims any duty of care or skill in respect of the conduct of any Auction by the Clearing House arising other than expressly pursuant to these Auction Terms. The Clearing House will not provide and has not provided any valuation services in connection with any Auction.

- 8.5 The time and date at which bids are due, the time and date for the establishment of Contracts or calling of Permitted Cover or the Closing Time (subject to Paragraph 3.4) may be delayed beyond the times and dates set forth in these Auction Terms or specified in the Auction Specifications if the Clearing House, in its discretion, considers this to be necessary or appropriate. Notwithstanding anything to the contrary in these Auction Terms, to the fullest extent lawfully permissible, the Clearing House may postpone, cancel, adjourn or terminate an Auction at any time, and may withdraw all or any portion of the Contracts from any Auction lot.
- 8.6 In respect of any Auction, each Auction Participant: (i) agrees and acknowledges that copies of any information that is required by Applicable Laws to have been made available to it for the duration of the Auction has been provided and that it has received any other notices required to be provided to it under Applicable Laws; (ii) agrees and acknowledges that it has received sufficient information concerning the identity of the persons conducting the auction on behalf of the Clearing House; and (iii) waives any right to make any claim that it has not received any information or documentation of a nature referred to in this Paragraph 8.6 and agrees in favour of the Clearing House not to make any statement to the contrary to any third party.
- 8.7 Without limiting the obligations of Clearing Members and Customers under the Rules, all Auction Participants shall comply with Rule 203 and Applicable Laws (including, without limitation, complying with their obligation not to commit any act of fraud or to engage in any behaviour which amounts to market abuse, insider dealing, market manipulation, money laundering or which is in breach of any similar Applicable Laws).
- 8.8 It is the responsibility of each Winning Bidder to make any transaction or other reports or notifications to any Regulatory Authority or Governmental Authority (including, without limitation, any transaction reports) that it is required to make pursuant to Applicable Laws.

Annex A

ICE Clear Singapore Pte. Ltd.

Auction Specifications

Lot [1]: *[general description of lot]* – *[Name of Defaulter]*

ICE Clear Singapore Pte. Ltd. (the "**Clearing House**") is conducting an auction of certain open positions in contracts, presently held in respect of *[Name of Defaulter]*, and in that connection ICE Clear Singapore Pte. Ltd. is requesting bids from Auction Participants for certain lots. This document constitutes Auction Specifications for purposes of the Clearing House's Auction Terms for Default Actions (the "**Auction Terms**"). The Auction Terms apply in full to this auction lot, save to the extent expressly modified in Paragraph 5.

1. Participation Criteria

[State any conditions and criteria if there are to be any restrictions on the categories of Persons who may be Auction Participants]

If any Person which has been provided with these Auction Specifications is for any reason unable to meet a Minimum Bid Requirement applicable to him, he should contact the Clearing House immediately and refrain from bidding in the Auction unless otherwise directed by the Clearing House. The Clearing House may restrict any such Person's access to Auctions if it determines that a Person does not satisfy the specified participation criteria.

2. Subject matter of the lot

The lot comprises *[details of Contracts]*.

All Contracts will be transferred to the relevant Clearing Member at the Auction Clearing Price, for close of business on *[date]*.

3. Bid Form

All bids for this lot must be submitted on the Bid Form in the schedule to this document by e-mail to *[email address]*. Any Bid Form which is illegible, spoiled or incomplete will be rejected and treated as void and invalid: see the Auction Terms for further information. Each Bid Form must specify the amount of consideration (in *[currency]*) that the bidder will pay the Clearing House or will be prepared to be paid by the Clearing House (as applicable) in consideration for the entry into of all the Contracts which are the subject matter of the lot.

All Bid Forms and any other communication relating to this Auction lot should be sent to: *[email address]*.

4. Timing

*[Further details of the Contracts included in this lot will be disclosed to all Auction Participants at *[time]* on *[date]* (the "**Starting Time**").]*

The Closing Time (deadline for receipt of bids) is *[time]* on *[date]*.

The winner of the lot will be notified of his winning bid by the Clearing House between *[times]*.

A conference call will be open from *[times]* on *[date]*, during which time Auction Participants will be notified by the Clearing House: (i) that the Winning Bidder has been notified of the fact that it has won; or (ii) that no bid falling between the reserve price and any maximum price has been submitted. Dial-in details are as follows:

[Call details]

The Clearing House will confirm whether each bid has been accepted by e-mail.

The winner of the Auction will become party to new Contracts immediately upon notification that it is the winner, pursuant to the Auction Terms.

5. [Minimum bid size]

[Bids may only be for lot sizes which are at least [25%] of [*the Contract size of a particular lot*]

6. [Currency]

[All bids to be made in the specified currency]

7. Modifications to Auction Terms

[Specify any] / [None.]

BID FORM
for Auction Lots related to [Name of Defaulter]
made pursuant to the Auction Terms of ICE Clear Singapore
and the relevant Auction Specifications

[Specify by inserting the amount and checking the appropriate box]

Clearing Member name	Auction Lot Number	Percentage of lot	Cash Amount (always a positive number) (SGD)	Member Pay or Receive	Clearing Participant Number	Desk (Hub) Account	Contact	Prop. Account or Customer Account of Clearing Member	Customer name (if applicable)
<input type="checkbox"/>	1	<input type="checkbox"/> %	<input type="checkbox"/>	[Pay]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	1	<input type="checkbox"/> %	<input type="checkbox"/>	[Receive]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	2	<input type="checkbox"/> %	<input type="checkbox"/>	[Pay]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	2	<input type="checkbox"/> %	<input type="checkbox"/>	[Receive]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	3	<input type="checkbox"/> %	<input type="checkbox"/>	[Pay]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>etc.</i>	<i>etc.</i>	<i>etc.</i>	<i>etc.</i>	<i>etc.</i>	<i>etc.</i>	<i>etc.</i>	<i>etc.</i>	<i>etc.</i>	

Signed by: _____

Authorised Signatory of Auction Participant

State full legal name of Auction Participant: _____

Annex B

Form of Notice of Minimum Bid Requirement

[ICE Clear Singapore Pte. Ltd. Letterhead]

[Name of Clearing Member]

[Email Address]

[Date]

Default Auction - Notification of Minimum Bid Requirement

Further to *[reference to Auction Announcement Circular]* (the "**Circular**"), the Clearing House hereby notifies you of the Minimum Bid Requirement (as defined in the Clearing House's Auction Terms for Default Auctions (the "**Auction Terms**")) applicable to you in respect of the default auctions to be held in accordance with the Auction Terms, the Circular and the applicable auction specifications.

[Set out Minimum Bid Requirement]

Clearing Members are referred to the Auction Terms for further information on the Minimum Bid Requirement (and in particular Paragraphs 2.4, 3.1, 3.2 and 7 of the Auction Terms).

Signed

[Name]

[Title]

**ICE CLEAR
SINGAPORE
S-1 SUPPLEMENT**

ANNEX A-5 (ix)



ICE Clear Singaporesm
Contract Terms Procedures

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INTRODUCTION

These Contract Terms Procedures are 'Procedures' as defined in the ICE Clear Singapore Pte. Ltd. rules (the "Rules") and are subject to the Rules, including, without limitation, Rule 102. These Contract Terms Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law and any Dispute arising under these Contract Terms Procedures will be subject to arbitration under Rule 117.

These Contract Terms Procedures set out certain terms and conditions of Contracts. The terms described in Part I (General Contract Terms) below apply to Contracts as part of their Contract Terms. Part I of these Contract Terms Procedures applies in relation to all Contracts.

Certain other Contract Terms for ICE Futures Singapore Contracts are set out in the ICE Futures Singapore Rules. See the definition of "Contract Terms" for further details.

PART I: GENERAL CONTRACT TERMS

1. INTERPRETATION

1.1 Words and expressions used in this Part shall have the same meaning as in the Rules, unless otherwise expressly defined in this Part.

2. ECONOMIC TERMS

2.1 The economic terms of a Contract ("**Economic Terms**") shall be derived from the information presented to the Clearing House in relation to the corresponding Transaction in accordance with the Rules.

2.2 The Economic Terms comprise:

- (a) proposed Selling Clearing Member (but excluding the identity of the Clearing House as Seller pursuant to any Contract) or proposed Buying Clearing Member (but excluding the identity of the Clearing House as Buyer pursuant to any Contract);
- (b) Contract Set;
- (c) quantity;
- (d) delivery date or period (where applicable);
- (e) settlement date (where applicable);
- (f) exercise date (where applicable); and
- (g) traded price (where applicable).

2.3 The Clearing House and Clearing Member shall pay when due all amounts that fall due for payment pursuant to the Economic Terms or otherwise pursuant to the Contract Terms.

3. STANDARD TERMS

3.1 The following standard terms ("**Standard Terms**") shall apply to all Contracts:

(a) **Payment of stamp duty and other taxes**

- (i) All payments due under a Contract shall be made by the Clearing Member free and clear and without deduction or withholding for or on account of any tax, unless

required by Applicable Law. If such a deduction or withholding is required by Applicable Law to be made by a Clearing Member, the amount due from the Clearing Member shall be increased to an amount which (after making such deduction or withholding) leaves an amount equal to the payment which would have been due had no deduction or withholding been required.

- (ii) The Clearing Member will be responsible for ensuring that any stamp duty or other similar tax levied or imposed upon it or its Customer in respect of any Contract to which it is a party that is applicable in any jurisdiction is duly paid.
- (iii) The Clearing House shall make any payments due to a Clearing Member net of any deduction or withholding for or on account of any tax it is required to make from such payments.
- (iv) The Clearing Member shall indemnify the Clearing House against any stamp duty or other tax levied or imposed upon the Clearing House in any jurisdiction in respect of the Clearing House's entry into, execution or performance of, or payment or delivery pursuant to, any Contract.

(b) **Payments**

- (i) The Clearing House shall effect daily settlement to market of Contracts and shall calculate Open Contract Positions in accordance with the Rules. The Exchange Delivery Settlement Price and Reference Price and other reference prices (where applicable) shall be determined in accordance with the Rules and Market Rules.
- (ii) Payments under, and in respect of, each Contract shall be calculated by the Clearing House and shall be made by, or to, the Clearing Member in accordance with the Rules.
- (iii) Each instruction made by the Clearing House to an Approved Financial Institution pursuant to Rule 302 shall be deemed to be made pursuant to the Contract Terms for each Contract of a Set for which a Clearing Member has an Open Contract Position. In respect of each Contract and instruction under Rule 302, the Clearing Member shall be deemed to make instructions to the Clearing House to place at the disposal of the Clearing House, by way of book entry on the accounts of the Clearing House or an Approved Financial Institution, all amounts as are or become payable pursuant to the Contract, all amounts due in respect of Margin for Contracts of the relevant Set and all amounts as are instructed by the Clearing House in connection with the Contract or Contract Set pursuant to Rule 302.

(c) **Rules**

- (i) Each Contract shall be subject to the Rules, which shall form a part of and be incorporated by reference into, the Contract Terms. In the event of any conflict between the Contract Terms and the Rules or any other document, Rule 102(f) shall apply.
- (ii) In particular, in respect of each Contract, the Clearing Member and Clearing House shall:
 - (A) observe, comply with and be bound by the Rules (as amended in accordance with the Rules from time to time);
 - (B) be subject to and bound by all of the provisions, dispositions, transfers and requirements of the Rules in relation to payment, title, rights, obligations, liabilities, property (whether tangible or intangible) and Margin;

- (C) be subject to and bound by all representations, warranties, agreements and acknowledgements that arise pursuant to the Rules from time to time;
- (D) be subject to any requirement imposed as a result of a request, decision, determination, direction, sanction, requirement, award or discretion that the Clearing House is entitled to make, exercise or impose pursuant to the Rules;
- (E) be responsible for the actions and omissions of its Representatives as set out in the Rules; and
- (F) if an Event of Default is declared in respect of it, to be bound by the Rules as a Defaulter.

(d) **Customers and Third Party Rights**

- (i) Each party will act as principal and not as agent in respect of each Contract (in the case of the Clearing Member, whether such Contract is for the Clearing Member's own account or is undertaken as a result of an order from another member of a Market or from a Customer or from any other person or arises as a result of a pre-existing contract of, or obligation of the Clearing Member towards, any third party).
- (ii) Clearing Member represents and warrants that a contractually binding agreement is in place with any Customer in respect of whom it acts as Clearing Member in relation to any Contract, pursuant to which such Customer agrees that: (i) the Clearing Member acts as principal in respect of the Contract; and (ii) except as provided under Applicable Laws, the Customer has no recourse, whether under contract, tort or otherwise under Applicable Laws, against the Clearing House in respect of the Contract or pursuant to the Rules.
- (iii) The Clearing Member acknowledges and agrees that the Clearing House does not have any obligations to Persons other than Clearing Members, as set out further in Rule 111. Contractual and other provision for any consequences for a Customer or counterparty (other than the Clearing House) of the Clearing Member of any Contract arising, existing or being settled or subject to delivery between the Clearing House and the Clearing Member (including, without limitation, effective and enforceable arrangements for any Corresponding Contract or Agency Relationship with any Customer and Transferor/Transferee arrangements) shall not be the responsibility of the Clearing House.
- (iv) A person who is not a party to a Contract shall have no rights under or in respect of such Contract. Rights of third parties to enforce any term of any Contract pursuant to the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) or otherwise are expressly excluded.

(e) **Offer, Acceptance and Formalities**

- (i) The parties agree that each Contract that is not void *ab initio* shall be deemed to have been subject to an offer by the Clearing House accepted by the Clearing Member immediately upon its formation pursuant to the Rules. No Contract shall require any written instrument or document be signed, delivered or executed or electronic or other entry to be made in any record or book in order for it to arise and become binding on the parties, save as specified in Part 4 of the Rules.

(ii) Notwithstanding (i) above, if at any time, it is necessary or desirable to better implement or protect the rights and obligations of any party to a Contract, each party shall, at its own expense, use all reasonable endeavours to enter into and execute all documents reasonably required to so implement or protect. In such circumstances, each party shall also procure that any necessary third party shall promptly execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to any Contract.

(f) **Warranties**

The Clearing Member represents and warrants that:

- (i) neither the execution nor performance of the Contract by or on behalf of the Clearing Member or the Clearing House will breach or conflict with any provision of the memorandum of incorporation, articles of association, by-laws, partnership agreement, limited liability company agreement or any other organisational document of the Clearing Member, or with any agreement or Applicable Law which is binding upon or affects the Clearing Member;
- (ii) the Clearing Member and signatories acting on its behalf each have full power and all necessary authority to enter into the Contract and perform any act that may be required pursuant to the Contract and pursuant to the Rules in respect of the Contract; and
- (iii) the Clearing Member has complied with its obligations as a Clearing Member, is duly organised and validly existing under Applicable Laws of the jurisdiction of its incorporation and is in good standing under such Applicable Laws.

The Clearing Member acknowledges that the Clearing House will not review nor be responsible for reviewing any provision of the Clearing Member's memorandum of incorporation, articles of association, by-laws, partnership agreement, limited liability company agreement or any other organisational document of the Clearing Member, any agreement to which the Clearing Member is party or any Applicable Law which is binding upon or affects the Clearing Member with a view to determining the authority of the Clearing Member to enter into any Contract.

(g) **Assignment and transfer**

No Clearing Member may, at any time, assign any of its rights or transfer by novation any of its rights and obligations under any Contract to a third party unless: (i) such transfer occurs pursuant to the Rules; or (ii) the Clearing House provides its prior written consent. Each Contract shall bind, and enure to the benefit of, the parties and their authorised successors and assignees.

(h) **Default Interest**

Interest shall be charged to the Clearing Member on any unpaid but due amount from the date on which the amount becomes due and payable until the date of payment at 1% above the rate per annum which is the cost (without proof or evidence of any actual cost) to the Clearing House if it were to fund or itself funded the relevant amount, compounded daily.

(i) **No Partnership or Agency**

Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent or principal of another party, nor authorise any party to make or enter into any commitments for or on behalf of any other party.

(j) **Severance**

If any provision of a Contract (or part of any provision) is found by any Court or other Governmental Authority to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of that Contract, and the validity and enforceability of the other provisions of that Contract shall not be affected.

(k) **Liability**

The Clearing Member shall indemnify and hold harmless the Clearing House in respect of any Contract in accordance with the provisions of the Rules relating to indemnity and liability. The liability of the Clearing House and its Representatives under any Contract shall be subject to all the exclusions on liability set out in the Rules.

(l) **Disputes**

Any and all disputes arising out of or in connection with a Contract, including any dispute as to the existence, validity or termination of any Contract, shall be resolved pursuant to the dispute resolution procedures set out in Rule 117. In the event of any conflict between a provision of these Contract Terms Procedures and Rule 117, the provisions of Rule 117 shall prevail.

(m) **Termination**

The Contract shall terminate automatically, and Rule 209(c) shall apply, upon the Insolvency of the Clearing House. In the event of Rule 209(c) applying, the price at which Contracts are terminated for purposes of Rule 912 shall be the same price for all Contracts of the same Set.

(n) **Governing Law**

These Contract Terms Procedures, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with Singapore law and any Dispute under these Contract Terms Procedures will be subject to arbitration under Rule 117.

**ICE CLEAR
SINGAPORE
S-1 SUPPLEMENT**

ANNEX B(1)

ICE CLEAR SINGAPORE

CUSTOMER-CM TRANSACTIONS STANDARD TERMS

BACKGROUND:

In respect of a Clearing Member and Customer using a Customer Account:

- (1) Clearing Member is a Clearing Member, as defined in the rules (together with the procedures, as interpreted in accordance with guidance and circulars thereunder, the "**Rules**") of ICE Clear Singapore Pte. Ltd. (the "**Clearing House**") and is thereby permitted to submit certain Transactions which result in a cleared Contract arising in accordance with the Rules and the Procedures of the Clearing House.
- (2) Clearing Member and Customer are or intend to become party to one or more Customer-CM Transactions, where related cleared Contracts are requested or are to be requested by the Clearing Member to be recorded in a Customer Position Account in which Contracts may be recorded. They further desire to agree to the operation of the Rules and the Procedures in relation to any Customer-CM Transactions that may arise following the submission of the related Transactions, as further provided for in these Customer-CM Transactions Standard Terms (these "**Standard Terms**").
- (3) Clearing Member and Customer have established a "master" futures account, clearing agreement or other master agreement (the "**Cleared Transactions Master Agreement**", as amended from time to time) and, if applicable, a related collateral arrangement, whether contained in the same or another agreement with respect to cleared transactions, including such Customer-CM Transactions (which Cleared Transactions Master Agreement may be supplemented by a cleared derivatives addendum, or similar document, as agreed by Clearing Member and Customer (together, the "**Customer-Clearing Member Agreement**") and as amended and supplemented by these Standard Terms).

STANDARD TERMS:

1. **Defined Terms.** Terms used but not otherwise defined in these Standard Terms shall have the meaning set forth in the Rules or the Procedures, as applicable.
2. **Exhibit to Rules.** These Standard Terms are published by the Clearing House as an Exhibit to the Rules but do not form part of the Rules. Clearing Member and Customer agree that any amendments, modifications, restatements or supplements in respect of such Exhibit to the Rules (including the withdrawal of any part of these Standard Terms) may be effective if made by the Clearing House pursuant to the provisions of Rule 109 as if the Exhibit were Rules and as if Rule 109 applied to Customers in addition to, and in the same way as it applies to, Clearing Members. At the request of Clearing Member or the Clearing House, Customer will enter into a written confirmation of the terms of any such amendment, modification, supplement or restatement.

3. *Cleared Transactions.*

- (a) Clearing Member may designate, by specifying that certain Transactions submitted to the Clearing House are to be recorded in a Customer Position Account, that certain transactions between Clearing Member and Customer shall arise at the same time as related Contracts and shall constitute Customer-CM Transactions.
- (b) Clearing Member and Customer agree that a Customer-CM Transaction shall arise automatically and without further action on the part of Clearing Member or Customer as set out in Part 4 of the Rules in respect of the related Contract.
- (c) The terms of any Customer-CM Transaction shall, save as contemplated by these Standard Terms, be identical to those of the related Contract between Clearing Member and the Clearing House (as such Contract may be amended from time to time in accordance with the Rules and/or Procedures), except that:
 - (i) if the Clearing Member is the seller under the Contract it shall be the buyer under the Customer-CM Transaction and vice versa;
 - (ii) Customer's recourse against Clearing Member shall be limited and Clearing Member's obligations to Customer shall be conditional as provided for in Section 8(c) below;
 - (iii) Customer-CM Transactions shall also be subject to these Standard Terms and the terms of the Customer-Clearing Member Agreement; and
 - (iv) except where a Customer-Clearing Member Agreement provides for specific timings in respect of the performance of obligations:
 - (1) any obligation of the Clearing Member to the Customer shall not be required to be performed until a reasonable period has passed after the Clearing Member has received equivalent performance from the Clearing House; and
 - (2) any obligation of the Customer to the Clearing Member may be required by the Clearing Member to be performed a reasonable period in advance of the Clearing Member becoming obliged to the Clearing House in respect of an equivalent obligation.
- (d) If any Customer-CM Transactions are governed by a Customer-Clearing Member Agreement which is not a separate agreement from any master agreement applicable to transactions between Clearing Member and Customer other than Customer-CM Transactions ("**Non-Cleared Transactions**"), Clearing Member and Customer shall distinguish in their books and records Customer-CM Transactions from Non-Cleared Transactions to the extent required to enable them to comply with the Rules, the Procedures and these Standard Terms.

- (e) For purposes of the Customer-Clearing Member Agreement, in the event of any inconsistency among or between the Customer-Clearing Member Agreement, these Standard Terms, the Rules and the Procedures with respect to Customer-CM Transactions the following provisions shall prevail in the following order: (i) first, the Rules from time to time; (ii) second, subject to (m) below, the Procedures from time to time; (iii) third, these Standard Terms from time to time; and (iv) fourth, the Customer-Clearing Member Agreement.
- (f) Customer agrees with Clearing Member that Customer-CM Transactions shall be subject to the provisions of the Rules and the Procedures applicable to Customer-CM Transactions as such Rules or Procedures are amended, modified, supplemented or restated from time to time. In particular but without limitation, Customer hereby agrees that it shall be bound by, shall comply with and shall facilitate compliance by Clearing Member with the terms and conditions set forth in Parts 5 and 9 of the Rules and Rule 202 in so far as they relate to Customer-CM Transactions.
- (g) Customer agrees that publication of a Circular by the Clearing House shall constitute valid notice by the Clearing House of any matter under or relating to the Rules, the Procedures, Customer-CM Transactions or these Standard Terms.
- (h) Clearing Member and Customer agree that, save in the circumstances contemplated by these Standard Terms and as provided for in any Customer-Clearing Member Agreement or other agreement between Clearing Member and Customer, each Customer-CM Transaction is intended to reflect exactly the operation of the related Contract. In any circumstances in which a Contract is netted (in whole or in part), terminated or voided under the Rules, the related Customer-CM Transaction will also be netted (in whole or in part), terminate or be voided by reference to the same price as the Contract is so netted, terminated or voided and a payment in respect of such price may be payable between Customer and Clearing Member pursuant to the Customer-Clearing Member Agreement or as determined by the Clearing Member. Thereupon, Customer and Clearing Member shall have no further rights and be under no further liability with respect to such Customer-CM Transaction(s) (or, if applicable, part thereof) other than in respect of any unpaid payments under such Customer-CM Transactions (which shall be payable as and when originally payable). Clearing Member may, at its discretion, elect to continue an equivalent transaction with Customer as a Non-Cleared Transaction.
- (i) In addition, without limiting any rights that Clearing Member may have under the Customer-Clearing Member Agreement, if the Clearing House takes any step, including but not limited to the following events or actions, or any such event or action otherwise occurs (in each case including but not limited to any change in Applicable Law or any action taken by any Regulatory Authority pursuant to Applicable Law) in relation to a Contract, Clearing Member, at its option and discretion, shall be entitled to take equivalent action (or, if it cannot take equivalent action, it is not advisable to do so or equivalent action would not deal with the matter in hand, other appropriate action) in good faith and in a commercially reasonable manner, in relation to the related Customer-CM

Transaction and/or against Customer, including but not limited to terminating, and/or modifying the non-economic terms of, such Customer-CM Transaction and/or making adjustments to any determination of amounts paid or payable under the Customer-Clearing Member Agreement:

- (i) imposition of a fine or disgorgement payment pursuant to Part 10, any arbitral award or any other payment obligation arising other than pursuant to the Contract Terms or Parts 5 or 11 of the Rules, where the conduct in question is caused by, or in any way due to, the Customer and/or under the Customer-CM Transaction;
 - (ii) any other event or action the effect of which is to create a material mismatch between the rights, obligations or exposures as between Clearing Member and the Clearing House pursuant to a Contract on the one hand and the rights, obligations or exposures as between Clearing Member and Customer, including without limitation pursuant to the related Customer-CM Transaction, on the other hand; and
 - (iii) any other event or action the effect of which is to result in any loss, liability, cost, claim, damages or expenses being incurred by Clearing Member in connection with a Contract where such event or action does not form part of the Contract (and so is not reflected in the related Customer-CM Transaction).
- (j) Notwithstanding Section 3(c), Clearing Member and Customer may agree different settlement arrangements between Clearing Member and Customer so as to accommodate any particular requirements of Clearing Member or Customer.
- (k) Any price or rate determined by the Clearing House under the Rules in relation to a Contract shall be used as the same price or rate by the Clearing Member in relation to the related Customer-CM Transaction(s).
- (l) Customer shall not be entitled to serve any type of notice under a Customer-CM Transaction in circumstances in which or by means that the Clearing Member would not, by virtue of the Rules or Procedures, be entitled to serve a corresponding notice on the Clearing House in relation to the corresponding Contract. Clearing Member and the Clearing House shall be entitled to treat any service of a notice in breach of this provision as invalid.
- (m) Clearing Member may, but (subject as otherwise agreed) is not obliged to, deliver any electronic notices in relation to Customer-CM Transactions at the times allowed under the Rules and Procedures.
- (n) These Standard Terms may, pursuant to the process provided for in Section 2 of these Standard Terms, from time to time, incorporate additional standard terms published by the Clearing House so as to establish mechanics for dealing with the relationship between Contracts and Customer-CM Transactions until such time as market infrastructure solutions are available to address the relevant operational issues. Such additional standard terms shall form part of these Standard Terms, may (if so specified) prevail over the

applicable Procedures in respect of Customer-CM Transactions and may be amended and/or withdrawn only as provided for in Section 2 of these Standard Terms.

- (o) On each date on which the Customer has any open Customer-CM Transaction, the Customer shall represent that the Clearing House is not prevented from entering into any Contract nor is the Clearing Member prevented from entering into any Customer-CM Transaction as a result of any sanctions administered or imposed by a Governmental Authority of Singapore, the European Union, H.M. Treasury, the United Nations Security Council or any other relevant Governmental Authority affecting the Customer or any of its assets.

4. ***Margin Requirements.***

- (a) Subject as agreed otherwise in the Customer-Clearing Member Agreement, Clearing Member shall be entitled to require each of its Customers in respect of Contracts to provide margin (or permitted cover in respect thereof) in an amount no less than the amount of Margin of each relevant type required on a gross basis by the Clearing House with respect to the relevant Open Contract Position(s) for its Customer Account. For this purpose, "gross basis" shall mean that the margin requirement will be determined giving effect to any offset permitted under the Rules of such Open Contract Positions against Open Contract Positions relating to the same Set and Customer in such Customer Account, but without giving effect to any offset or permitted offset of such Open Contract Positions against Open Contract Positions relating to a different Customer.
- (b) Customer agrees that Clearing Member may use any margin provided by Customer under the Customer-Clearing Member Agreement to satisfy Clearing Member's obligations to the Clearing House under Rule 504 or Part 11. Customer shall not be entitled to assert any equitable or other claim to any such collateral and/or Permitted Cover that has been transferred to the Clearing House except as required under the SFA and the SF(CF)R, including, without limitation, any trust obligation on the Clearing House arising pursuant to Regulation 23(3) of the SF(CF)R. Where Clearing Member uses margin other than that provided by Customer under the Customer-Clearing Member Agreement to satisfy Clearing Member's obligations to the Clearing House under Rule 504 in relation to a Contract where Customer is party to the related Customer-CM Transaction, Customer shall provide Customer-margin of the same value to Clearing Member within a reasonable period.
- (c) Customer consents to the Clearing House acting as agent and/or attorney for the Clearing Member pursuant to Rule 301(e) or any Clearing Membership Agreement and, without prejudice to the rest of the Rules and Procedures, Customer acknowledges and agrees to Rule 505 which Rule shall be incorporated into these Standard Terms *mutatis mutandis*.

5. ***Events of Default and Termination.***

- (a) In the event of the declaration by the Clearing House of an Event of Default (as defined in the Rules) with respect to Clearing Member (such an event being an "**ICE-Declared Default**"), whether or not any other default (howsoever defined or described) has also occurred under the Customer-Clearing Member Agreement or otherwise, Customer shall not be entitled to exercise any remedies with respect to Customer-CM Transactions pursuant to the Customer-Clearing Member Agreement or otherwise, except as provided herein (and any other remedies being exercised at the time of the declaration of such ICE-Declared Default shall cease and be superseded by the applicable provisions of these Standard Terms).
- (b) If an ICE-Declared Default occurs at a time when Clearing Member has not already terminated the relevant Customer-CM Transactions by reason of the occurrence of an event of default or termination event relating to Customer, Clearing Member may not take any action against Customer that may interfere with the Default Portability Rule resulting in Customer discharging its obligations to Clearing Member as provided for in Section 6(e) below. Save for such restriction, nothing in these Standard Terms will limit Clearing Member's remedies under the Customer-Clearing Member Agreement in respect of Customer-CM Transactions if an event of default or termination event (or similar concept) with respect to Customer occurs under the Customer-Clearing Member Agreement.

6. ***Post-default Portability; Termination and Valuation of Cleared Transactions.***

- (a) Customer shall indicate to Clearing Member in such manner as the Clearing House may direct:
 - (i) Customer's preference as to whether, in the event of an ICE-Declared Default, it would prefer the Clearing House to apply the Default Portability Rules and related processes to the Customer's Customer-CM Transactions and related Contracts; and
 - (ii) its Default Portability Preference.

Any Default Portability Preference notified by Customer must apply to all Customer-CM Transactions with Clearing Member. Any such Default Portability Preference by Customer may be amended by notice to Clearing Member (who will, in turn, notify the Clearing House in accordance with the Rules and the Procedures), at any time prior to the occurrence of an ICE-Declared Default in respect of Clearing Member or, at the discretion of the Clearing House, by notice directly to the Clearing House in accordance with the Rules and the Procedures, following the occurrence of such an ICE-Declared Default.

- (b) Unless it has notified the Clearing Member and Clearing House in writing to the contrary, Customer hereby consents and agrees that, in the event of an ICE-Declared Default, whether or not Customer has specified a Default Portability Preference, the Clearing House shall be entitled (but shall not be

obliged) to apply the Default Portability Rules with respect to Contracts to which Clearing Member and Customer's Customer-CM Transactions relate, including by taking any of the following steps:

- (i) transferring, assigning, selling or novating Customer-CM Transactions (and related Contracts) to any Transferee Clearing Member;
 - (ii) terminating Customer-CM Transactions (and related Contracts) and arranging for the entry into of new replacement Customer-CM Transactions (and related Contracts) with any Transferee Clearing Member (by way of novation or otherwise); and/or
 - (iii) transferring Margin (in such amount as the Clearing House may determine) credited to the Customer Margin Account of Clearing Member to the Customer Margin Account of the Transferee Clearing Member and, if such a transfer occurs, Clearing Member's obligations to Customer in respect of the transferred Margin shall be fully discharged.
- (c) In the event that the Clearing House arranges for a replacement Contract and related Customer-CM Transaction pursuant to Section 6(b)(ii), the Customer-CM Transaction with the Transferor Clearing Member shall be deemed terminated at the same time that the replacement Contract and related Customer-CM Transaction is entered into. Customer shall take no action, including but not limited to attempting to obtain a court order, that could interfere with the ability of the Clearing House to take action contemplated by Part 9 of the Rules, including, without limitation, the Transfer of Contracts and Customer-CM Transactions, the transfer of any related Margin or other collateral or cover (or contingent cover) for the same or the imposition of the Transferee Clearing Member's form of Customer-Clearing Member Agreement where so permitted under the Default Portability Rules.
- (d) Customer hereby appoints the Clearing House as its lawful agent and attorney-in-fact to take such actions on behalf of the Customer as the Clearing House determines necessary or appropriate in order to effect the Default Portability Rules with respect to Customer's Customer-CM Transactions and the Customer Margin Account, including executing any document or instrument with respect to the Transfer or replacement of the Customer-CM Transaction and/or exercising rights and remedies to terminate or Transfer Customer-CM Transactions, including (without limitation) the execution of any Transfer, or the exercise of any termination notice or the transfer of amounts recorded in the Customer Margin Account. Such appointment shall not be revoked by Customer. Customer shall take such actions as the Clearing House and/or a Transferee Clearing Member may request to give full effect to the Default Portability Rules, including without limitation execution of documentation confirming or agreeing to any terms specified by Transferee Clearing Member pursuant to Rule 904(j).
- (e) In connection with any Transfer of Customer-CM Transactions pursuant to the Default Portability Rules, any termination payments owed between Customer and Clearing Member in respect of the relevant Customer-CM Transactions

(determined in accordance with the Rules and the provisions of the Customer-Clearing Member Agreement), any termination payments owed between Clearing Member and the Clearing House in respect of the related Contracts (which in each case shall be determined by the Clearing House pursuant to its default rules), any upfront variation margin payments owed between Customer and the Transferee Clearing Member with respect to the initiation of the replacement cleared transactions and any upfront Variation Margin payments owed between such Transferee Clearing Member and the Clearing House with respect to the initiation of replacement Contracts shall be equal.

- (f) In the event of an ICE-Declared Default:
- (i) There will be a minimum 4-hour period, after issuance by the Clearing House of a Circular including a Default Notice naming a Clearing Member, for Customers and their Transferee Clearing Members to notify the Clearing House of their agreement that Contracts and/or Margin can be Transferred to a Transferee Clearing Member pursuant to the Default Portability Rules ("**Porting Notice**"). Any Porting Notice, in order to be valid, must:
 - (A) [Not used.]
 - (B) concern and be duly authorised and executed by a Customer who would not, if it were a Clearing Member, be capable of being declared a Defaulter;
 - (C) concern and be duly authorised and executed by a Transferee Clearing Member who is not a Defaulter;
 - (D) be delivered to the Clearing House electronically in the form and to the address specified by the Clearing House;
 - (E) concern positions which have not already been closed out or Transferred; and
 - (F) otherwise comply with the requirements of Part 9 of the Rules.

Subject to Rule 904(c), the Clearing House will act upon Porting Notices received by it within the 4-hour period specified above. The Clearing House may also act upon other Porting Notices received by it after the end of such period, at its discretion. However, Customers and Transferee Clearing Members acknowledge that due to operational constraints and depending on market conditions, it may not be possible for the Clearing House to process all Porting Notices (whether received within the 4-hour period or thereafter) within a reasonable period of time. Porting Notices received within the initial 4-hour period will be prioritised over any other notice. The Clearing House may select Porting Notices to be dealt with in such order as it sees fit, based on such criteria as it determines are relevant, including completeness and due execution of Default Notices, legibility, time of receipt, size of positions, lawfulness of porting, Customer jurisdiction of incorporation or place of

business, whether risk increasing or risk decreasing and satisfaction of the requirements of Part 9 of the Rules. The Clearing House will not be obliged to comply with any Porting Notice which has not been acted upon by it:

- (A) if the Default Notice was issued before 13:00 hrs on a Business Day prior to the close of business on the same Business Day;
- (B) if the Default Notice was issued on a day which is not a Business Day prior to close of business on the next following Business Day; or
- (C) if the Default Notice is issued after 13:00 hrs on a Business Day prior to noon of the next following Business Day.

At the end of this period, the Clearing House may, at its sole discretion, terminate any open Contracts and related assets of the Defaulter or undertake other Transfers under consents provided for in the Rules and these Standard Terms. The deadlines for the delivery of prioritised Porting Notices or for the Clearing House to act upon any Porting Notices may be extended at the Clearing House's discretion by Circular. If, as of the end of the period for acting upon Default Notices, any Customer-CM Transactions have not been Transferred pursuant to the Default Portability Rules, such Customer-CM Transactions shall be deemed terminated, and in such case an early termination date (or similar concept) in respect of the Customer-CM Transactions shall occur under the Customer-Clearing Member Agreement, on the applicable date on which the Clearing House terminates the related Contracts pursuant to Part 9 of the Rules.

- (ii) Notwithstanding anything to the contrary in the Customer-Clearing Member Agreement or any other agreement or arrangement between Clearing Member and Customer, the amount payable pursuant to the Customer-Clearing Member Agreement in respect of the termination of the Customer-CM Transactions shall be determined on the basis of the termination value calculated by the Clearing House for the corresponding Contracts pursuant to Part 9 of the Rules but subject always, in the case of amounts due from Clearing Member, to Section 8(c) below. Customer hereby agrees and acknowledges that any determination made by the Clearing House with respect to the termination value of a Contract or a Customer-CM Transaction shall be conclusive and binding upon Customer for this purpose to the same extent that any 'net sum' declared by the Clearing House is conclusive and binding on Clearing Member. The obligation of a Clearing Member to a Customer under a Customer-CM Transaction shall be discharged to the extent that the Clearing House makes payment of any net sum or any part thereof direct to the Customer.
- (iii) Customer acknowledges and agrees that the allocation and, subject to Applicable Law, return of available amounts in the relevant Customer Margin Account shall be governed by Part 9 of the Rules, which may reduce or defer Clearing Member's obligations to Customer.

- (g) For the avoidance of doubt, nothing in these Standard Terms shall prevent other amounts being due and payable between Clearing Member and Customer as provided for in the Customer-Clearing Member Agreement.

7. ***Consents to Disclosure.***

- (a) Customer hereby consents to:
 - (i) the Clearing House having the right to obtain information in relation to the Customer-CM Transactions from any Market so as to enable the Clearing House to identify which Contracts and Margin or Permitted Cover between the Clearing House and Clearing Member relate to such Customer-CM Transactions;
 - (ii) Clearing Member making any disclosures in connection with Customer and Customer-CM Transactions as are required by the Rules and/or Procedures or as are required by Applicable Law;
 - (iii) disclosures to, use by and disclosures by the Clearing House of information relating to Customer (including the Personal Data of its Data Subjects) pursuant to Rule 106; and
 - (iv) submissions of and other actions relating to data concerning Customer-CM Transactions by the Clearing House pursuant to Section 12, the Rules and the Procedures.

8. ***Certain Limitations.***

- (a) Customer agrees and acknowledges for the benefit of the Clearing House and Clearing Member that: (i) the liability of the Clearing House to Customer shall be excluded and limited as set forth in Rule 111 and specifically that the Clearing House shall have no liability or obligation to Customer in respect of a Customer-CM Transaction or otherwise nor shall it have any duty of care directly to Customer, in any case whether in tort, contract, restitution, in respect of any Contract, pursuant to the Rules, pursuant to a Clearing Membership Agreement, pursuant to these Standard Terms or otherwise, save for any liability which by law may not be excluded, (ii) in no event shall Customer attempt to interfere with the ability of the Clearing House to exercise its rights hereunder or as set forth in the Rules, the Procedures or any Clearing Membership Agreement, and (iii) it is not entitled to, and will not, petition a court or take any action or commence any proceedings against the Clearing House, directly or indirectly and will if any such action is taken fully indemnify the Clearing House against any costs, losses or other consequences of Customer taking any such action. Customer agrees that Clearing Member acts as principal at all times in all its Contracts with the Clearing House.
- (b) The Clearing House shall have no responsibility for the compliance by Clearing Member or Customer with its obligations under a Customer-Clearing Member Agreement. The Clearing House shall be under no obligation to enquire into, and shall be fully protected in relying on, any instructions or directions with respect to a Customer Account or the assets recorded therein or

transferred thereto or therefrom under the Rules received from a Person that the Clearing House believes to be authorised to act on behalf of Clearing Member.

- (c) Customer agrees and acknowledges that the performance and payment obligations of Clearing Member to Customer are limited by and contingent on the actual performance or payment by the Clearing House under the related Contract and that Clearing Member shall have no responsibility for the compliance by the Clearing House (or any person other than that Clearing Member) with its obligations, including without limitation, under any Contract, the Rules or the Procedures. In the event that the Clearing House defaults in or defers or varies the payment or performance of any obligation otherwise owed by it in respect of a Contract corresponding to a Customer-CM Transaction (including, without limitation, any shortfall in repayment of Permitted Cover or any recovery of less than 100% of amounts owed by the Clearing House or property provided to the Clearing House in circumstances in which Rule 912 applies), Clearing Member will be entitled to make a corresponding deduction, withholding or other reduction from, or tolling or deferring of, any payment or performance otherwise owed by it under such corresponding Customer-CM Transactions and/or to make its performance under such Customer-CM Transactions conditional on performance by the Clearing House under the related Contract (and where any such deduction may be attributable to both Customer-CM Transactions and to Customer Account Contracts of other Customers, Clearing Member shall allocate such deduction among such contracts on a *pro rata* basis) provided that if such defaulted or delayed payment or performance is subsequently obtained by Clearing Member from the Clearing House (in whole or in part), Clearing Member shall thereupon make the corresponding payment or performance (or portion thereof) to Customer.

9. ***Certain Tax Matters.***

Subject always, and without prejudice, to any provisions of a Customer-Clearing Member Agreement: (i) if Clearing Member is required to pay to Clearing House any additional amount under Rule 301(j) or the Contract Terms with respect to a Contract corresponding to a Customer-CM Transaction, Customer shall be obliged to pay to Clearing Member an amount equal to such additional amount (or the applicable portion thereof), but without duplication of any additional amount payable by Customer under any relevant provision of the Customer-Clearing Member Agreement, (ii) for the avoidance of doubt, and without prejudice to the above, if Clearing House deducts or withholds any amount otherwise payable to Clearing Member on a Contract pursuant to Rule 301 or the Contract Terms, Clearing Member shall be entitled to make a corresponding deduction from any amount otherwise payable by Clearing Member to Customer under a corresponding Customer-CM Transaction, and (iii) where such additional amount or deduction may be attributable to both Customer-CM Transactions and to Customer-CM Transactions of other customers, Clearing Member shall allocate such additional amount or deduction among such contracts on a *pro rata* basis.

10. ***Reliance on Transactions etc.***

The Clearing House shall be entitled to assume, without enquiry, that at each Acceptance Time at which a Customer-CM Transaction arises, the respective obligations of Clearing Member and Customer under such Customer-CM Transaction constitutes its legal, valid and binding obligations enforceable in accordance with their respective terms, subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles in general application (regardless of whether enforcement is sought in a proceeding in equity or at law). The sole remedy of Customer in the case of any error shall be to request that Clearing Member request the Clearing House to amend or correct any error pursuant to the Rules or Procedures.

11. ***Third Party Rights.***

The Clearing House shall be entitled to rely upon and enjoy the benefit of the representations, warranties, agreements, obligations and covenants of the Customer under these Standard Terms and shall have the right to enforce such representations, warranties, agreements, obligations and covenants against the parties under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore). Other than as set out in this Section 11, no persons other than Clearing Member and Customer shall have the right to enforce any provision of these Standard Terms under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) or otherwise.

12. ***Miscellaneous.***

- (a) ***Intellectual Property.*** Customer agrees to the representation, warranty and undertaking specified in Rule 406(g).
- (b) ***Entire Agreement.*** These Standard Terms (together with the Customer-Clearing Member Agreement and the Rules and the Procedures incorporated by reference herein) constitutes the entire agreement and understanding of Customer and Clearing Member with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.
- (c) ***Headings.*** The headings used in these Standard Terms are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting these Standard Terms.
- (d) ***Governing Law.*** Any contractual or non-contractual disputes arising out of or in connection with the Customer-Clearing Member Agreement are governed by and shall be construed in accordance with the law specified in the Customer-Clearing Member Agreement and subject to the non-exclusive jurisdiction of the courts specified in the Cleared Transactions Master Agreement provided that: (i) Sections 6(d) and 11 of these Standard Terms shall be governed by and shall be construed in accordance with the laws of Singapore and are subject to arbitration under Rule 117 as if such provisions of these Standard Terms were Rules and the parties were bound thereby as if they were both Clearing Members, notwithstanding any choice of law or jurisdiction in the Cleared Transactions Master Agreement; and (ii) each

provision of the Rules and the Procedures incorporated by reference herein or in the Customer-Clearing Member Agreement shall be governed by and construed in accordance with the laws of the Republic of Singapore. Clearing Member and Customer hereby irrevocably waive any right to object to any such proceedings on the basis of *forum non conveniens* or otherwise.



Monetary Authority of Singapore

GUIDELINES ON FIT AND PROPER CRITERIA

GUIDELINE NO: FSG-G01

Application of Guidelines

These Guidelines set out the fit and proper criteria applicable to all relevant persons in relation to the carrying out of any activity regulated by the Monetary Authority of Singapore [“MAS”] under any written law [“relevant legislation”].

2 MAS expects a relevant person to be competent, honest, to have integrity and to be of sound financial standing. This provides MAS with the assurance that the relevant person is willing and able to fulfil its or his obligations under any written law. This also underpins our requirements that the relevant person performs the activities regulated under the relevant legislation efficiently, honestly, fairly and acts in the best interests of its or his stakeholders and customers.

3 The onus is on each relevant person to establish that it or he is a fit and proper person rather than for MAS to show otherwise. Where a relevant person is required under the relevant legislation to ensure that another relevant person is fit and proper, the onus is on the former to establish to the satisfaction of MAS that the latter is fit and proper. As different appointments and designations entail different responsibilities, these Guidelines would be applied in a manner and to the extent that is suitable to the circumstances. MAS will consider the nature of the responsibilities of the relevant person in determining the relative emphasis and standard that should be expected of the relevant person.

[Amended on 26 November 2010]

4 When assessing an application for the appointment of a relevant person to senior or critical functions, MAS may, in addition to the fit and proper criteria set out in these Guidelines, consider other factors that may be relevant, such as whether the relevant person has a good standing in the profession in respect of which the application is submitted. If the relevant person fails to satisfy MAS that it or he is fit and proper, MAS may refuse the person's application, revoke the person's authorisation or exemption, or take other appropriate regulatory action, as may be applicable and necessary.

5 These Guidelines provide general guidance, and are not intended to be comprehensive nor replace or override any legislative provisions. They should be read in conjunction with the provisions of the relevant legislation, the subsidiary legislation made under the relevant legislation, as well as written directions, notices, codes and other guidelines that MAS may issue from time to time pursuant to the relevant legislation and subsidiary legislation.

Definitions

6 For the purposes of these Guidelines:

“Appointed Actuary” means an actuary appointed by a registered insurer under section 31 of the Insurance Act (Cap. 142) [“IA”];

“appointed representative” has the same meaning as in section 2(1) of the SFA or section 2(1) of the FAA, as the case may be;

[Amended on 26 November 2010]

“authorisation” means —

- (a) an approval as an approved exchange under section 8(1) of the Securities and Futures Act (Cap. 289) [“SFA”] respectively;
- (b) a recognition as a recognised market operator under section 8(2) of the SFA;
- (c) a licensing as a licensed trade repository under section 46E(1) of the SFA;
- (d) a licensing as a licensed foreign trade repository under section 46E(2) of the SFA;
- (e) an approval as an approved clearing house under section 51(1)(a) of the SFA;
- (f) a recognition as a recognised clearing house under section 51(1)(b) or 51(2) of the SFA;
- (g) an approval as an approved holding company under section 81W of the SFA;
- (h) a licensing as a holder of a capital markets services [“CMS”] licence under section 82(1) of the SFA;
- (i) a licensing as a licensed financial adviser [“FA”] under section 6(1) of the Financial Advisers Act (Cap. 110) [“FAA”];
- (j) a registration as an insurance broker under section 35X of the IA;
- (k) an approval as an approved MAT insurance broker, an approved general reinsurance broker or an approved life reinsurance broker under regulation 4 of the Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations (Rg 14);

- (l) an approval as an approved MAT insurer under regulation 5 of the Insurance (Approved Marine, Aviation and Transit Insurers) Regulations (Rg 15);
- (m) an authorisation as a general reinsurer or life reinsurer under section 8(A) of the IA;
- (n) an approval to establish a representative office under section 6 of the IA;
- (o) a licensing as a licensed trust company [“TC”] under section 3(1) of the Trust Companies Act (Cap. 336) [“TCA”]; or
- (p) a registration of a fund management company registered under paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations [“SFR(LCB)”];
- (q) an approval as a trustee under section 289(1) of the SFA.

[Amended on 6 March 2014]

[Amended on 3 September 2015]

“broking staff”, in relation to an insurance broker, means any employee of the insurance broker or any other person who is authorised by the insurance broker to act on its behalf to provide technical advice to any client of the insurance broker in respect of —

- (a) insurance policies relating to general business and long-term accident and health policies, other than insurance policies relating to reinsurance business; or
- (b) reinsurance of liabilities under insurance policies relating to life or general business;

“business rules” has the same meaning as in section 2(1) of the SFA;

“Certifying Actuary” means an actuary approved by MAS under section 37 of the IA;

“connected person” has the same meaning as in section 2(1) of the SFA or section 2(1) of the FAA, as the case may be;

[Amended on 26 November 2010]

“exempt entity” means:

- (a) a person exempt from the requirement to hold a CMS licence under paragraph 5(1)(d) or 7(1)(b) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10) [“SFR(LCB)”]; or
- (b) a person exempt from holding an FA licence under regulation 27(1)(d) of the Financial Advisers Regulations (Rg 2) [“FAR”];

[Amended on 26 November 2010]

[Amended on 7 August 2012]

“exempt financial institution” means:

- (a) a financial institution exempt from the requirement to hold a CMS licence under section 99(1)(a), (b), (c), (d), (f) or (g) of the SFA;
- (b) a financial institution exempt from holding an FA licence under section 23(1)(a), (b), (c), (d), (e) or (ea) of the FAA;
- (c) a financial institution exempt from registration as an insurance broker under section 35ZN(1)(a), (b), (c), (d), (e) or (ea) of the IA; or
- (d) a financial institution exempt from holding a TC licence under section 15(1)(a), (b) or (c) of the TCA, or regulation

4(1)(j) of the Trust Companies (Exemption) Regulations (Reg 1);

“exempt person” means:

- (a) a person exempt from the requirement to hold a CMS licence under paragraph 5(1)(d) or 7(1)(b) of the Second Schedule to the SFR(LCB);
- (b) a key officer of a person referred to in paragraph (a);
- (c) a substantial shareholder or an equivalent person of a person referred to in paragraph (a);
- (d) a person (other than a person referred to in paragraph (b) or (c)) acting alone or together with any connected person, who
 -
 - (i) controls, directly or indirectly, not less than 20% of the voting power or such equivalent decision-making power in the person referred to in paragraph (a); or
 - (ii) acquires or holds, directly or indirectly, not less than 20% of the issued shares or such equivalent share of ownership of the person referred to in paragraph (a);
- (e) a person exempt from holding an FA licence under regulation 27(1)(d) of the FAR;
- (f) a key officer of a person referred to in paragraph (e);
- (g) a substantial shareholder or an equivalent person of a person referred to in paragraph (e);
- (h) a person (other than a person referred to in paragraph (f) or (g)) acting alone or together with any connected person, who
 -
 - (i) controls, directly or indirectly, not less than 20% of the voting power or such equivalent decision-making power in the person referred to in paragraph (e); or

- (ii) acquires or holds, directly or indirectly, not less than 20% of the issued shares or such equivalent share of ownership of the person referred to in paragraph (e);

[Amended on 26 November 2010]

[Amended on 7 August 2012]

“institution”, in relation to a relevant person whose activity is regulated by MAS under the FAA, the IA or the SFA, means:

- (a) an approved exchange;
- (b) a recognised market operator;
- (c) an approved clearing house;
- (d) a recognised clearing house;
- (e) a licensed trade repository;
- (f) a licensed foreign trade repository;
- (g) an approved holding company;
- (h) a holder of a CMS licence;
- (i) a licensed FA;
- (j) a registered insurance broker;
- (k) an approved MAT insurance broker;
- (l) an approved general reinsurance broker;
- (m) an approved life reinsurance broker;
- (n) a licensed TC;
- (o) a fund management company registered under paragraph 5(1)(i) of the Second Schedule to the SFR(LCB); or
- (p) an approved trustee;

[Amended on 6 March 2014]

[Amended on 3 September 2015]

“key officer”, in relation to an exempt person, means:

- (a) a director or an equivalent person; or
- (b) a chief executive officer or an equivalent person;

“person having control” :

- (a) in relation to an approved MAT insurance broker, an approved general reinsurance broker or an approved life reinsurance broker, is as defined in section 12A(7) of the IA read with regulation 16(2) of the Insurance (Approved Marine, Aviation and Transit Insurance Brokers and Approved Reinsurance Brokers) Regulations (Rg 14);
- (b) in relation to an authorised reinsurer, is as defined in section 12A(7) of the IA;
- (c) in relation to a representative office, shall have the same meaning as in section 12A(7) of the IA as though the references to authorised reinsurer were references to a representative office; and
- (d) in relation to an approved MAT insurer, shall have the same meaning as in section 12A(7) of the IA as though references to authorised reinsurer were references to an approved MAT insurer;

“provisional representative” has the same meaning as in section 2(1) of the SFA or section 2(1) of the FAA, as the case may be;

[Amended on 26 November 2010]

“public register of representative” has the same meaning as in section 2(1) of the SFA or section 2(1) of the FAA, as the case may be;

[Amended on 26 November 2010]

“relevant person” means:

- (a) in relation to a bank incorporated in Singapore that is licensed by MAS under the Banking Act (Cap. 19):
 - (i) a substantial shareholder;
 - (ii) a director;
 - (iii) a chief executive officer or deputy chief executive officer;
 - (iv) a chief financial officer;
 - (v) Head of Treasury; or
 - (vi) any other officer by whatever name described, who has responsibilities or functions similar to any of the persons referred to in sub-paragraph (iii) or (v),
of the bank;

- (b) in relation to a bank incorporated outside Singapore that is licensed by MAS under the Banking Act:
 - (i) a chief executive officer or deputy chief executive officer;
 - (ii) Head of Treasury; or
 - (iii) any other officer by whatever name described, who has responsibilities or functions similar to any of the persons referred to in sub-paragraph (i) or (ii),
of the bank;

- (c) in relation to a merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186) [“MAS Act”]:

- (i) a chief executive officer or deputy chief executive officer;
 - (ii) Head of Treasury; or
 - (iii) any other officer by whatever name described, who has responsibilities or functions similar to any of the persons referred to in sub-paragraph (i) or (ii),
of the merchant bank;

- (d) in relation to a person whose activity is regulated by MAS under the FAA:
 - (i) a substantial shareholder or an equivalent person of a licensed FA;
 - (ii) a licensed FA;
 - (iii) an appointed or provisional representative under the FAA;
 - (iv) a chief executive officer, director or an equivalent person of a holder of a FA licence;
 - (v) an exempt financial institution or its representatives;
 - (vi) an exempt person or its representatives;
 - (vii) a person for which an application for authorisation has been made to MAS under the applicable provision in the FAA;

- (e) in relation to a person whose activity is regulated by MAS under the IA:
 - (i) a substantial shareholder of a registered insurer as defined under section 29(3) of the IA;
 - (ii) a registered insurance broker;

- (iii) a substantial shareholder of a registered insurance broker;
- (iv) a broking staff of a registered insurance broker;
- (v) a chief executive officer, or director of a registered insurance broker;
- (vi) a principal officer or director of a registered insurer;
- (vii) an Approved Actuary;
- (viii) a Certifying Actuary;
- (ix) a chief executive officer, or director of the administrator as defined in the Insurance (Lloyd's Asia Scheme) Regulations;
- (x) a chief executive officer, or director of a Service Company registered with the administrator under the Insurance (Lloyd's Asia Scheme) Regulations;
- (xi) a Singapore representative whom the representative office has appointed to be responsible for the activities of the representative office in Singapore;
- (xii) an exempt financial institution or its broking staff;
- (xiii) a person for which an application for authorisation has been made to MAS under the applicable provision in IA;
- (xiv) a person having effective control of a registered insurer as defined under section 27 of IA;
- (xv) a person having control of a registered insurer as defined under section 28 of the IA;
- (xvi) a person having control of an approved MAT insurer, an authorised reinsurer, or a representative office;

- (xvii) a person having control of an approved MAT insurance broker, an approved general reinsurance broker or an approved life reinsurance broker;

- (f) in relation to a person whose activity is regulated by MAS under the SFA:
 - (i) a substantial shareholder or an equivalent person of a holder of a CMS licence, an approved exchange, a recognised market operator, a licensed trade repository, a licensed foreign trade repository, an approved clearing house, a recognised clearing house or an approved holding company;
 - (ii) a holder of a CMS licence;
 - (iii) an appointed, provisional or temporary representative under the SFA
 - (iv) an approved exchange;
 - (v) a recognised market operator;
 - (vi) a licensed trade repository;
 - (vii) a licensed foreign trade repository;
 - (viii) an approved clearing house;
 - (ix) a recognised clearing house;
 - (x) an approved holding company;
 - (xi) a chief executive officer, director or key person stated in a notice under section 28(2), 46V(2), 71(2) or 81ZF(3) of the SFA, of an approved exchange, a licensed trade repository, an approved clearing house or an approved holding company;
 - (xii) a chief executive officer, director or an equivalent person of a holder of a CMS licence;

- (xiii) a chief executive officer, or director of a recognised market operator;
- (xiv) a chief executive officer, or director of a licensed foreign trade repository;
- (xv) a chief executive officer, or director of a recognised clearing house;
- (xvi) an exempt financial institution or its representatives;
- (xvii) an exempt person or its representatives;
- (xviii) a person for which an application for authorisation has been made to MAS under the applicable provision in the SFA;
- (xix) a fund management company registered under paragraph 5(1)(i) of the Second Schedule to the SFR(LCB) and its chief executive officer, director or an equivalent person;
- (xx) a trustee approved by MAS under section 289(1) of the SFA and its officers.

[Amended on 6 March 2014]

[Amended on 3 September 2015]

- (g) in relation to a finance company licensed by MAS under the Finance Companies Act (Cap.108):
 - (i) a substantial shareholder;
 - (ii) a director; or
 - (iii) a chief executive officer or deputy chief executive officer;
 - (iv) a chief financial officer; or

- (v) any person by whatever name described, who has responsibilities or functions similar to any of the persons referred to in this sub-paragraph, of the finance company;

- (h) in relation to a holder of a money-changing or remittance licence granted under the Money-changing and Remittance Businesses Act (Cap. 187):
 - (i) a substantial shareholder;
 - (ii) a director of the holder; or
 - (iii) in the case of a holder of a money-changing licence that is a partnership, a partner, of the holder;

- (i) in relation to a credit card or charge card issuer licensed under section 57B of the Banking Act (Cap. 19):
 - (i) a director;
 - (ii) a chief executive or deputy chief executive;
 - (iii) any other officer by whatever name described, who has responsibilities or functions similar to any of the persons referred to in sub-paragraph (i) or (ii), of the credit card or charge card issuer;

- (j) in relation to an operator of a payment system designated under the Payment Systems (Oversight) Act 2006:
 - (i) a chief executive officer;
 - (ii) a director; or

- (iii) any person by whatever name described, who has responsibilities or functions similar to a chief executive officer,
of the operator;

- (k) in relation to a TC licensed by MAS under the TCA:
 - (i) a licensed TC;
 - (ii) a controller;
 - (iii) a director; or
 - (iv) a resident manager,
of the trust company;

[Amended on 26 November 2010]

“temporary representative” has the same meaning as in section 2(1) of the SFA.

[Amended on 26 November 2010]

7 The expressions used in these Guidelines shall, except where expressly defined in these Guidelines, have the same meanings as in the applicable Acts in which the expressions are referred to or used.

[Amended on 26 November 2010]

Fit and Proper Test

8 The criteria for considering whether a relevant person is fit and proper include but are not limited to the following:

- (a) honesty, integrity and reputation;
- (b) competence and capability;
- (c) financial soundness.

[Amended on 26 November 2010]

9 The failure by a relevant person to meet any one of the criteria set out in paragraph 8 may not lead to an automatic refusal of an application; refusal to enter his name or any additional regulated activity or financial advisory services in the public register of representatives; revocation of an authorisation; revocation of the status of an appointed, provisional or temporary representative; or withdrawal of an exemption or other regulatory action by MAS. The significance and relevance of a relevant person failing to satisfy MAS that it or he meets a specific criteria depends on:

- (a) the seriousness of, and surrounding circumstances resulting in, the relevant person not meeting the specific criteria;
- (b) the relevance of the failure by the relevant person to meet the specific criteria to the duties that are, or are to be, performed and the responsibilities that are, or are to be, assumed by the relevant person; and
- (c) the passage of time since the failure by the relevant person to meet the specific criteria.

[Amended on 26 November 2010]

10 In the case where the relevant person is an institution, to establish that it is fit and proper, an institution should satisfy MAS that:

- (a) all of its substantial shareholders meet the fit and proper criteria of these Guidelines;
- (b) each of its directors and chief executive officer, or equivalent persons, meet the fit and proper criteria of these Guidelines; and
- (c) it has in place appropriate recruitment policies, adequate internal control systems and procedures that would reasonably ensure that the persons that it employs, authorises

or appoints to act on its behalf, in relation to its conduct of the activity regulated under the relevant legislation, meet the fit and proper criteria of these Guidelines.

[Amended on 26 November 2010]

11 In the case where the relevant person is an exempt financial institution, to establish that it is fit and proper, the exempt financial institution should have in place appropriate recruitment policies, adequate internal control systems and procedures that would reasonably ensure that the persons that it employs, authorises or appoints to act on its behalf, in relation to its conduct of the activity regulated under the relevant legislation, meet the fit and proper criteria of these Guidelines.

[Amended on 26 November 2010]

12 In the case where the relevant person is an exempt entity or a fund management company registered under paragraph 5(1)(i) of the Second Schedule to the SFR(LCB), to establish that it is fit and proper, an exempt entity or a registered fund management company should satisfy MAS that:

- (a) all of its substantial shareholders or equivalent persons and persons who:
 - (i) control, directly or indirectly, not less than 20% of the voting power or such equivalent decision-making power in the exempt entity; or
 - (ii) acquire or hold, directly or indirectly, not less than 20% of the issued shares or such equivalent share of ownership of the exempt entity;meet the fit and proper criteria of these Guidelines;

- (b) each of its key officers meet the fit and proper criteria of these Guidelines; and
- (c) it has in place appropriate recruitment policies, adequate internal control systems and procedures that would reasonably ensure that the persons that it employs, authorises or appoints to act on its behalf, in relation to its conduct of the activity regulated under the relevant legislation, meet the relevant fit and proper criteria of these Guidelines.

[Amended on 26 November 2010]

[Amended on 7 August 2012]

Honesty, Integrity and Reputation

13 The factors set out in the following paragraphs are relevant to the assessment of the honesty, integrity and reputation of a relevant person. The factors include but are not limited to whether the relevant person:

- (a) has been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific license, registration or other authorisation is required by law in any jurisdiction;
- (b) has been issued a prohibition order under any Act administered by MAS or has been prohibited from operating in any jurisdiction by any financial services regulatory authority;

- (c) has been censured, disciplined, suspended or refused membership or registration by MAS, any other regulatory authority, an operator of a market, trade repository or clearing facility, any professional body or government agency, whether in Singapore or elsewhere;
- (d) has been the subject of any complaint made reasonably and in good faith, relating to activities that are regulated by MAS or under any law in any jurisdiction;
- (e) has been the subject of any proceedings of a disciplinary or criminal nature or has been notified of any potential proceedings or of any investigation which might lead to those proceedings, under any law in any jurisdiction;
- (f) has been convicted of any offence, or is being subject to any pending proceedings which may lead to such a conviction, under any law in any jurisdiction;
- (g) has had any judgment (in particular, that associated with a finding of fraud, misrepresentation or dishonesty) entered against the relevant person in any civil proceedings or is a party to any pending proceedings which may lead to such a judgment, under any law in any jurisdiction;
- (h) has accepted civil liability for fraud or misrepresentation under any law in any jurisdiction;

- (i) has had any civil penalty enforcement action taken against it or him by MAS or any other regulatory authority under any law in any jurisdiction;
- (j) has contravened or abetted another person in breach of any laws or regulations, business rules or codes of conduct, whether in Singapore or elsewhere;
- (k) has been the subject of any investigations or disciplinary proceedings or been issued a warning or reprimand by MAS, any other regulatory authority, an operator of a market, trade repository or clearing facility, any professional body or government agency, whether in Singapore or elsewhere;
- (l) has been refused a fidelity or surety bond, whether in Singapore or elsewhere;
- (m) has demonstrated an unwillingness to comply with any regulatory requirement or to uphold any professional and ethical standards, whether in Singapore or elsewhere;
- (n) has been untruthful or provided false or misleading information to MAS or been uncooperative in any dealings with MAS or any other regulatory authority in any jurisdiction;
- (o) in addition to sub-paragraphs (a) to (n), where the relevant person is an individual:

- (i) is or has been a director, partner, substantial shareholder or concerned in the management of a business that has been censured, disciplined, prosecuted or convicted of a criminal offence, or been the subject of any disciplinary or criminal investigation or proceeding, in Singapore or elsewhere, in relation to any matter that took place while the person was a director, partner, substantial shareholder or concerned in the management of the business;
- (ii) is or has been a director, partner, substantial shareholder or concerned in the management of a business that has been suspended or refused membership or registration by MAS, any other regulatory authority, an operator of a market, trade repository or clearing facility, any professional body or government agency, whether in Singapore or elsewhere;
- (iii) has been a director, partner, substantial shareholder or concerned in the management of a business that has gone into insolvency, liquidation or administration during the period when, or within a period of one year after, the relevant person was a director, partner, substantial shareholder or concerned in the management of the business, whether in Singapore or elsewhere;
- (iv) has been dismissed or asked to resign from —
 - (A) office;
 - (B) employment;

- (C) a position of trust; or;
- (D) a fiduciary appointment or similar position, whether in Singapore or elsewhere;
- (v) is or has been subject to disciplinary proceedings by his current or former employer(s), whether in Singapore or elsewhere;
- (vi) has been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Singapore or elsewhere; and
- (vii) has been an officer found liable for an offence committed by a body corporate as a result of the offence having proved to have been committed with the consent or connivance of, or neglect attributable to, the officer, whether in Singapore or elsewhere;

[Amended on 26 November 2010]

[Amended on 7 August 2012]

[Amended on 6 March 2014]

- (p) in addition to sub-paragraphs (a) to (o), where the relevant person is carrying on business in, or is acting as a representative in respect of, providing credit rating services, is or has been in observance of the Code of Conduct for Credit Rating Agencies.

[Amended on 17 January 2012]

Competence and Capability

14 The factors set out in the following paragraphs are relevant to the assessment of the competence and capability of a relevant person. The factors include but are not limited to:

- (a) whether the relevant person has satisfactory past performance or expertise, having regard to the nature of the relevant person's business or duties, as the case may be, whether in Singapore or elsewhere;
- (b) where the relevant person is an individual who is assuming concurrent responsibilities, whether such responsibilities would give rise to a conflict of interest or otherwise impair his ability to discharge his duties in relation to any activity regulated by MAS under the relevant legislation;
- (c) in relation to a relevant person whose activity is regulated by MAS under the FAA, the IA, the SFA or the TCA and where the relevant person is an institution, exempt financial institution or exempt entity, whether its directors or equivalent persons, chief executive officer or equivalent person, the persons that it employs, authorises or appoints to act on its behalf, in relation to its conduct of the activity regulated under the relevant legislation, where applicable, have satisfactory educational qualification or experience, whether in Singapore or elsewhere;

- (d) in relation to a relevant person whose activity is regulated by MAS under the FAA or the SFA, whether the representative of the relevant person has:
 - (i) satisfactory educational qualification or experience, relevant skills and knowledge, whether in Singapore or elsewhere, having regard to the nature of the duties they are required to perform; and
 - (ii) satisfied the requirements stipulated in the Notice on Minimum Entry and Examination Requirements for Representatives of Holders of CMS Licence and Exempt Financial Institutions [Notice No. SFA 04-N09] or Notice on Minimum Entry and Examination Requirements for Representatives of Licensed Financial Advisers and Exempt Financial Advisers [Notice No.FAA-N13], as the case may be and as may be applicable to the representative;

- (e) in relation to a relevant person whose activity is regulated by MAS under the IA, whether the broking staff of the relevant person has:
 - (i) satisfactory qualification or experience, whether in Singapore or elsewhere, having regard to the nature of the duties he is to perform; and
 - (ii) satisfied the requirements stipulated in the Notice on Minimum Standards and Continuing Professional Development Requirements for Insurance Brokers and their Broking Staff [Notice No. MAS 502], as may be applicable to the broking staff;

- (f) in relation to an Appointed Actuary or a Certifying Actuary:
 - (i) whether the actuary has satisfactory past performance or expertise indicating knowledge of the local life or general insurance market;
 - (ii) whether an Appointed Actuary is a Fellow of Singapore Actuarial Society (SAS);
 - (iii) whether a Certifying Actuary is a member of the SAS and is a Fellow of an association recognised by the International Actuarial Association.

[Amended on 26 November 2010]

Financial Soundness

15 The factors set out in the following paragraphs are relevant to the assessment of the financial soundness of a relevant person. The factors include but are not limited to, whether the relevant person:

- (a) is or has been unable to fulfil any of its or his financial obligations, whether in Singapore or elsewhere;
- (b) has entered into a compromise or scheme of arrangement with its or his creditors or made an assignment for the benefit of its or his creditors, being a compromise or scheme of arrangement or assignment that is still in operation, whether in Singapore or elsewhere;
- (c) is subject to a judgment debt which is unsatisfied, either in whole or in part, whether in Singapore or elsewhere;

- (d) in addition to sub-paragraphs (a) to (c), in the case where the relevant person is an individual:
 - (i) is or has been the subject of a bankruptcy petition, whether in Singapore or elsewhere;
 - (ii) has been adjudicated a bankrupt and the bankruptcy is undischarged, whether in Singapore or elsewhere; or
 - (iii) is or has been subject to any other process outside Singapore that is similar to those referred to in sub-paragraph (i) and (ii); and

- (e) in addition to sub-paragraphs (a) to (c), in the case where the relevant person is a corporation:
 - (i) is or has been the subject of a winding up petition, whether in Singapore or elsewhere;
 - (ii) is in the course of being wound-up or otherwise dissolved, whether in Singapore or elsewhere;
 - (iii) is or has been a corporation where a receiver, receiver and manager, judicial manager, or such other person having the powers and duties of a receiver, receiver and manager, or judicial manager, has been appointed, in relation to, or in respect of any property of, the corporation, whether in Singapore or elsewhere; or
 - (iv) is or has been subject to any other process outside Singapore that is similar to those referred to in sub-paragraphs (i) to (iii).

[Amended on 26 November 2010]

Cancellation of Guidelines

16 These Guidelines take immediate effect. The Guidelines on Fit and Proper Criteria (Guideline No. MCG-G01) issued on 1 July 2005 are cancelled.

Issue Date : Amended on 26 November 2010
Amended on 7 August 2012
Amended on 6 March 2014
Amended on 3 September 2015

**ICE CLEAR
SINGAPORE
S-1 SUPPLEMENT**

ANNEX D-2

April 23, 2015

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

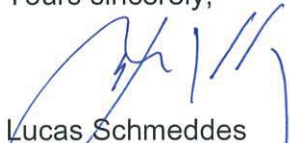
By Email: FBOTapplications@cftc.gov

Dear Mr. Kirkpatrick,

Re: ICE Futures Singapore Pte. Ltd. Form FBOT Application

On behalf of ICE Clear Singapore Pte. Ltd. (“**ICSG**”), in my capacity as President and Chief Operating Officer, I hereby certify to the Commission that the clearing system of ICSG observes the current Recommendations for Central Counterparties that have been issued jointly by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions, as updated, revised or otherwise amended.

Yours sincerely,



Lucas Schmeddes
President and Chief Operating Officer
ICE Clear Singapore Pte. Ltd.



ICE Clear Singapore

Disclosure Framework

13 November, 2015

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LIST OF ABBREVIATIONS AND DEFINITIONS

ACH	Approved Clearing House regulated by the MAS
AFI	Approved Financial Institution
APS	Assured Payment Service
Board	ICE Clear Singapore Board of Directors
BCP	ICE Clear Singapore Business Continuity Plan
CCP	Central Counterparty
Clearing Rules	Rules and Procedures of ICE Clear Singapore
CM	Clearing Member of ICE Clear Singapore
Defaulter	Defaulting Clearing Member of ICE Clear Singapore
DR	ICE Clear Singapore Disaster Recovery Plan
ECS	Extensible Clearing System
Exchange Rules	Rules, Procedures and Contract Terms of ICE Futures Singapore
GF	Guaranty Fund
ICE	Intercontinental Exchange Group
ICE, Inc.	Intercontinental Exchange, Inc.
ICE Clear Singapore	ICE Clear Singapore Pte. Ltd.
ICE Futures Singapore	ICE Futures Singapore Pte. Ltd.
MAS	Monetary Authority of Singapore
Nominated Account	An account with an AFI nominated by a CM for the purposes of making and receiving cash transfers in respect of amounts due in respect of that CM's proprietary or customer account
Payment System	The payment system operated by ICE Clear Singapore consisting of the formal arrangements between itself and its Clearing Members
PFMI	Principles for Financial Market Infrastructure
PTMS	Post Trade Management System
SFA	Securities and Futures Act (Chapter 289) of Singapore
SGT	Singapore Standard Time

I. Executive summary

The objective of this document (this "**Disclosure Framework**") is to provide relevant disclosure to market participants on the methods used by ICE Clear Singapore Pte. Ltd ("**ICE Clear Singapore**") to manage the risks it faces as a central counterparty ("**CCP**").

The Disclosure Framework is prepared in accordance with the internationally recognised "Principles for Financial Market Infrastructure" ("**PFMI**") published in February 2012 and developed jointly by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organisation of Securities Commissions. No disclosure is provided with respect to Principles 11 and 24 as they do not apply to CCPs.

ICE Clear Singapore, formerly Singapore Mercantile Exchange Clearing Corporation Pte. Ltd., was authorised as an "approved clearing house" ("**ACH**") by the Monetary Authority of Singapore ("**MAS**") prior to its acquisition by the ICE group on 3 February 2014. Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. changed its name to ICE Clear Singapore on 22 April 2014, and has maintained its ACH status.

II. Summary of major changes since the last disclosure

This is the initial version of the Disclosure Framework and, therefore, does not include a summary of major changes. Subsequent versions will include a summary of major changes since the last update.

III. General background on the FMI

General description of the FMI and the markets it serves

ICE Clear Singapore provides clearing services for derivatives contracts by: (1) reconciling and clearing futures and options on futures transactions executed on ICE Futures Singapore Pte. Ltd. ("**ICE Futures Singapore**"); and (2) assuring the financial integrity of each transaction and resulting position. When a trade has been matched and accepted for clearing, ICE Clear Singapore becomes the counterparty to the trade, thereby guaranteeing financial performance of the contract to its Clearing Member ("**CM**") on each side of the trade. CMs may clear contracts for both their own house trading as well as customer transactions. A list of current CMs is or will be available on the website.

ICE Clear Singapore has rules, policies and procedures ("**Clearing Rules**") designed to ensure certainty of financial performance in the marketplace. ICE Clear Singapore provides the following key functions:

Clearing Establish appropriate clearing membership requirements and support effective and efficient operations.

Settlement Ensure contractual and financial obligations to CMs are met.

Margin Safeguard CM deposits by ensuring qualification of acceptable collateral and approved depositories and counterparties.

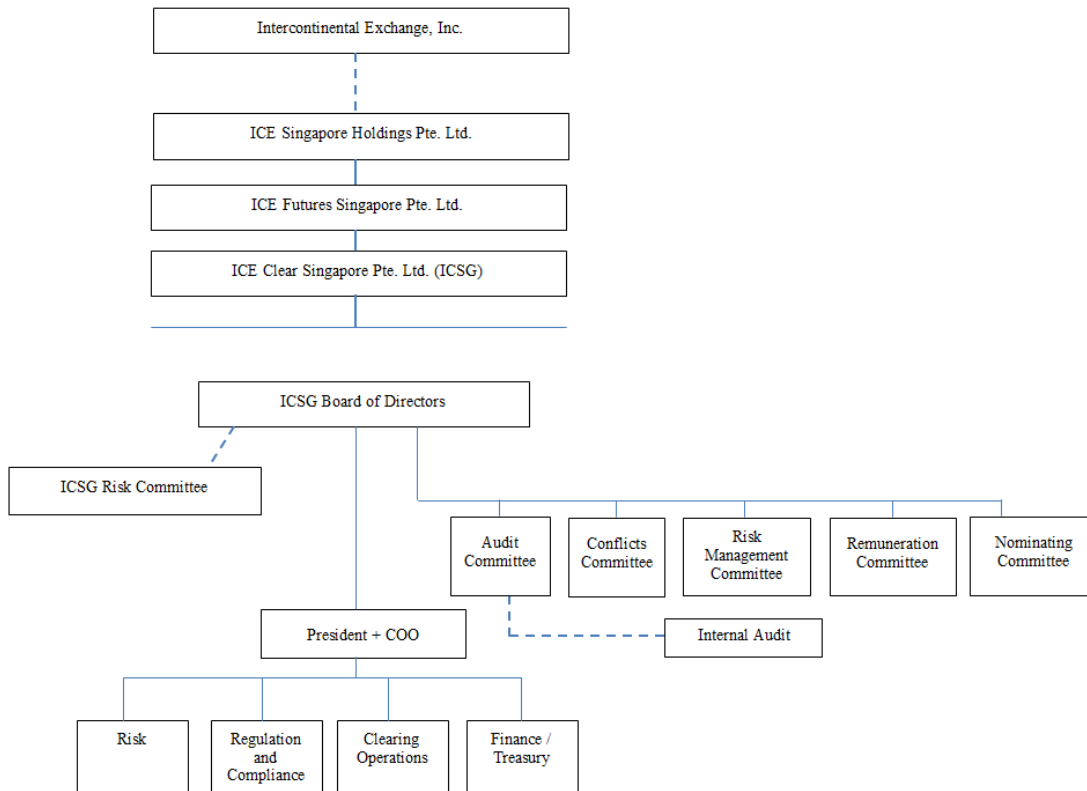
ICE Clear Singapore organises its business activities by leveraging technology, operational centres and services that are used to service the exchanges and clearing houses of the Intercontinental Exchange group (“ICE”) the ultimate holding company of which is Intercontinental Exchange, Inc. (“ICE, Inc.”).

ICE Clear Singapore provides clearing services for Energy, FX and Precious Metal products traded on ICE Futures Singapore. Additional data regarding volume by product type and ICE Futures Singapore’s open interest is or will be available on the ICE Clear Singapore website.

General organisation of the FMI

ICE Clear Singapore is a wholly-owned subsidiary of ICE Futures Singapore, which is ultimately owned by ICE, Inc. ICE is a leading global network of exchanges and clearing houses offering the broadest portfolio of services for trading, clearing and listings. ICE Clear Singapore's governance structure is summarised below.

The Board is advised by its Nominating Committee, Conflicts Committee, Audit Committee, Remuneration Committee, Risk Management Committee and its Risk Committee, in addition to senior management. The organisational structure is illustrated below.



Legal and regulatory framework

ICE Clear Singapore is subject to supervision by the MAS. The MAS reviews, assesses and enforces adherence to the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the regulations promulgated thereunder on an on-going basis, including but not limited to, compliance with the Securities and Futures (Clearing Facilities) Regulations 2013 and the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and Approved Holding Companies) Regulations 2013. ICE Clear Singapore complies with the statutory objectives as set out in the SFA, which applies requirements on an ACH consistent with the international risk management standards set forth in the PFMI.

The MAS is the Singapore government authority that has direct regulatory and oversight responsibility for ACHs. The MAS is responsible for monitoring ICE Clear Singapore's operations and receives regular, as well as event-specific, reports relating to, among other things, audited financial statements, business, and any such other information as MAS may require for the proper administration of ICE Clear Singapore¹. The MAS will conduct periodic on-site visits and off-site reviews, and regularly engage with ICE Clear Singapore in order to monitor compliance with the PFMI².

System design and operations

The clearing systems of ICE Clear Singapore encompass a number of integrated systems, most importantly the Post Trade Management System ("**PTMS**") and the Extensible Clearing System ("**ECS**"). PTMS provides real-time trade processing services enabling CMs to offer real-time risk management services. Within PTMS, if trades are marked for give-ups, they go into the Allocation and Claim Transaction System ("**ACT**") where CMs can initiate allocations and monitor the status. Give-up transactions are recorded in the clearing system and reflected on the CM records and fed into the eGAINS system for billing.

ECS supports open and delivery position management, real-time trade and post-trade accounting, risk management (daily and intraday cash, mark-to-market/option premium, and original margin using algorithms based on the SPAN algorithm), collateral management, daily settlement and banking. ECS is a state-of-the-art system offering open, internet-based connectivity and integration options for CM access to user and account management, position reporting and collateral management.

ICE Clear Singapore offers real-time trade confirmation of trades booked for clearing over standard FIXML formatted messages and supports a multitude of post-trade management functions including trade corrections, trade adjustment, position transfers, average pricing and give-up processing. ICE Clear Singapore takes a proactive approach to enhancing the reliability, capacity and performance of its clearing systems.

The risk management systems calculate real-time original margin and variation margin requirements of intra-day trade activity. Each day, ICE Clear Singapore follows a consistent sequence of events illustrated as follows (all times are Singapore Standard time ("**SGT**")):

Margin payments are due no later than 10 AM SGT the following day, regardless of the time zone in which a CM is located. During the day, any shortfall calculated by the risk management systems can be called from the CM. Such calls are required to be met within the hour following their issuance.

¹ Securities and Futures (Clearing Facilities) Regulations 2013, Regulation 14.

² See Question 3 of the MAS FAQs on Compliance with the PFMIs.

Intraday variation settlement instructions are delivered to an Approved Financial Institution ("**AFI**"). AFIs are banks that have been designated as an approved financial institution by ICE Clear Singapore for the purpose of making and receiving cash transfers and payment transfer orders.

IV. Principle-by-principle summary narrative disclosure

Principle 1: Legal Basis

An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.

Summary narrative

ICE Clear Singapore has a well-founded, clear, transparent and enforceable legal basis for each aspect of its activities in all relevant jurisdictions.

ICE Clear Singapore is a company incorporated in the Republic of Singapore and is governed by its certificate of incorporation, memorandum and articles of association and operates in accordance with the Clearing Rules (construed in accordance with and governed by the laws of the Republic of Singapore). Currently, ICE Clear Singapore is conducting business solely in the Republic of Singapore and only with Singapore-incorporated CMs or Singapore branches of overseas banks. On an on-going basis, ICE Clear Singapore assesses and assures its compliance with all relevant Singapore statutes and regulations. Its activities as a clearing house are supervised by the MAS.

Each CM is required to enter into the standard form clearing membership agreement whereby it agrees to observe, comply with and be bound by all of the Clearing Rules. The Clearing Rules address the material aspects of ICE Clear Singapore's activities, which include: acceptance of trades; trade offsets, margin requirements; default; netting; guaranty fund; portability; physical settlement; and segregation.

The Clearing Rules are publicly available on the ICE Clear Singapore website. As an ACH, ICE Clear Singapore must file all changes to the Clearing Rules (together with details of the purpose of such rule change) with the MAS in accordance with Regulation 30 of the Securities and Futures (Clearing Facilities) Regulations 2013. It also consults publicly on Clearing Rules changes³. The MAS may disallow, alter or supplement the whole or any part of a proposed rule amendment⁴.

Where necessary, ICE Clear Singapore may provide further guidance to CMs through circulars, which will also be posted on its website, to help clarify the intention behind the relevant Clearing Rules.

Prior to filing any proposed rule change with the MAS, and absent any emergency or other circumstance, ICE Clear Singapore may consult with its Risk Committee in relation to the proposed rule change where this affects its risk management framework. The Risk Committee is entitled to provide recommendations to the Board on risk-related matters affected by any rule change. This governance process, as well as the procedures outlined in the Clearing Rules, allows multiple stakeholders to provide input and feedback regarding Clearing Rules amendments.

All contractual obligations and rights between ICE Clear Singapore and CMs are properly executed and expressly stated to be governed by the laws of the Republic of Singapore. ICE Clear Singapore has sought legal advice to confirm that the Clearing Rules and contracts cleared by ICE Clear Singapore are enforceable and that actions taken under the Clearing Rules will not be voided, reversed or subject to stays. Further, section 67(1) of the SFA provides that the

³ Clearing Rules, Rule 109 (*Alteration of Rules, Procedures, Guidance and Circulars*).

⁴ Securities and Futures (Clearing Facilities) Regulations 2013, Regulation 30(5).

Principle 1: Legal Basis

Clearing Rules operate as a binding contract between ICE Clear Singapore and CMs, and section 81F of the SFA requires that ICE Clear Singapore's clearing and settlement functions will not be disrupted by a CM insolvency. In addition, the Clearing Rules provide that in the event of inconsistencies between the Clearing Rules and applicable Singapore laws or regulations, such Singapore laws and regulations will prevail and the Clearing Rules shall be construed in a manner consistent with those laws and regulations⁵. By complying with applicable laws, ICE Clear Singapore will ensure that there is a high degree of certainty that the Clearing Rules will not be voided, reversed or challenged in the Republic of Singapore or elsewhere.

Regarding foreign jurisdictions, ICE Clear Singapore requires each CM to ensure that it has the appropriate regulatory status in each jurisdiction in which the CM operates or plans to operate.

⁵ Clearing Rules, Rule 102(r)(*Interpretation*); Rule 108(a) (*Maintenance of Records; Return of Documents and other Materials*); Rule 201(a)(xxviii) and Rule 201(a)(xxxi) (*Clearing Membership Criteria*); Rule 204(b) (*Notifications by Clearing Members*); Rule 208 (*Suspension of Clearing Member*); and Rule 901(a)(xii) (*Events of Default affecting Clearing Members*).

Principle 2: Governance

An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.

Summary narrative

ICE Clear Singapore has governance arrangements that are clear and transparent, promote its safety and efficiency and support the stability of the broader financial system, other relevant public interest considerations and the objectives of relevant stakeholders.

The ICE Clear Singapore governance structure promotes the various statutory objectives set out in the SFA, including promoting the provision of safe and efficient clearing facilities and the reduction of systemic risk⁶. Pursuant to section 57 of the SFA, ICE Clear Singapore shall also, amongst other things, ensure that it: (i) will not act contrary to the interests of the public when discharging its obligations under the SFA; (ii) will have sufficient financial, human and system resources to operate a safe and efficient clearing facility, meet contingencies or disasters, and provide adequate security arrangements; and (iii) will appoint and employ fit and proper persons as its Chairman and directors.

The ICE Clear Singapore governance structure is set forth in its Articles of Association, which provide that the Board has control and management of the affairs and business and has all the powers and duties set forth in the Clearing Rules⁷. Ultimate responsibility for operations rests with the Board. The Board formulates or approves policy and oversees and directs the overall management of ICE Clear Singapore's business by its officers. The Board may from time to time delegate authority to the Risk Committee and other Board committees described below, ICE Clear Singapore officers or to others to act on behalf of ICE Clear Singapore.

In accordance with the Articles of Association⁸, the Board will be comprised of at least one director (the Chairman) at any time. ICE Clear Singapore directors are elected by its shareholder. ICE Clear Singapore has three non-executive directors who are independent of the management and business of ICE Clear Singapore, provided that such directors also sit on the board of ICE Futures Singapore. Such directors do not have any management or business relationship or any financial interest in the ICE group other than being directors of the ICE Clear Singapore, ICE Futures Singapore and its holding company. Such arrangements have been approved by the MAS.

Directors are required to have appropriate skills and incentives to fulfil their responsibilities. The Board reviews its overall performance on an annual basis. The Nominating Committee annually reviews and evaluates the performance of individual directors.

The Board appoints officers and, pursuant to the Articles of Association, prescribes the authority and duties to be performed by each officer. The Board is responsible for appointing officers that have the appropriate experience, skills, and integrity necessary to discharge operational and risk management responsibilities. In addition, the Board is charged with ensuring that risk management and internal control personnel have sufficient authority, resources, and access to the Board so that ICE Clear Singapore will function in accordance with the risk management framework established by the Board.

⁶ SFA, Section 47.

⁷ Articles of Association, Article 3 and Clearing Rule 114 (*Action by the Clearing House*).

⁸ Articles of Association, Article 64 and Article 84

Principle 2: Governance

The Board has various committees to assist with its oversight functions and to ensure compliance with Singaporean laws and international standards. Regulation 8 of the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and Approved Holding Companies) Regulations 2005 require ACHs to have a Nominating Committee, a Remuneration Committee, an Audit Committee, and a Conflicts Committee.

The Nominating Committee is composed of at least five members of the Board. It identifies candidates, reviews nominations and considers resignations of each director, each member of any committee of the Board, and other officers such as the chief operating officer and chief financial officer⁹.

The Remuneration Committee is composed of at least three members of the Board. It is tasked with ensuring that ICE Clear Singapore maintains appropriate and suitable remuneration policies and procedures. The Remuneration Committee makes recommendations to the Board regarding the remuneration framework for directors and other officers.

The Audit Committee, which is composed of at least three members of the Board, is responsible for the adequacy of the external and internal audit functions, including reviewing the scope and results of internal and external audits.

The Conflicts Committee is comprised of at least three members of the Board. It reviews the adequacy of arrangements within the ICE group for dealing with any perceived or actual conflicts of interest.

The Risk Management Committee is comprised of at least three members of the Board and at least a majority of company directors who are non-executive directors (including the chairman of the Committee). Members of the Risk Management Committee are appointed by the Board. The Risk Management Committee, amongst other things, advises and makes recommendations to the Board with respect to the establishment and operation of a risk management system for managing risks on an enterprise-wide basis and the adequacy of the risk management function of ICE Clear Singapore.

Consistent with international practice, ICE Clear Singapore has also established a Risk Committee. The Board has established and will periodically review the terms of reference of the Risk Committee. The Risk Committee is comprised of representatives of ICE Clear Singapore, clearing members and other market participants, with no single group having a majority of representation. The Risk Committee, amongst other things, makes recommendations to the Board with respect to clearing membership requirements, margin parameter settings and sensitivity analysis, default management procedures, analysis of guaranty fund requirements, collateral management, AFI risk reviews, liquidity analysis, and stress scenarios.

The President & COO of ICE Clear Singapore reports to the Board and the officers of ICE Clear Singapore are accountable to the President & COO. The President & COO supervises the business and affairs, subject to the direction of the Board, and is responsible for implementing the decisions of the Board. At least annually, the Board approves various policies, procedures and frameworks, including a Risk Management Framework, to provide for the comprehensive management of all material risks to which ICE Clear Singapore is, or may be exposed. Per such policies, procedures and framework, the President & COO is responsible for all activities, including crisis management, implementing default rules and procedures, system safeguards, and recovery and wind-down plans.

⁹ Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and Approved Holding Companies) Regulations 2005, Regulation 10.

Principle 2: Governance

The ICE group provides the internal audit function independently from ICE Clear Singapore's business activities. Internal audit has the authority to review all areas of the ICE group and provides ICE Clear Singapore with an independent source of assurance on compliance controls, including risk management. Internal audit reports directly to the Board.

ICE Clear Singapore maintains a public complaints resolution procedure setting out the dispute resolution process for complaints arising from the performance of ICE Clear Singapore regulatory functions. This procedure provides that complaints are investigated by an independent commissioner.

Non-confidential decisions of the Board of relevance will be clearly disclosed in a timely manner to CMs, other relevant stakeholders, and to the MAS. Additionally, subject to confidentiality requirements, major decisions of the Board having a broad market impact will be disclosed to the public through circulars or press releases (made publicly available on the ICE Clear Singapore website). Further, ICE Clear Singapore will update the information disclosed on its website to reflect any such major decisions appropriately.

Principle 3: Framework for the comprehensive management of risks

An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.

Summary narrative

ICE Clear Singapore has a sound risk management framework for comprehensively managing legal, credit, liquidity, operational and other risks.

ICE Clear Singapore's risk management program includes risk management policies, procedures and systems that enable it to identify, measure, monitor and manage the risks faced on an enterprise-wide basis. This risk assessment includes ensuring that ICE Clear Singapore is sufficiently resourced to monitor risk by these various risk categories and has appropriate independent reporting lines. ICE Clear Singapore reviews its risk framework on at least an annual basis.

The Risk Management Committee is mandated to ensure effective internal controls and risk management practices are implemented to achieve security, reliability, resiliency and recoverability.

The Risk Committee regularly reviews and recommends Board approval of the risk management framework including: clearing membership requirements; margin parameter settings and sensitivity analysis; default management procedures; analysis of guaranty fund requirements; collateral management; AFI risk reviews; liquidity analysis; and stress scenarios.

Members are provided with information, tools and incentives to manage and contain the risks they pose to ICE Clear Singapore. For instance, members can impose system limits on the exposure per client account, have access to working orders with the ability to withdraw and have insight in processed orders on a real-time basis. Members' contributions to the Guaranty Fund are based on the relative exposure they pose and, in case of a default auction, the order in which the members' contribution is used will be dependent on the active participation and bidding behaviour of members during the default auction.

ICE Clear Singapore requires CMs to monitor and manage the risks they pose to ICE Clear Singapore. These requirements include:

- (i) Clearing Rules require CMs to maintain adequate risk management systems, which address the risks that such CMs may pose to ICE Clear Singapore and a requirement that CMs make information and documents regarding their risk management policies, procedures, and practices available to ICE Clear Singapore upon request¹⁰;
- (ii) Clearing Rules that require CMs to actively manage their positions and the ability of ICE Clear Singapore, should a CM fail to continue to meet membership criteria, to remove that CM from membership¹¹; and
- (iii) Clearing Rules that enable ICE Clear Singapore to impose risk mitigation measures, such as higher margin and guaranty fund requirements, on those CMs who it considers pose a threat to its operations¹².

¹⁰ Clearing Rules, Rule 202(a)(xiv)(B) (Interpretation) and Rule 202(a)(xvii) (Interpretation).

¹¹ Clearing Rules, Rule 209 (Termination of Clearing Membership).

¹² Clearing Rules, Rule 201(b) (Clearing Membership Criteria).

Principle 3: Framework for the comprehensive management of risks

In addition, the Clearing Rules give ICE Clear Singapore powers to discipline and take corrective action against CMs who fail to comply with the Clearing Rules and the clearing membership agreement. In particular, the Clearing Rules set out the circumstances in which a CM may be suspended and states when ICE Clear Singapore will be entitled to terminate the membership of any CM. The Clearing Rules also set out the default rules which apply following a CM default, together with the disciplinary proceedings for CMs who have breached the Clearing Rules¹³.

ICE Clear Singapore has identified a range of scenarios of business interruption and consequent response plans to these scenarios.

The ICE Clear Singapore recovery and resolution plan provides for the on-going provision of clearing services during recovery as well as an orderly process in the event wind-down becomes necessary¹⁴.

¹³ Clearing Rules, Rule 208 (*Suspension of Clearing Membership*), 209 (*Termination of Clearing Membership*), Part 9 (*Default Rules*) and Part 10 (*Disciplinary Proceedings*).

¹⁴ Securities and Futures (Clearing Facilities) Regulations 2013, Regulation 17; Clearing Rules, Rule 105 (*Termination*).

Principle 4: Credit Risk

An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.

Summary narrative

ICE Clear Singapore effectively measures, monitors and manages its credit exposures to CMs, arising from its payment, clearing and settlement function. ICE Clear Singapore maintains sufficient resources to cover its credit exposure to each CM in full and with a high degree of confidence by, amongst other things, requiring CMs to provide original margin (to address potential price movements) and variation margin (to address actual price movements).

To mitigate credit risk, ICE Clear Singapore actively monitors credit exposure to CMs and AFIs. ICE Clear Singapore's risk management techniques are comprehensive and specifically designed to prevent the accumulation of losses, ensure sufficient resources are available to cover future obligations and promptly detect financial and operational weaknesses.

In its operation as a clearing house, ICE Clear Singapore acts as a CCP and rigorously controls the risks it assumes, for instance, by: (i) granting admission only to CMs who are financially stable and who meet the stringent membership criteria¹⁵; and (ii) calculating and enforcing CM margin thresholds sufficient to cover current and future exposures of ICE Clear Singapore to each CM¹⁶. In addition, ICE Clear Singapore monitors clearing risk exposures on a daily basis and maintains additional financial resources to cover a wide range of potential stress scenarios. The stress-testing program is designed to ensure that the combination of requirements for margin, default fund contributions and other financial resources are sufficient to withstand the default of at least the CM (and its affiliates) to which ICE Clear Singapore has the largest aggregate credit exposures and the two financially weakest CMs in extreme but plausible market conditions.

ICE Clear Singapore requires all CMs to participate in funding the Guaranty Fund ("GF"). The GF comprises contributions from ICE Clear Singapore and CMs, which are used to meet losses in the event of a CM default where margin contributions and other collateral of a defaulting CM (a "Defaulter") are insufficient to cover these losses. The GF methodology computes the magnitude of potential losses based on a comprehensive set of stress test scenarios, established following international standards, including those for qualifying central counterparties (QCCPs) under Basel III. These scenarios are periodically reviewed by the Risk Committee. ICE Clear Singapore calculates the adequacy of the GF daily using pre-determined parameters and assumptions for different stress scenarios. In addition, ICE Clear Singapore reviews and documents the supporting rationale for the size of the GF on a monthly basis and reports the results of its review to the Risk Committee periodically. ICE Clear Singapore will report more frequently when markets become volatile or less liquid and, where necessary, makes recommendations on the level of the GF. The Risk Committee's opinion on the level of the GF, including any recommended

¹⁵ Clearing Rules, Rule 201 (*Clearing Membership Criteria*) and Rule 202 (*Obligations of Clearing Members*).

¹⁶ Clearing Rules, Part 5 (*Margin*)

Principle 4: Credit Risk

adjustments, will be recommended to and considered by the Board, as appropriate. Any adjustment to the size of an individual CM's GF contribution will be communicated individually by letter. CMs will ordinarily have ten Singaporean business days from such notification of adjustment to the GF to lodge sufficient funds.

In the case of losses exceeding the funded financial resources available, ICE Clear Singapore may also impose assessments on CMs, subject to a per default assessment limit (2 times their GF contribution).

Further, with regard to the management of credit risk from banks, ICE Clear Singapore only uses those AFIs and financial institutions that have a minimum financial rating both from external agencies and the ICE Clear Singapore Counterparty Rating Systems.

Principle 5: Collateral

An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.

Summary narrative

ICE Clear Singapore requires collateral with low credit, liquidity and market risks to manage its CM's credit exposure. ICE Clear Singapore requires and enforces conservative haircuts and concentration limits. ICE Clear Singapore operates a collateral management policy that is designed to ensure that: (i) all forms of collateral can efficiently be liquidated; (ii) appropriate limits are set and monitored to mitigate risk from concentrated collateral positions; and (iii) appropriate prices are used for the valuation on the revaluation of collateral.

In order to ensure that its collateral management framework is well-designed, operationally flexible and manages market risks effectively, ICE Clear Singapore takes into account the following broad general principles when accepting assets as collateral:

- (i) the asset must be able to be re-valued on a daily basis and quoted intraday by third-party financial market news information providers;
- (ii) assets acceptable as collateral must be highly liquid with an active sale or repurchase agreement market with a diverse group of buyers and sellers or are secured instruments that are freely convertible into cash;
- (iii) the market for the asset should have sufficient price history to permit the ability to analyse the statistical returns of such assets;
- (iv) the asset must comply with all relevant legal and regulatory requirements, including in relation to enforceability of title-transfer arrangements in the relevant jurisdiction;
- (v) ICE Clear Singapore must have the operational framework and necessary technology in place to handle deposits, liquidation and return of the asset;
- (vi) cash collateral shall only be in currencies specified by ICE Clear Singapore;
- (vii) where the asset is a financial instrument, the following additional principles apply:
 - a. only 'vanilla' forms of that instrument will be accepted. Instruments containing special features such as embedded optionality or perpetual bonds will not be accepted. Inflation indexed government bonds are accepted;
 - b. financial instruments issued by a CM, or any entity that is part of the same group as the CM, will not be accepted from that CM;
 - c. financial instruments issued by a CCP or any entity whose business involves providing services critical to the functioning of ICE Clear Singapore will not be acceptable (unless that entity is a central bank of issue of a currency in which the CCP has exposures);
 - d. the financial instrument must be of low credit risk.
- (viii) where market conditions dictate, ICE Clear Singapore is entitled to review and remove securities from the list of accepted collateral and vary the applicable haircuts at any time.

Principle 5: Collateral

ICE Clear Singapore publishes the list of "Permitted Cover" (acceptable collateral) on its website. The list of Permitted Cover also specifies applicable haircuts and limits.

ICE Clear Singapore sets absolute limits per type of permitted cover that can be posted against a CM's requirements. The purpose of these limits is to minimise liquidity risk in the event that it is necessary to liquidate that collateral. Limits are determined with reference to the daily trading volume of the asset. Further, in order to ensure diversification across the collateral lodged by the CM, ICE Clear Singapore applies concentration limits for each collateral type that determines the total value of collateral as eligible cover. These limits mitigate concentration risk in the collateral of a CM and ensure a large portion of a CM's collateral is not exposed to idiosyncratic risk from one particular issuer.

ICE Clear Singapore monitors the collateral limits set out above on a near to real-time basis. Breaches are reviewed internally and the CM(s) concerned will be contacted and advised on the nature of the breach and the actions required to rectify it. Actions a CM may be required to take in order to remediate the breach include posting additional collateral reducing positions and/or removal of some portion of a collateral type that is in breach of a limit.

In order to reduce the operational burden of enforcing the relevant absolute and relative limits, the right to enforce the limit may be waived in such circumstances whereby doing so does not result in a material change in risk.

Haircuts applied to Permitted Cover and cross currency haircuts (where collateral is posted in a currency other than that of the initial margin liability) are set to account for the risk associated with fluctuations of collateral asset prices.

As part of the daily risk control procedures, ICE Clear Singapore conducts back-testing to verify that the risk model is performing properly. Each asset's price move is compared to the haircut currently in production. A breach of a haircut level automatically triggers a review of the particular haircut.

Should a breach of the haircut level occur for a particular security, ICE Clear Singapore will: investigate the cause of the collateral breach. Where considered necessary, the haircut deemed for the relevant issuer and tenor will be recalculated in accordance with the standard collateral haircut methodology.

Principle 6: Margin

A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.

Summary narrative

ICE Clear Singapore covers its credit exposures to its CMs for all products through an effective margin system that is regularly reviewed.

ICE Clear Singapore holds original margin in respect of all open positions. The original margin requirement is sized to cover potential losses should it become necessary to liquidate a CM's portfolio of positions. ICE Clear Singapore imposes capital-to-margin ratio limits on CMs, which are designed to ensure that a CM's original margin requirement is monitored and does not exceed certain ratios when compared to the CM's balance sheet capital. As such, the capital-to-margin ratio limits are limits on leverage aimed at ensuring a CM does not enter into excessively large risk positions relative to its ability to absorb losses on those positions.

CM original margin requirements are re-calculated following the close of business each business day, separately for each CM house and client.

Original margin is calculated using the historical price volatility of the contract being margined. It is collected to ensure CMs can meet their variation margin obligations for the next day, should the market move significantly against the positions the CMs are carrying. ICE Clear Singapore calculates original margin requirements using a system that determines the loss a CM could incur due to price moves over the liquidation period based on historical market prices and volatility. ICE Clear Singapore assumes a liquidation period of 1 day unless contract characteristics require a longer period to be taken into account.

ICE Clear Singapore uses a variety of analytical tools and procedures to establish and validate the margin requirement. All parameters, scanning ranges, inter-month spread charges and inter-commodity spread rates (where offered), are calculated to a confidence level of 99%. This ensures that ICE Clear Singapore holds sufficient margin to cover the cost of closing-out a Defaulter's position in all but the most extreme of market conditions, thus protecting the Guaranty Fund and its membership from loss. ICE Clear Singapore adjusts the margin requirement for each commodity up or down as market volatility changes.

ICE Clear Singapore ensures that valuation and re-valuations of all open positions in cleared contracts accurately represent the market valuations at the time of revaluation. To this end, ICE Clear Singapore liaises closely with ICE Futures Singapore to ensure mutual understanding and cooperation on valuations, working together where concerns are raised. For ICE Futures Singapore products, it is the ICE Futures Singapore Market Supervision team who are responsible for the formation of daily and final settlement prices. ICE Clear Singapore uses these settlement prices as the basis for valuation, but retains the right to override these settlement prices in certain circumstances under the Clearing Rules¹⁷.

ICE Clear Singapore receives real-time price feeds as well as daily end-of-day settlement prices from ICE Futures Singapore and price quotations from independent price quote vendors such as Reuters and Bloomberg.

If a CM's original margin requirement increases and is not holding sufficient excess cash or collateral to cover the increase, ICE Clear Singapore will call for additional original margin to meet

¹⁷ Clearing Rules, Rule 701 (*Determination of Exchange Delivery Settlement Price*).

Principle 6: Margin

the deficiency¹⁸. This calculation is made on a daily basis for each CM's end-of-day positions but may be made on an intra-day basis.

ICE Clear Singapore has the authority and operational ability to make intra-day margin calls to CMs. Throughout the business day, every CM will have their Variation and Original Margin requirement recalculated as their portfolio and prices change. Should the size of a CM's intraday shortfall exceed the risk tolerance, ICE Clear Singapore will ask that CM to take actions to remediate that risk.

ICE Clear Singapore conducts back-testing on a daily basis to review the adequacy of margin requirements. If the model consistently demonstrates exceptions, the ICE Clear Singapore reviews the models and recommends revisions to the Risk Committee.

At least monthly, ICE Clear Singapore prepares a sensitivity analysis report that provides an assessment of the margin requirements process. The assessment is an evaluation of the effectiveness of the margin models and contains any recommendations for changes. It also evaluates the margin methodology under a wide range of volatilities to ensure the margin calculation will properly assess risk should those environments occur.

¹⁸ Clearing Rules, Rule 502(g) (*Margin*).

Principle 7: Liquidity risk

An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.

Summary narrative

ICE Clear Singapore measures, monitors, and manages its liquidity requirements and resources through its liquidity risk management framework, which is validated and reviewed at least annually. This framework is designed to ensure that ICE Clear Singapore has sufficient liquid resources to meet all of its payment obligations with a high degree of confidence. As part of its liquidity risk management framework ICE Clear Singapore identifies, assesses and consequently mitigates sources of liquidity risk. ICE Clear Singapore has effective operational and analytical tools in place to identify, measure and monitor settlement and funding flows on an ongoing and timely basis, including the use of intraday liquidity.

ICE Clear Singapore's liquidity risk management framework includes daily stress testing of liquidity requirements to meet intra-day, same-day, and multi-day settlement obligations under extreme but plausible market conditions. Such stress scenarios are designed to ensure that the combination margin requirements, default fund contributions and other financial resources are sufficient to withstand the default of at least the CM (and its affiliates) to which ICE Clear Singapore has the largest aggregate credit exposures and the two financially weakest CMs in extreme but plausible market conditions. Stress scenarios also include reverse stress tests to identify the extreme default scenarios and extreme market condition under which ICE Clear Singapore's liquid resources would be insufficient.

On a periodic basis (and more frequently when markets become volatile or less liquid), ICE Clear Singapore conducts and evaluates the results of liquidity tests in order to determine liquidity requirements. It looks at the intra-day and end-of-day requirements under normal and extreme but plausible conditions. When required, ICE Clear Singapore adjusts the availability of its liquidity resources. Results of liquidity tests are circulated to senior management and to the Risk Committee on a periodic basis.

When performing the periodic analysis of the liquidity scenarios, ICE Clear Singapore considers the impact on AFIs, depositories, liquidity providers and other entities, and the impact any inter-linkages between CMs and other roles they may have. ICE Clear Singapore also considers multi-day scenarios and the probability of multiple firm failures and contagion effect among CMs when evaluating the stress scenarios for liquidity.

Furthermore, ICE Clear Singapore periodically tests its procedures for accessing its liquidity arrangements, and its ability to convert currencies pursuant to FX transactions. ICE Clear Singapore monitors exposure to and credit worthiness of its liquidity providers.

Principle 8: Settlement finality

An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.

Summary narrative

ICE Clear Singapore provides clear and certain settlement upon payment and receipt of funds in real-time.

Part 12 (*Settlement Finality*) of the Clearing Rules has detailed provisions on settlement finality, which, together with the provisions on default rules and disciplinary proceedings, are treated as 'default rules' for the purposes of Part III of the SFA and the Securities and Futures (Clearing Facilities) Regulations 2013¹⁹. Such settlement finality provisions provide clear and certain final settlement and enhance the systemic risk protection provided to CMs in the event of a clearing counterparty default.

The exact point of settlement finality under the Clearing Rules differs depending on the type of transfer order which is entered into the ICE Clear Singapore payment system (the "**Payment System**"). Broadly, the Payment System means the system operated by ICE Clear Singapore consisting of the formal arrangements between itself and CMs. Such formal arrangements include the Clearing Rules and the Procedures and the standardised arrangements (including, among other things, the clearing membership agreements and other agreements involving ICE Clear Singapore, CMs and AFIs) and related functionality for the effecting of transfer orders between ICE Clear Singapore and CMs.

ICE Clear Singapore operates a Payment System whereby transfer orders are made through an assured payment service ("**APS**") account structure for the collection and payments of amounts due in respect of contracts or collateral. Such structure involves AFIs (through which payments between CMs and ICE Clear Singapore are made. ICE Clear Singapore requires each CM to open one or more accounts with an AFI nominated for the purposes of making and receiving cash transfers in respect of amounts due in respect of that CM's proprietary account (each account a "**Nominated Account**") and one or more accounts with an AFI nominated for the purposes of making and receiving cash transfers in respect of amounts due in respect of that CM's customer account (each account a "**Nominated Account**").

In order to ensure that the provisions in the Clearing Rules on settlement finality are legally binding, Clause 5.2 of ICE Clear Singapore's standard form clearing membership agreement requires each CM at all times to have in place a duly executed Third Party Authority Form in favour of each AFI used by it and in respect of (each of) its Nominated Account(s). Under the same provision ICE Clear Singapore is appointed as the CM's lawful attorney and agent, pursuant to which appointment ICE Clear Singapore may take any action as it in its discretion determines in connection with the CM's Nominated Account(s). The power of attorney and agency give ICE Clear Singapore the power to instruct AFIs to receive balance and transaction information, including account statements and transaction advices, from the AFIs in relation to the Nominated Account(s) at any time. Pursuant to the same provision, CMs agree and acknowledge that the AFI will act upon any instructions received from ICE Clear Singapore in relation to the Nominated Account(s), notwithstanding that such instructions may result in an overdraft on (any of) the Nominated Account(s), without any further reference to, or authority from, that CM. Finally, CMs will represent, warrant and acknowledge to ICE Clear Singapore that instructions given by the ICE Clear Singapore in relation to the Nominated Account(s) shall be deemed to be, and may be treated by any AFI as, instructions given on behalf of the CM. This process is designed to

¹⁹ Clearing Rules, Part 9 (Default Rules), Part 10 (Disciplinary Proceedings) and Part 12 (Settlement Finality).

Principle 8: Settlement finality

ensure that all payments made by the AFI under ICE Clear Singapore's settlement finality rules will, immediately upon execution, be irrevocable and the AFI will not be able to reverse the payment from the ICE Clear Singapore account without receipt of authorisation from ICE Clear Singapore evidenced in writing.

The account structure described above is used where a payment transfer order or a securities transfer order is effected in the ICE Clear Singapore systems.

The settlement finality of Payment Transfer Orders and Securities Transfer Orders is provided for under the Clearing Rules as follows:

- (i) Payment Transfer Orders become irrevocable and unconditional at the time when the AFI of the account from which payment is to be made sends a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made (subject to certain provisions for corrections of errors)²⁰; and
- (ii) in respect of Securities Transfer Orders:
 - a. position transfer orders become irrevocable when the definitive record of the open contract position of the CM is updated as a result of a successful position transfer clearing run in the ICE Clear Singapore systems to reflect the transfer, assignment or novation of contracts which are given effect pursuant to such position transfer order;
 - b. collateral transfer orders become irrevocable when either ICE Clear Singapore receives the non-cash collateral, or when any related securities transfer order becomes irrevocable; and
 - c. ICE Futures Singapore Block Clearing Orders become irrevocable when ICE Clear Singapore becomes party to resulting contracts with CMs²¹.

Moreover, the Clearing Rules limit the circumstances in which transfer orders may be amended or cancelled, such as manifest or proven error, the contract being void ab initio, or the transaction not being eligible for clearing or not accepted for clearing²².

The process by which transfer orders are effected in ICE Clear Singapore's systems, in conjunction with the APS account structure, ensures that the point of settlement finality for contracts cleared on ICE Clear Singapore is clear and definite. The Clearing Rules clearly define the point where after which unsettled payments, transfer orders or other obligations may not be revoked by a CM. Further, confidence in the clearing function of ICE Clear Singapore is maintained because once settlement finality is achieved, transfer orders become irrevocable in the manner described above and are thus protected from general laws of insolvency, such that transfer orders can be seen to completion notwithstanding an insolvency of a CM.

In relation to non-financial instruments, ICE Clear Singapore operates Guardian, a delivery system for the transfer of warrants. A warrant issued in Guardian is evidence of title to the underlying and transfers of warrants on Guardian constitute effective and immediate transfer of title in the underlying pursuant to Clearing Rules.

²⁰ Clearing Rules, Rule 1203 (*Transfer Orders Becoming Irrevocable*).

²¹ Clearing Rules, Rule 1203 (*Transfer Orders Becoming Irrevocable*).

²² Rule 1204 (*Variations to or Cancellation of Transfer Orders*).

Principle 9: Money settlements

An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.

Summary narrative

ICE Clear Singapore conducts its money settlements through approved commercial banks. The financial institutions that ICE Clear Singapore uses for settlement and custody are among the largest financial institutions in the world. They are reputable organisations that employ accounting practices, safekeeping procedures and internal controls designed to protect deposits. Such financial institutions are licenced and supervised by the MAS under the Banking Act (Chapter 19) of Singapore.

ICE Clear Singapore monitors the financial health of the financial institutions in which it holds its settlement and custodial accounts. ICE Clear Singapore also utilises an internal rating system to monitor and evaluate these institutions. The rating system is used to generate an internal rating for each institution, based on a combination of financial data, market data and an overall qualitative assessment of the AFI's financial condition and market standing. ICE Clear Singapore limits its exposure to a single institution by investing cash under management across multiple institutions.

ICE Clear Singapore's legal agreements with its AFIs and the Clearing Rules ensure that all settlements are final when effected. Pursuant to such legal agreements, settlement fund transfers are irrevocable and unconditional at the time when the AFI of the account from which payment is to be made sends a SWIFT confirmation message, other electronic message, fax, telephone or other message confirming that the relevant payment will be or has been made (subject to certain provisions for corrections of errors).

Principle 10: Physical deliveries

An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.

Summary narrative

The Clearing Rules and the Delivery Procedures clearly state ICE Clear Singapore's obligations with respect to physical deliveries. In addition, ICE Clear Singapore regularly identifies, monitors and manages the risks associated with such physical deliveries.

The Clearing Rules address the management of risks and costs of storage and the allocation of risks between the delivery participants related to delivery of physical instruments or commodities.

Each CM who is a seller under a contract subject to delivery (the "**Seller**") and each CM that is a buyer to the same contract (the "**Buyer**") is required under the Clearing Rules to make such payments and deliveries and deliver such tenders, notices and invoices as are required pursuant to the Delivery Procedures and Clearing Rules. The Clearing Rules clearly provide that the passing on by ICE Clear Singapore of such tenders or such other documents shall not constitute acceptance by ICE Clear Singapore of such tenders or such documents if the CM to which ICE Clear Singapore passed on such tender or documents rejects the same where permitted to do so. In the event of such rejection, ICE Clear Singapore shall also be entitled to reject the tenders or other documents. Similarly, where a CM who is a Buyer under a contract rejects a deliverable delivered to it, ICE Clear Singapore as Buyer under the corresponding back-to-back contract shall be entitled, if to do so would be in accordance with the applicable contract terms, to take the same action as against the Seller under that contract and ICE Clear Singapore shall not be deemed to have accepted such delivery until the relevant Buyer has accepted delivery under the first contract²³.

Further, the Clearing Rules provide that ICE Clear Singapore may direct a CM who is a Seller to deliver the deliverable to another CM that is a Buyer. The Seller and the Buyer shall each be bound by any such direction. Delivery in accordance with any such direction shall be deemed to constitute delivery by the Seller to ICE Clear Singapore and from ICE Clear Singapore to the Buyer for the purposes of the contract or contracts in question (but title shall not pass unless and until such time specified in the Delivery Procedures). All payments in relation to such contracts shall nonetheless be made only to and from ICE Clear Singapore by the CMs concerned²⁴.

²³ Clearing Rules, Rule 703(c) (*Delivery*).

²⁴ Clearing Rules, Rule 703(f) (*Delivery*).

Principle 12: Exchange-of-value settlement systems

If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.

Summary narrative

The Clearing Rules eliminate principal risk with respect to the delivery of physically-deliverable contracts by providing that where a CM who is a Buyer under a contract rejects a deliverable delivered to it, ICE Clear Singapore as Buyer under the corresponding back to back contract shall be entitled in certain circumstances to take the same action as against the Seller under that contract and ICE Clear Singapore shall not be deemed to have accepted such delivery until the relevant Buyer has accepted delivery under the first contract²⁵.

Further, ICE Clear Singapore may direct a Seller to deliver the deliverable that is the subject matter of the relevant contract to a Buyer. Delivery in accordance with any such direction shall be deemed to constitute delivery by the Seller to ICE Clear Singapore and from ICE Clear Singapore to the Buyer for the purposes of the contract or contracts in question (but title shall not pass unless and until such time specified in the Delivery Procedures)²⁶.

No margin payment, option premium or GF contribution payment to or from ICE Clear Singapore involves two linked obligations.

²⁵ Clearing Rules, Rule 703(c) (*Delivery*).

²⁶ Clearing Rules, Rule 703(f) (*Delivery*).

Principle 13: Participant-default rules and procedures

An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.

Summary narrative

ICE Clear Singapore has effective and clearly defined rules and procedures in place to manage a CM default. The Clearing Rules contain detailed provisions on CM events of default and disciplinary proceedings, which, together with the provisions on settlement finality, are treated as 'default rules' and any actions taken by ICE Clear Singapore pursuant to such provisions are treated as 'default proceedings' for the purposes of Part III of the SFA and the Securities and Futures (Clearing Facilities) Regulations 2013. The Clearing Rules are designed to ensure that ICE Clear Singapore can take timely action on a CM event of default to contain losses, manage liquidity pressures and to enable ICE Clear Singapore to continue to function as a clearing house²⁷.

The Clearing Rules provide ICE Clear Singapore with significant latitude as to when a CM may be deemed to be subject to an event of default to ensure ICE Clear Singapore has sufficient freedom of action in order to protect itself, and the market, from potential systemic risk. For example, the circumstances in which ICE Clear Singapore may declare a CM default include, amongst others, a CM's failure to meet payment obligations to ICE Clear Singapore, a CM's insolvency or the insolvency of any of that CM's group companies and breach by the CM of the Clearing Rules or applicable law.

If an event of default has been declared, ICE Clear Singapore may immediately suspend or terminate the clearing membership and any other entitlements under the Clearing Rules of the Defaulter, take any action to close out the Defaulter's positions and take any other action as is necessary to control or reduce losses or liquidity pressures resulting from an event of default²⁸. The Clearing Rules provide ICE Clear Singapore with a certain level of discretion and flexibility in its implementation of the default rules, to enable it to adequately address each event of default separately and tailor any default proceedings to the particular financial emergency or CM default at issue. For example, if ICE Clear Singapore determines that the suspension or termination of a Defaulter's clearing membership would either not be in the best interests of ICE Clear Singapore or would be likely to adversely affect the operation of any market, it has discretion to temporarily postpone or not enforce such suspension or termination.

In the event that the Defaulter has customer-related positions, ICE Clear Singapore may transfer non defaulting customer positions from the Defaulter to one or more non-defaulting CMs, to the extent permitted by law and in all cases subject to agreement from the receiving CM(s)²⁹.

²⁷ Clearing Rules, Part 9 (*Default Rules*).

²⁸ Clearing Rules, Rule 902 (*Actions to be taken following declaration of a Clearing Member Event of Default*).

²⁹ Clearing Rules, Rule 903 (*Treatment of Contracts following a Clearing Member Event of Default and Hedging*).

Principle 13: Participant-default rules and procedures

ICE Clear Singapore collects margin on all open contract positions and other pre-funded financial resources from CMs, including a CM's GF contribution, to protect ICE Clear Singapore from potential losses arising from events of default. Where necessary to cover losses from a CM default, ICE Clear Singapore's default resources will be used in the following order:

- Defaulter's Original Margin
- Defaulter's GF Contribution
- ICE Clear Singapore's GF Initial Contribution (15% of GF)
- Non-defaulting CM's Contribution; and
ICE Clear Singapore's Secondary Contribution (10% of GF)
- Powers of Assessment (2x GF Contributions)

In the unlikely event that ICE Clear Singapore's funded default resources are inadequate to resolve a CM default, ICE Clear Singapore has additional recovery tools available to it including, assessment rights and the requirement that CMs "replenish" the GF to restore any deficiencies caused by the consumption of GF assets during a CM default.

ICE Clear Singapore conducts a review of its default management framework at least quarterly and conducts an annual mock CM 'default test' which is designed to assess:

- (i) ICE Clear Singapore's risk, finance and operations teams' responsibilities;
- (ii) adequacy of trading facilities, including equipment and systems;
- (iii) awareness of ICE Clear Singapore's approved brokers of their responsibilities in the event of ICE Clear Singapore executing its default procedures, including confirming that broker accounts are open and available for trading;
- (iv) relevance and content of ICE Clear Singapore's default management framework; and
- (v) whether all CMs understand the default procedures and have appropriate arrangements in place to respond to an event of default by verifying during the simulation exercise that all CMs, clients (where applicable), and other relevant parties including, but not limited to, interoperable central counterparties and any related service providers, are duly informed and know the procedures involved in a default scenario.

Following each exercise, ICE Clear Singapore will review whether the default test procedures are adequate and, where necessary, amend the procedures.

Principle 14: Segregation and portability

A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.

Summary narrative

The ICE Clear Singapore account structure entitles a CM to segregate customer money and customer assets from a CM's own money and assets through the use of a customer account (for customer money and assets) and a proprietary account (which contains records only of the positions entered into for such CM for its own account or for the account of its affiliates' proprietary clearing activities, together with assets provided as margin on that account)³⁰. Any contract entered into by the CM must be designated and recorded in ICE Clear Singapore's books, promptly and accurately, as for a CM's proprietary account or for its customer account. Each customer account is opened in the name of the relevant CM for the recording of contracts to which that CM is a party as a result of it acting for one or more customers, and the recording of related margin. No assets or positions relating to the CM's own account are recorded in its customer account, enabling the CM to distinguish the assets and positions in contracts held for the account of its customers from those held for its proprietary account³¹. Each customer account comprises the related customer position account (in which ICE Clear Singapore records the contracts to which a CM is a party as a result of it acting for one or more customers) and customer margin account (for the recording of debits and credits of margin). Each CM is required to provide assets to ICE Clear Singapore as margin (collateral) for exposures and risks under contracts. Customer collateral posted by each CM is co-mingled in that CM's customer margin account and accounted for on a per CM basis.

Further, pursuant to its standard form clearing membership agreement ICE Clear Singapore acknowledges that the customer account is not to be combined with the proprietary account, nor is any right of set off to be exercised by ICE Clear Singapore in relation to the proprietary account, to ensure that customer assets remain segregated from a CM's own assets. In particular, any margin or other amounts deposited in relation to a CM's customer account or a customer account of a CM who has been declared as a Defaulter shall not be used to meet a shortfall on that CM's or Defaulter's proprietary account, nor shall any contract recorded in a CM's or Defaulter's customer account be netted, combined or offset with any contract recorded in the CM's or Defaulter's proprietary account (except as expressly provided under the Clearing Rules and to the extent permissible under applicable laws).

The Clearing Rules provide that each CM is responsible for ensuring that its proprietary bank account and its customer bank account which is held at an AFI and nominated by the CM for the purposes of making and receiving cash transfers are linked appropriately to the relevant CM's proprietary account and its customer account respectively. Further, CMs must ensure their own compliance with applicable laws relating to conduct of business, client money, segregation and use of client assets and segregation of customer transactions³².

The Clearing Rules do not permit ICE Clear Singapore to aggregate, set off or apply any margin, surplus collateral or other surplus assets available to it in relation to a Defaulter's customer account to meet a shortfall on that Defaulter's proprietary account. However, to ensure the fullest possible protection of customer assets, ICE Clear Singapore will aggregate, set off or apply any margin, surplus collateral or other surplus assets available in relation to a Defaulter's proprietary account to meet a shortfall on that Defaulter's customer account as set out in the Clearing Rules.

³⁰ Clearing Rules, Rule 102(q) (*Interpretation*).

³¹ Clearing Rules, Rules 401(o) and (p) (*Formation of Contracts*).

³² Clearing Rules, Rule 207(d) (*Clearing Member Status*).

Principle 15: General business risk

If any amounts are so aggregated, set off or applied, the net sum payable by ICE Clear Singapore in relation to the defaulting CM's proprietary account shall be reduced by the same amount as is so included within the net sum for its customer account. Where and to the extent that ICE Clear Singapore determines to apply proprietary account assets of a defaulting CM to its customer account, such amounts (together with any guaranty fund contributions or any amounts received by ICE Clear Singapore under a controller guarantee of a defaulting CM) must first be applied to reduce any losses on the customer account, which would otherwise have a net sum representing a shortfall or loss³³.

The Clearing Rules also allow for the portability of contracts and margin on a CM event of default³⁴. In particular, as part of a CM's default proceedings, ICE Clear Singapore may: (i) arrange for a transfer, sale, assignment or novation of a Defaulter's contracts to another CM (such CM, a "**Transferee CM**"); or (ii) ICE Clear Singapore may also arrange for the termination of a Defaulter's contracts with ICE Clear Singapore (and any related contract between that CM and its customer on economic terms similar to the corresponding contract recorded in that CM's customer account, a "**Customer-CM Transaction**") and the entry into of replacement contracts between ICE Clear Singapore and a Transferee CM (by way of novation and amendment or otherwise) or between such customer and such Transferee CM, as applicable.

Upon such a transfer, in order to ensure the protection and segregation of any customer money and customer assets:

- (i) any related margin recorded in the relevant customer account may, at the discretion of ICE Clear Singapore, also be transferred from that customer account to the Transferee CM's customer account;
- (ii) to the extent that any transfer of margin takes place, the Defaulter shall have no claim against ICE Clear Singapore or any Transferee CM for return of such margin and ICE Clear Singapore shall be released from any liability or obligation to return such margin (or any property in substitution thereof) to the Defaulter; and
- (iii) as between the Transferee CM and ICE Clear Singapore, ICE Clear Singapore shall have all rights in relation to any margin transferred as if the same were margin transferred to ICE Clear Singapore directly from the Transferee CM.

There is a number of conditions that must be satisfied before contracts, Customer-CM Transactions and related assets can be ported to a Transferee CM. For example, porting must not result in a customer account being under-collateralised and porting must not be unlawful nor expose ICE Clear Singapore to liabilities or legal challenges³⁵. In addition, a consenting Transferee CM will need to have been found. In order for positions to be ported on an event of default, a customer needs to have appointed a replacement Transferee CM who is prepared to act as such³⁶. If no such Transferee CM is appointed or can be found, or the Transferee CM that has been so nominated declines to become party to replacement contracts or Customer CM Transactions, ICE Clear Singapore will terminate the contracts and Customer-CM Transactions, offsetting any resultant losses or combining any resultant gains against the collateral on the account³⁷. Transferee CMs may not commit to accept contracts and Customer-CM Transactions until a default occurs and they can assess the risks arising on the exposures under contracts that they would accept. Transferee CMs may have other conditions that they require to be met prior to

³³ Clearing Rules, Rule 102(q) (Interpretation) and Rule 906(c) (*Net Sums Payable*).

³⁴ Clearing Rules, Rule 904 (*Transfer of Contracts and Margin on a Clearing Member Event of Default*).

³⁵ Clearing Rules, Rule 904(c) (*Transfer of Contracts and Margin on a Clearing Member Event of Default*).

³⁶ Clearing Rules, Rule 904(c) and 904(m) (*Transfer of Contracts and Margin on a Clearing Member Event of Default*).

³⁷ Clearing Rules, Rule 903 (*Treatment of Contracts following a Clearing Member Event of Default and Hedging*).

Principle 15: General business risk

porting, such as the posting of additional collateral, supply of "know your customer" documentation or execution of agreements.

Principle 15: General business risk

An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.

Summary narrative

ICE Clear Singapore identifies monitors and manages its general business risks and holds sufficient liquid net assets, funded by equity, to cover any general business losses so that it can continue operations and services as a going concern if these losses materialise. Furthermore, these liquid net assets are at all times sufficient to ensure a recovery or orderly wind-down of critical operations and services.

ICE Clear Singapore has robust management and control systems through governance, financial statements and internal audit to ensure that ICE Clear Singapore identifies and is aware of general business risk. The Clearing Rules provide for recovery and wind-down following the insolvency of a CM, a business decision of ICE Clear Singapore to exit clearing services and the insolvency of ICE Clear Singapore³⁸.

ICE Clear Singapore has determined that its liquid operating resources, maintained in order to have a feasible plan of action pursuant to Regulation 17 of the Securities and Futures (Clearing Facilities) Regulations 2013, are sufficient to support its operations during any recovery or wind-down process. Specifically, ICE Clear Singapore believes an orderly wind-down of its business would take no longer than six months and ICE Clear Singapore maintains financial resources to cover six months of operating costs. ICE Clear Singapore believes financial resources equal to six months of operating costs will be more than sufficient during wind-down, given the likely reduction in personnel expenses, marketing costs and volume-based expenditures.

In the event of a CM default, ICE Clear Singapore will follow its CM default management procedures. In the unlikely event that funded and unfunded default resources are inadequate to resolve the CM default, ICE Clear Singapore may implement plans to raise additional capital, or move to wind-down.

ICE Clear Singapore's plan for raising additional financial resources (including, where appropriate, capital) will necessarily depend on the circumstances. Accordingly, the plan includes exploring the following possibilities: direct funding from ICE Clear Singapore's parent; amending intercompany service agreements to provide economic relief and/or additional services; leveraging the resources of affiliated clearing house entities within the ICE, Inc. group; merging ICE Clear Singapore with another ICE, Inc. clearing house; offering shares or an economic interest in ICE Clear Singapore; 'delisting' unprofitable products; transferring unprofitable products to another affiliated or unaffiliated clearing house; and selling ICE Clear Singapore.

³⁸ Clearing Rules, Rule 105 (*Termination*) and Rule 209 (*Termination of Clearing Membership*).

Principle 16: Custody and investment risks

An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.

Summary narrative

ICE Clear Singapore safeguards its own and its CMs' assets through the use of AFIs that employ accounting practices, safekeeping procedures and internal controls that protect deposits. The financial institutions that ICE Clear Singapore uses for settlement and custody are among the largest financial institutions in the world. ICE Clear Singapore monitors the financial health of its AFIs.

The SFA also provides protection to ICE Clear Singapore and CM assets. Pursuant to section 81F of the SFA, the provision of market collateral and market charges under the Clearing Rules will not be considered invalid due to inconsistencies with insolvency law concerning the distribution of assets. This section of the SFA also prevents a court applying insolvency law from interfering with the Clearing Rules or any action taken under the Clearing Rules. With regards to insolvency proceedings commenced in a foreign jurisdiction, section 81O of the SFA states that a Singapore court will not recognise or give effect to a foreign order if that order is not permitted by section 81F of the SFA.

ICE Clear Singapore may invest its cash balances in accordance with investment guidelines as the Board may adopt from time to time. The primary objectives for these investment guidelines are (in order of importance) to (1) safeguard the principal (safety); (2) provide sufficient liquidity to meet all operational requirements (same day liquidity in Asia time zone); and (3) obtain a reasonable rate of return (risk weighted yield). Under the current investment guidelines ICE Clear Singapore limits its exposure to single AFIs by investing cash under management across multiple AFIs, multiple commercial banks that meet credit criteria equal to AFIs and a number of liquidity funds of high credit rating, yet retaining prompt access to the invested funds.

Principle 17: Operational risk

An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfilment of the FMI's obligations, including in the event of a wide-scale or major disruption.

Summary narrative

ICE Clear Singapore identifies plausible sources of operational risk, both internal and external, and mitigates their impact through the use of appropriate systems, policies, procedures and controls. ICE Clear Singapore's systems are designed to ensure a high degree of security and operational reliability and have adequate, scalable capacity. ICE Clear Singapore's business continuity management aims for the timely recovery of operations and the fulfilment of its obligations, including in the event of a wide-scale or major disruption.

ICE Clear Singapore's operational risk program addresses the risk that deficiencies in information systems or internal processes, human errors, management failures or disruptions from external events will result in the reduction, deterioration, or breakdown of services. On at least an annual basis, the Board reviews and approves an operational risk framework for ICE Clear Singapore that includes operational performance standard setting and monitoring, and risk identification, assessment, and mitigation.

ICE Clear Singapore performs comprehensive operational performance standard setting and monitoring. The purpose of operational performance standard setting and monitoring is to establish clearly defined operational reliability objectives that serve as benchmarks to evaluate efficiency and effectiveness, promote confidence among participants and evaluate performance against expectations. ICE Clear Singapore reports breaches to the Board and will report significant breaches to the MAS as required by applicable regulations³⁹. Regular monitoring is performed to determine whether systems meet established objectives and service-level targets.

ICE Clear Singapore's operational risk policy also includes procedures to prevent and manage fraudulent activity, such as the ICE, Inc. whistle-blowing policy.

ICE Clear Singapore utilises ICE, Inc.'s robust information security program including policies and procedures to ensure employee compliance. ICE, Inc.'s information security program includes: physical and environmental security; authorisation, authentication and access control management; internet, e-mail and data policy management, record retention management; and accountability, compliance and auditability.

ICE, Inc. reviews, scans and tests the information security systems regularly. In addition, the quality assurance team tests all ICE, Inc. systems (including ICE Clear Singapore systems) to ensure reliability and adequate scalable capacity.

ICE Clear Singapore has a comprehensive business continuity plan ("**BCP**") and disaster recovery ("**DR**") program that supports the continued performance of critical functions in the event ICE Clear Singapore's offices or primary data centre are unavailable due to significant business interruption. The BCP-DR program has six objectives: (i) ensure continuity and recovery of critical functions through its secondary/disaster recovery facility; (ii) minimise the disruption to clients and business partners; (iii) protect the firm's books and records; (iv) reduce the number and frequency of ad hoc decisions following a significant business interruption; (v) educate employees about

³⁹ Securities and Futures Act, Section 57(1)(b).

Principle 17: Operational risk

contingency plans and roles and responsibilities in executing the plans; and (vi) comply with regulatory requirements.

ICE Clear Singapore's detailed BCP serves to: (i) preserve the health and safety of staff; (ii) avoid confusion and reduce exposure to error during an interruption by providing an organised and consolidated approach to managing response, recovery and resolution activities; (iii) reduce the impact resulting from short-term business interruptions by providing appropriate responses for rapid recovery from unplanned incidents; and (iv) resume essential operations within two hours.

ICE Clear Singapore's BCP-DR strategy includes remote work, cross-training personnel between geographically diverse locations, and alternate work locations in selected cities, which is sufficient to enable ICE Clear Singapore to recover its operations and resume daily processing, clearing, and settlement no later than two hours following a disruption (including in the event of a wide-scale or major disruption).

ICE Clear Singapore conducts regular, periodic testing of its BCP-DR and such testing is subject to audit. ICE Clear Singapore participates in the industry-wide disaster recovery testing conducted in coordination with the Futures Industry Association.

Principle 18: Access and participation requirements

An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.

Summary narrative

ICE Clear Singapore maintains objective, risk-based and publicly disclosed criteria for participation, which permits fair and open access.

The membership requirements of ICE Clear Singapore are publicly disclosed in the Clearing Rules and are designed to permit fair and open access, whilst protecting ICE Clear Singapore and its CMs. The membership requirements are the same for all applicants and include fitness criteria, financial standards, operational standards and appropriate registration qualifications with applicable statutory regulatory authorities. ICE Clear Singapore applies a due diligence process to ensure that all applicants meet the required criteria and conducts on-going monitoring of CMs. Additionally, the Clearing Rules require all CMs to be regulated in the Republic of Singapore.

ICE Clear Singapore maintains its Clearing Membership Application Instructions and Forms on its website. Any organisation applying for clearing membership with ICE Clear Singapore must satisfy the requirements detailed in the application and summarised below both initially and on an on-going basis.

Membership requirements include, amongst other things:

- (i) holding sufficient capital;
- (ii) being party to a Clearing Membership Agreement;
- (iii) holding all necessary regulatory authorizations, licenses, permissions and approvals;
- (iv) itself, its directors, officers and other relevant persons being fit and proper as set out in the Clearing Rules;
- (v) having appropriate technical and operational systems and controls;
- (vi) having appropriate business continuity procedures;
- (vii) being able to meet margin requirements;
- (viii) having contributed to the Guaranty Fund as appropriate; and
- (ix) not being subject to insolvency or other event of default.

All CMs must (if proposing to become a CM in relation to ICE Futures Singapore transactions) also be a member of ICE Futures Singapore⁴⁰. Additionally, CMs must institute risk management controls and demonstrate the operational capability to handle customer business⁴¹. All CMs must establish banking arrangements with approved AFIs to facilitate payments to and from ICE Clear Singapore⁴².

⁴⁰ Clearing Rules, Rule 201(a)(iii) (*Clearing Membership Criteria*).

⁴¹ Clearing Rules, Rule 201(a)(xiv) (*Clearing Membership Criteria*).

⁴² Clearing Rules, Rule 301 (*Fees, Margin, Contract and other payment obligations*).

Principle 18: Access and participation requirements

All CMs are required to provide quarterly financial statements on a timely basis (and, if a CM has customers, must submit a daily GCM file). Furthermore, the Clearing Rules require CMs to provide notice of significant financial, regulatory, and organisational events that could impact upon the financial or operational capacity of a CM⁴³. In addition, ICE Clear Singapore reviews the risk management policies, procedures, and practices of its CMs. The periodic risk review is used to assess the effectiveness of each CM's risk and credit frameworks, procedures and policies. The Clearing Rules publicly set forth CM obligations and procedures for the suspension and orderly exit of a CM that breaches, or no longer meets, ICE Clear Singapore participation requirements⁴⁴.

⁴³ Clearing Rules, Rule 204 (*Notifications by Clearing Members*).

⁴⁴ Clearing Rules, Rule 208 (*Suspension of Clearing Members*) and Rule 209 (*Termination of Clearing Member*).

Principle 19: Tiered participation arrangements

An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.

Summary narrative

ICE Clear Singapore does not currently have tiered participation arrangements. The only form of direct participation with ICE Clear Singapore is as a CM and anyone who is not a CM must be a customer of a CM. However, such customers are also eligible for representation on the Risk Committee. In addition, CMs are required to submit position reports on underlying customer positions.

Where a CM designates that a transaction submitted to ICE Clear Singapore is to be recorded in its customer position account with ICE Clear Singapore. At the same time, a transaction (a "**Customer-CM Transaction**") between that CM and its Customer will arise automatically on economic terms similar to those of the corresponding contract recorded in the CM's customer position account (except, as applicable, the position of the CM as Buyer or Seller)⁴⁵. Such Customer-CM Transactions are governed by the standard terms published as an Exhibit to the Clearing Rules from time to time. The standard terms set out, among other things, the rights and obligations under Customer-CM Transactions relating to customer margin, events of default and post-default portability.

⁴⁵ Clearing Rules, Exhibit 2, Paragraph 3 (*Cleared Transactions*).

Principle 20: FMI links

Principle 20: FMI links

An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.

Summary narrative

ICE Clear Singapore currently does not offer inter-operability links with other CCPs.

Principle 21: Efficiency and effectiveness

An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.

Summary narrative

ICE Clear Singapore is efficient and effective in meeting the requirements of its CMs and the markets it serves.

ICE Clear Singapore's objective is to provide secure, capital-efficient counterparty risk management and post-trade services for contracts traded on ICE Futures Singapore.

On a regular basis, ICE Clear Singapore uses the following mechanism to review how it effectively and efficiently meets the needs of its CMs and markets:

- (i) through its trade management application (PTMS) supports an "Ideas" button that allows users to comment on system features and request enhancements. Comments are posted on ICE Community which is an information network for CMs and vendors to share ideas and use as a resource for anything ICE Clear Singapore-related.
- (ii) ICE Clear Singapore staff meet with CMs to discuss a variety of commercial, risk and operational details.

In order to monitor operational performance, ICE Clear Singapore looks at the following metrics on a periodic basis:

- (a) Creation Time of SPAN Array Files
- (b) End-of-Day Processing Settlement Run Times and Report Production
- (c) Volume of Trades Processed Daily
- (d) Timing of Settlement Instructions to the Banks
- (e) Processing Incidents
- (f) Clearing Application Uptime

Principle 22: Communication procedures and standards

An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.

Summary narrative

ICE Clear Singapore uses relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement and recording.

ICE Clear Singapore uses the widely accepted and internationally utilised Society for Worldwide Interbank Financial Telecommunication ("SWIFT") for messaging of payment transactions.

ICE Clear Singapore utilises FIXML real-time trade feeds to communicate trade information. FIXML is an internationally recognised, industry-standard messaging protocol used by vendors to automate clearing transaction processing.

Principle 23: Disclosure of rules, key procedures, and market data

An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

Summary narrative

ICE Clear Singapore has clear and comprehensive rules and procedures that provide sufficient information to enable CMs to have an accurate understanding of the risks, fees and other material costs they incur at ICE Clear Singapore. The Clearing Rules are publicly available on the ICE Clear Singapore website.

The Clearing Rules clearly and comprehensively detail the rights and obligations of CMs. The Clearing Rules also document the daily operation of ICE Clear Singapore as well as the operation of ICE Clear Singapore during non-routine, though foreseeable, events such as CM default⁴⁶. ICE Clear Singapore's policies and procedures also provide further detail regarding its design, operations and the various integrated systems used by ICE Clear Singapore.

ICE Clear Singapore has a robust governance process for any changes to the Clearing Rules, which includes consultation with multiple stakeholders, public disclosure of all proposed changes and notification of material changes. ICE Clear Singapore offers support its CMs support through the ICE group's full-service client services and support team that is available at all times.

ICE Clear Singapore's fees are publicly available on its website and CMs are notified of any changes to such fees by circular⁴⁷.

ICE Clear Singapore most recently completed this Disclosure Framework on the date provided on the cover page. This Disclosure Framework is updated following material changes at ICE Clearing Singapore and, at a minimum, every two years. Publicly disclosed information is available on the ICE Clear Singapore website. All publicly available information is provided in English.

⁴⁶ Clearing Rules, Part 2 (*Clearing Membership*) and Part 9 (*Default Rules*).

⁴⁷ Clearing Rules, Rule 301(a) (*Fees, Margin, Contract and other payment obligations*).