

## 1. RISK DISCLOSURE STATEMENT

### SECURITIES AND FUTURES ACT 2001 AND SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS) REGULATIONS

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

Your signing (for yourself or on behalf of your corporation) of the Application Form which refers to this risk disclosure statement, or of the Acknowledgement Page, constitutes the acknowledgement that you (or your corporation) have received and understood the contents of this risk disclosure statement.

This statement is provided in accordance with regulation 47E(1) of the SF(LCB)R (Rg 10).

This statement does not disclose all the risks and other significant aspects of trading in futures, options, over-the-counter derivatives contracts where the underlying is a currency or currency index ("OTCD currency contracts") and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading ("Spot LFX trading contracts"). In light of the risks, you should undertake such transactions only upon understanding the nature of the contracts (and contractual relationships) into which you are entering and the extent of exposure to the risks. Trading in futures, options, OTCD currency contracts and Spot LFX trading contracts may not be suitable for many members of the public. You should carefully consider whether such trading is appropriate in light of your own experience, objectives, financial resources, and other relevant circumstances. In considering whether to trade, you should be aware of the following:

#### (a) Futures, OTCD currency contracts and Spot LFX trading contracts

##### *Effect of 'Leverage' or 'Gearing'*

Transactions in futures, OTCD currency contracts and Spot LFX trading contracts carry a high degree of risk. The amount of initial margin is small relative to the value of the Futures Contract, OTCD currency contract or Spot LFX trading contract transaction so that the transaction is highly 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds deposited or will have to deposit by you; this may work against or for you. You may sustain a total loss of the initial margin funds and any additional funds deposited with the firm to maintain the position. If the market moves against the position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice in order to maintain the position. If you fail to comply with a request for additional funds within the specified time, the position may be liquidated at a loss, and you will be liable for any resulting deficit in the account.

##### *Risk-Reducing Orders or Strategies*

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

#### (b) Options

##### *Variable Degree of Risk*

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of options (i.e. put or call) which you contemplate trading and the associated risks. You should calculate the extent to which the value of the options would have to increase for the position to become profitable, taking into account the premium paid and all transaction costs.

The purchaser of options may offset its position by trading in the market or exercising the options or allowing the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a Futures Contract, OTCD currency contract or Spot LFX trading contract, the purchaser will have to acquire a position in the Futures Contract, OTCD currency contract or Spot LFX trading contract, as the case may be, with associated liabilities for margin (see the section on Futures, OTCD currency contracts and Spot LFX trading contracts above). If the purchased options expire worthlessly, you will suffer a total loss of the investment which will consist of the option premium paid plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that, ordinarily, the chance of such options becoming profitable is remote.

Selling ('writing' or 'granting') an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of the amount of premium received. The seller will be liable to deposit additional margins to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a Futures Contract, OTCD currency contract or spot LFX trading contract, the seller will acquire a position in the Futures Contract, OTCD currency contract or spot LFX trading contract, as the case may be, with associated liabilities for margin (see the section on Futures, OTCD currency contracts and Spot LFX trading contracts above). If the option is 'covered' by the seller holding a corresponding position in the underlying Futures Contract, OTCD currency contract, spot LFX trading contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

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

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

##### *Terms and Conditions of Contracts*

You should ask for the terms and conditions of the specific Futures Contract, option, OTCD currency contract or spot LFX trading contract which you are trading and the associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest of a Futures Contract, OTCD currency contract or spot LFX trading contract transaction and, in respect of options, expiration dates and restrictions on the

time for exercise). Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

#### *Suspension or Restriction of Trading and Pricing Relationships*

Market conditions (e.g. illiquidity) or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the Futures Contract, and the underlying interest and the option may not exist. This can occur when, e.g., the Futures Contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

#### *Deposited Cash and Property*

You should be familiar with the protection accorded to any money or other property which you deposit for domestic and foreign transactions, particularly in a firm's insolvency or bankruptcy. The extent to which you may recover such money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

#### **(a) Commission and Other Charges**

Before beginning to trade, you should obtain a clear explanation of all commissions, fees and other charges. These charges will affect the net profit (if any) or increase loss, which you will be entitled to or be liable for respectively.

#### **(b) Transactions in Other Jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to a rule which may offer different or diminished investor protection. Before trading, you should enquire about any rules relevant to the particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where the transactions have been effected. You should ask the firm with for such transactions' details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before starting to trade.

#### **(c) Currency Risks**

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

#### **(d) Trading Facilities**

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the one or more parties, namely the system provider, the market, the clearing house or member firms. Such limits may vary. You should ask the firm for such transactions details in this respect.

#### **(e) Electronic Trading**

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or not executed at all.

#### **(f) Off-Exchange Transactions**

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

#### *Note:*

"Margin" means an amount of money, securities, property or other collateral, representing a part of the value of the contract or agreement to be entered into, which is deposited by the buyer or the seller of a transaction in a Futures Contract, OTCD currency contract or spot LFX trading contract to ensure performance of the terms of the transaction in the Futures Contract, OTCD currency contract or spot LFX trading contract.

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

This Risk Fact Sheet is provided in accordance with Notice SFA N04-N15. It highlights the common risks of trading in CFDs and complements the trading agreement and associated risk disclosures furnished by Guotai Junan Futures (Singapore) Pte. Ltd. ("Guotai Junan Futures (Singapore)"). For the purposes of this fact sheet, the Risk Fact Sheet will adopt the definitions of the Customer Trading Agreement (referred to in this Risk Fact Sheet as **this or the "Agreement"**). This Risk Fact Sheet does not disclose all the risks of trading in CFDs. It is important to read the Agreement and associated risk disclosures before deciding whether to trade in CFDs. You should also carefully consider whether trading in CFDs is appropriate in light of your own experience, objectives, financial resources and other relevant circumstances. If you do not have a copy of the Agreement and associated risk disclosures, please contact Guotai Junan Futures (Singapore) to request for a copy. You should not trade in CFDs if you do not understand the product or is not comfortable with the accompanying risks.

**Your signing (for yourself or on behalf of your corporation) of the Application Form which refers to this risk fact sheet, or of the Acknowledgement Page, constitutes the acknowledgement that you (or your corporation) have received and understood the contents of this risk fact sheet.**

### Q1. What is the potential loss when trading on margin<sup>1</sup> in CFDs?

When entering into a CFD transaction, you need to pay an initial margin, which is based on a percentage of the value of the trade. When trading on margin, you should be prepared to lose more than the entire initial investment amount as margin to the firm.

### Q2. What will happen if the margin is insufficient to cover the losses?

Guotai Junan Futures (Singapore) reserves the right to liquidate your positions without prior notice when the equity balance falls below the stipulated force-selling margin level (also known as the **"Close-Out Level"**). You will be receiving a notification from Guotai Junan Futures (Singapore) should your Account be in margin deficit. You are required to reduce your position(s) or top up the funds immediately to bring the margin level back above initial margin level requirements. It is your responsibility to monitor the equity balance in your Account to avoid the risk of meeting the Close-Out Level which will result in the automatic liquidation of the position(s) at market prices.

### Q3. How is the CFD quoted?

Guotai Junan Futures (Singapore)'s CFD bid-ask prices are derived from prices of the reference instrument quoted in the underlying exchange, market or liquidity provider. Therefore, the CFD prices will only be available if the underlying exchange or market is open or if there is sufficient liquidity.

### Q4. Can Order be executed at a price that is less favourable than the price quoted on the trading system, or the price that you submitted?

Your Order can be executed at a price that is less favourable than the price quoted on our Online Trading Platform or other trading system made available to you. Quotes for prices for dealing in the products are indicative only and not guaranteed. This can happen when there is a change in the quoted price between the time your Order is placed and the time the Order is received or executed by the system (e.g., delay in the internet transmission of the Order, or rapid price fluctuations in the financial markets during that period). In particular, for stop-loss Orders that are triggered for execution at the stop price level that you indicated, it may be difficult or not possible to liquidate the position at the stop price level, due to rapid price fluctuations or lack of liquidity in the markets. If any of the foregoing events happens, you may incur unexpected losses.

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

### Q5. Will the Order be manually executed? If so, under what circumstances does Guotai Junan Futures (Singapore) rely on manual execution?

Guotai Junan Futures (Singapore)'s system executes your Orders on an automated basis and does not rely on any manual intervention or dealing, unless the Orders do not pass the pre-execution checks carried out by the trading system. This can happen if there is insufficient or unavailable liquidity in the underlying market for Guotai Junan Futures (Singapore) to hedge its own risk exposure.

### Q6. Where are the margins kept and maintained? Can Guotai Junan Futures (Singapore) use your margins for its own purposes?

Your moneys or other assets placed with Guotai Junan Futures (Singapore), are required to be maintained in segregated accounts with certain specific entities. Such moneys or other assets are segregated from Guotai Junan Futures (Singapore)'s own moneys or assets but may be kept in the same omnibus account with its other clients. Guotai Junan Futures (Singapore) is not permitted to use your money or other assets in the segregated account for its own purposes, including for settling its own dealings with its hedge counterparty.

### Q7. What will happen to the margins if Guotai Junan Futures (Singapore) becomes insolvent? Will you be able to get back the moneys or other assets?

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

### Q8. Under what circumstances can Guotai Junan Futures (Singapore) close your position or void your Order?

Under the terms of this Agreement, Guotai Junan Futures (Singapore) can close out the position or void the trade when:

- (a) you are unable to meet the margin calls within the required timeframe (Section 6.3 of this Agreement);
- (b) there is a trading system failure that results in erroneous prices at which your trades are executed (Section 18 of this Agreement);
- (c) your Account balance reaches or breaches the Close-Out Level at any time (Section 6.2 of this Agreement).

<sup>1</sup> **"Margin"** means an amount of money, securities, property or other collateral, representing a part of the value of the contract or agreement to be entered into, which is deposited by the buyer or the seller of a transaction in a futures contract, OTCD currency contract, CFDs or spot LFX trading contract to ensure performance of the terms of the transaction in the futures contract, OTCD currency contract, CFDs or spot LFX trading contract.

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

**Q9. What are the commissions, fees and other charges that will be incurred by you?**

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

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

**Q10. What happens when trading in the underlying share or asset is suspended or halted? How can you exit the position and will there be losses suffered?**

In event of a suspension where the price of the underlying market is unavailable, Guotai Junan Futures (Singapore) may allow you to exit the CFD positions at a price determined by Guotai Junan Futures (Singapore) (see Section 18 of this Agreement). During the period of suspension, holders of CFD positions will continue to be charged interest if the positions are held overnight.

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

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

The MAS has repeatedly stated that speculation in cryptocurrencies is highly risky and not suitable for investment by retail investors or the general public. The same considerations may be applied to trading derivatives of cryptocurrencies. Cryptocurrencies, or digital payment tokens, are themselves not regulated although activities associated with them are regulated under the Payment Services Act 2019. If you intend to invest in or trade in cryptocurrencies, you may be required to pass a "risk test" and may not be allowed to use leverage or borrowed funds (including credit card advances).

Trading CFDs on cryptocurrencies carry a higher level of risk than CFDs on other underlying instruments because of the inherent risk of cryptocurrencies which can have little or no intrinsic value, and may suffer from a lack of liquidity. You may risk losing all capital or more when investing in cryptocurrencies. You must therefore be fully aware of the risks associated with both CFDs and cryptocurrencies and carefully assess whether an investment in cryptocurrencies is suitable for your own investment objectives and risk appetite. If we do offer CFDs on cryptocurrencies, we reserve the right to remove them from our Online Trading Platform.

### 3. GENERAL RISK DISCLOSURE STATEMENT

This statement does not disclose all of the risks and other significant aspects of trading in capital markets products. In light of the risks, you should undertake such transactions only if you understand the nature of securities, derivatives, and the contracts (and contractual relationship) which you are entering into and the extent of exposure to risk. You should carefully consider whether trading in capital markets products is appropriate in light of your own experience, objectives, financial resources, and other relevant circumstances. If in any doubt, you should seek professional advice. Different capital markets products involve different levels of risk and in considering whether to trade or invest in capital markets products, you should be aware of the following points:

**Your signing (for yourself or on behalf of your corporation) of the Application Form which refers to this general risk disclosure statement, or of the Acknowledgement Page, constitutes the acknowledgement that you (or your corporation) have received and understood the contents of this general risk disclosure statement.**

#### (a) Terms and Conditions of Trading / Investing in Capital Markets Products

You should read and understand the terms and conditions spelt out (and from time to time amended) in the Customer Trading Agreement (the "Agreement") that you have signed with Guotai Junan Futures (Singapore).

#### (b) Joint Account

Each joint Account holder is jointly and severally liable for all debts incurred in a joint Account. A joint Account may be operated by not more than 2 individuals.

#### (c) Risks associated with Trading / Investing in Capital Markets Products

##### *Price fluctuation*

The price and value of any investment in capital markets products and the income, if any, from them, can fluctuate and may fall against your interest. An individual security may experience downward price movements and may under some circumstances even become valueless. An inherent risk of trading/investing in capital markets products is that losses may be incurred, rather than profits made, as a result of buying and selling such products.

##### *Suspension or Restriction of Trading*

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any security because of price limits or trading halts) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.

##### *Warrants*

A warrant is a time-limited right to subscribe for securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fail to exercise this right within the predetermined time scale then the investment becomes worthless.

##### *Securities-Based Derivatives (eg. structured warrants, contracts for differences)*

These instruments may give you a time-limited or absolute right to acquire or sell one or more types of investments which is normally exercisable against someone other than the issuer of that investment. Or they may give you rights under a contract for differences (CFD) which allow for speculation on fluctuations in the value of the underlying capital markets product. You should be aware of the credit, liquidity and market risks associated with these instruments. CFDs carry a high degree of risk as they often involve gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, favourable or unfavourable, in the price of the instrument. The price of these instruments can therefore be volatile. These instruments have a limited life and may expire worthless if the underlying instrument does not perform as expected.

##### *Equity-linked investments*

These are structured products based on underlying listed securities that offer the potential for high returns but also involve substantial risks including market, liquidity and credit risks. These investments are intended to be held to maturity and are generally for investors who expect the price of the reference security to be stable or moderately bullish in the near future. The principal investment sum and interest are not guaranteed, and investors may suffer a capital loss, if the reference security price is below the strike price on determination date, as investors will receive the reference security instead of cash. In providing prices for equity-linked investments, Guotai Junan Futures (Singapore) will enter into the transaction with you as principal, unless otherwise stated. Any transaction entered into by you with Guotai Junan Futures (Singapore) could result in a loss to you and a gain to Guotai Junan Futures (Singapore).

##### *Debt Securities*

Debt Securities and debt-linked investments offer fixed returns over a defined period and are intended to be held to maturity. These instruments carry a significant amount of risk such as credit, currency and liquidity risks. Credit risk arises from default events that may result in the inability of the issuer to pay interest or principal. Default risk is high when credit rating is non-investment grade or non-rated. In a default situation, the buyer may lose both interest and principal. Currency risk arises from holding debt Securities that are issued in foreign currency, hence exposing the buyer to fluctuations in exchange rate. There is a high chance that if the currency moves adversely, the buyer may lose more than his original interest and principal. Liquidity risk refers to the availability of prices for buying or selling into a market. It is common for most debt Securities to suffer from poor liquidity because they are quoted over-the-counter (OTC).

##### *Over-the-counter (OTC) Products*

Over-the-counter (OTC) products are not listed or available on an officially recognised securities exchange, but traded directly between two parties (buyer and seller) on a principal basis, unless otherwise stated. As a result, an OTC transaction is individually negotiated between two parties, and you are thus exposed to credit risk of the counterparty in which they enter into bilateral agreement with. In addition, you may be exposed to liquidity risk and Guotai Junan Futures (Singapore) cannot and does not warrant that there is an active trading market, and the price Guotai Junan Futures (Singapore) secures for you will at any time be the best price available to you. In entering into an OTC transaction with you, Guotai Junan Futures (Singapore) may make a profit despite you incurring a loss. You should consider carefully whether each OTC product is suitable in light of your investment experience, objective, financial position, risk propensity and other

relevant considerations. You should therefore ensure that they understand the risks associated with OTC products and transactions and seek independent advice, if necessary before making a decision to invest in any of the OTC products.

Where Guotai Junan Futures (Singapore) re-sells an obligation of an issuer or third party, you accept that Guotai Junan Futures (Singapore) is not obligated to settle the underlying obligation of such issuer or third party and the liability of non-payment by the issuer or third party is to be borne by you and that such a transaction shall be deemed settled upon your payment for the same.

**(d) Risk of Margin trading** (*e.g. share margin financing, contracts for differences*)

The risk of loss in financing a transaction by deposit of collateral may be significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with Guotai Junan Futures (Singapore). You may be called upon at short notice to make additional margin deposits or interest payments. If required margin deposit or interest payment is not made within the prescribed time, your collateral or positions may be liquidated by Guotai Junan Futures (Singapore) at a loss without prior notification to you. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

**(e) Commission, Fees, Interest and Other Charges**

You should obtain a clear explanation of all commissions, fees, interest and charges, including charges for the custody of your investments, and understand that these charges may affect your net profit (if any) or increase your loss. You agree to be liable for these charges (as may be amended from time to time).

**(f) Transactions in Other Jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to the Singapore market, may expose you to additional risks. Such markets may be subjected to rules that may offer different or diminished investor protection. Before entering into such trades, you should be aware of the rules relevant to the particular transactions. The local regulatory authority may be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected.

**(g) Currency Risks**

The potential for profit or loss from transactions on foreign markets or in foreign currency-denominated securities (traded locally or in other jurisdictions) will be affected by fluctuations in foreign exchange rates.

**(h) Trading Facilities and Electronic Trading**

Guotai Junan Futures (Singapore)'s trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and computer systems, you will be exposed to risks associated with the systems including the failure of hardware and software. The result of any system failure may be that your Order is either not executed according to instructions or is not executed at all. You should also be aware that the internet is not a completely reliable transmission medium and there may be delays in service provisions.

**(i) Mobile Broking**

If your trading representative is, or becomes, a member of Guotai Junan Futures (Singapore)'s team of mobile trading representatives, he/she will be operating from outside Guotai Junan Futures (Singapore) office premises. Your trade orders will be channelled through Guotai Junan Futures (Singapore) proprietary online electronic broking system for execution. As with any transaction carried out over telecommunications networks, you should be aware that there is the risk of possible delays in trade processing or outages. It is in your own interest not to provide a 'care-of' or 'PO Box' address as a mailing address for contract notes and statements of account to be sent to. You are also advised to place trade orders only with the trading representative concerned. Complaints, if any, should be directed to Guotai Junan Futures (Singapore).

**(j) Non-Advisory Nature of Relationship**

Unless you have a specific agreement with Guotai Junan Futures (Singapore) for the provision of advisory services or fund management services, you should note and accept that Guotai Junan Futures (Singapore)'s relationship with you in relation to your transactions in capital markets products is purely as an execution-only broker / dealer, or an execution and clearing broker or dealer, or as a counterparty to you. In either case, while you are entitled to expect Guotai Junan Futures (Singapore) or its Officer to answer your queries, the obligation in so answering is only to be honest. Such answers should not be assumed to be backed by any prior reasonable due diligence or research or specifically suitable for reliance by you without you first independently confirming that the answer is intended as specific advice to and is suitable for or to your specific financial needs and objectives or you verify the same with your independent advisers on its specific suitability for your specific financial needs and objectives.



#### 4. DISCLOSURE STATEMENT FOR REGULATION 18A

Guotai Junan Futures (Singapore) is obligated to comply with Regulation 18A of the SF(LCB)R – the “**Regulations**” and the obligation under Regulation 17 of the Regulations to maintain a trust account – the “**Trust Account**”. The Trust Account will be used by Guotai Junan Futures (Singapore) to deposit money received from or for you for the Services as the holder of a capital markets license. For avoidance of doubt, such money will not include money that you have directly or indirectly transferred to Guotai Junan Futures (Singapore) by way of title transfer, provided that in no case where you are a retail client will be obligated to provide any money as margin for the obligations by way of title transfer to Guotai Junan Futures (Singapore) except where such money relates to lending of your securities in compliance with Regulations 45(1) (3) and (4) of the Regulations. This Trust Account relates to the monies (or “cash” in colloquial terms. Assets such as securities or other capital markets products will be held in a different type of account known as a “Custody Account”).

This document does not cover all risks relating to these Services and you should consider all agreements between the Parties and any other disclosure material that has been provided.

##### **(a) HOW GUOTAI JUNAN FUTURES (SINGAPORE) HOLDS YOUR MONEY**

The money will be held on your behalf in accordance with Regulation 17 of the Regulations in the Trust Account. Unless we otherwise notify, the financial institution with whom the Trust Account is opened will be a specified financial institution as set out in Regulation 17.

##### **(b) WHEN GUOTAI JUNAN FUTURES (SINGAPORE) MAY WITHDRAW THE MONEY**

Guotai Junan Futures (Singapore) may withdraw the money for any purpose as permitted under Regulation 19 and/or Regulation 20 (as applicable) of the Regulations.

##### **(c) WITHDRAWALS FROM TRUST ACCOUNT AND ONWARD DEPOSITING MONEY WITH THIRD PARTIES**

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

##### **(d) MONEY GENERALLY HELD ON POOLED BASIS AND KEY CONSEQUENCES**

The money will, unless Guotai Junan Futures (Singapore) is obligated pursuant to the Regulations to specify or agree otherwise, be held in an omnibus or pooled account basis by Guotai Junan Futures (Singapore) or an approved Third Party. For avoidance of doubt, if you are a retail client, money provided to Guotai Junan Futures (Singapore) in relation to the OTC derivatives contracts may only be pooled with the money of other Guotai Junan Futures (Singapore)’s retail clients for the respective OTC derivatives contracts. Where the money is held in such omnibus accounts, such money may be pooled with money belonging to Guotai Junan Futures (Singapore)’s other clients or clients of the Third Party. Therefore, there is a risk that:

- (i) the money could be withdrawn to meet obligations of Guotai Junan Futures (Singapore)’s other clients or clients of the Third Party; and/or
- (ii) you may share in any shortfall and may not therefore receive the full entitlement of money.

In some jurisdictions national law may not recognize or give effect to the attempts to separately identify your money from Guotai Junan Futures (Singapore)’s money or those belonging to the Third Party. In such a case:

- (i) your money could be used to meet the Third Party’s general obligations on its insolvency;
- (ii) the money could be used to meet Guotai Junan Futures (Singapore)’s general obligations on its insolvency;
- (iii) the Third Party could challenge your rights to any money; and/or
- (iv) you may share in any shortfall and may not therefore receive the full entitlement of money.

##### **(e) MONEY HELD OUTSIDE SINGAPORE**

Where Guotai Junan Futures (Singapore) hold your money outside Singapore:

- (i) different legal and regulatory requirements may apply from those applying in Singapore; and
- (ii) your rights to the money may differ from those rights in Singapore.

##### **(f) PROTECTING THE MONEY**

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

##### **(g) SECURITY INTERESTS, LIENS AND RIGHT OF SET-OFF**

Where Guotai Junan Futures (Singapore) hold the money, Guotai Junan Futures (Singapore) will generally have rights of set-off, a general lien and other security interests over them, both as set out in the relevant agreement between the Parties and under general law. Guotai Junan Futures (Singapore)'s rights of lien and other general security interests are also specifically recognized under the Regulations.

A Third Party, including a depository or any foreign custodian of such money, who holds the money may also have a security interest or lien over, or right of set-off in relation to such money. Where not already disclosed above, Guotai Junan Futures (Singapore) will tell you where the money is held in a jurisdiction where by law they are subject to security interests or rights of set off enabling a Third Party to dispose of them or recover debts that are not related to you.



## 5. DISCLOSURE STATEMENT FOR REGULATION 27A

Guotai Junan Futures (Singapore) is obligated to comply with Regulation 27A of the SF(LCB)R - the "**Regulations**" and relates to the obligation under Regulation 27 of the Regulations to maintain a custody account - the "**Custody Account**" - in which Guotai Junan Futures (Singapore) will deposit the assets received from or for you for the Services as the holder of a capital markets license. This document does not cover all risks relating to these Services and you should consider all agreements (including in particular this Agreement) and any other disclosure material that Guotai Junan Futures (Singapore) has provided.

### (a) HOW GUOTAI JUNAN FUTURES (SINGAPORE) HOLDS THE ASSETS

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

### (b) WHEN GUOTAI JUNAN FUTURES (SINGAPORE) MAY WITHDRAW THE ASSETS

Guotai Junan Futures (Singapore) may withdraw the assets for any purpose as permitted under Regulation 30 and/or Regulation 35 (as applicable) of the Regulations.

### (c) WITHDRAWALS FROM CUSTODY ACCOUNT AND ONWARD DEPOSITING ASSETS WITH THIRD PARTIES

As provided in Regulations 27 and 30 of the Regulations, Guotai Junan Futures (Singapore) may withdraw the assets from, hold the assets from the Custody Account and deposit the assets with third parties acting on Guotai Junan Futures (Singapore)'s behalf ("**Third Party**", which expression shall also include the custodian of the Custody Account), being any of an approved Clearing House, a recognised Clearing House, a member of a clearing facility or a member of an organised market for any of the purposes specified in Regulation 30 of the Regulations. Unless agreed otherwise, Guotai Junan Futures (Singapore) is not liable for any acts or omissions of Third Parties.

### (d) ASSETS GENERALLY HELD ON POOLED BASIS AND KEY CONSEQUENCES

The assets will, unless Guotai Junan Futures (Singapore) specifies or agrees otherwise, be held in an omnibus or pooled account basis by a Third Party. Where the assets are held in such omnibus accounts, they may be pooled with assets belonging to Guotai Junan Futures (Singapore)'s other clients or clients of the Third Party. Therefore, there is a risk that:

- (i) the assets could be withdrawn to meet the obligations of Guotai Junan Futures (Singapore)'s other clients (but for the avoidance of doubt, not the obligations of Guotai Junan Futures (Singapore) itself) or clients of the Third Party; and/or
- (ii) you may share in any shortfall and may not therefore receive the full entitlement of assets.

In some jurisdictions national law may not recognise or give effect to the attempts to separately identify the assets from Guotai Junan Futures (Singapore)'s assets or those belonging to the Third Party. In such a case:

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

### (e) ASSETS HELD OUTSIDE SINGAPORE

You should also note that if Guotai Junan Futures (Singapore) holds the assets outside Singapore or if the Third Party is outside Singapore:

- (i) different legal and regulatory requirements may apply from those applying in Singapore; and
- (ii) your rights to the assets may differ from those rights in Singapore.

### (f) AGREEMENT WITH THIRD PARTY CUSTODIAN

Guotai Junan Futures (Singapore) will agree (before placing any assets of its customers in the Custody Account) or has agreed with the Third Party the following terms for the purposes of opening and maintaining the Custody Account:

- (a) The Custody Account shall be designed as that of the customers of Guotai Junan Futures (Singapore);
- (b) The Third Party shall hold and record the assets in the Custody Account in accordance with the instructions of Guotai Junan Futures (Singapore); and the records shall identify the assets as belonging to the customer or customers of Guotai Junan Futures (Singapore) and the assets shall be kept separate from any asset belonging to Guotai Junan Futures (Singapore) or to the Third Party;
- (c) The Third Party shall not claim any lien, right of retention or sale over any asset standing to the credit of the custody account, except where Guotai Junan Futures (Singapore) has obtained the written consent of its customers, or in respect of any fees and charges in the administration or custody of that asset;
- (d) The Third Party shall provide sufficient information to Guotai Junan Futures (Singapore) so that Guotai Junan Futures (Singapore) can comply with its statutory record-keeping obligations;
- (e) The person in whose name the assets are registered shall be specified;
- (f) The Third party shall not permit any withdrawal of the assets from the Custody Account, except for delivery of the assets to Guotai Junan Futures (Singapore) or on the written instructions of Guotai Junan Futures (Singapore);
- (g) The arrangements for dealing with any entitlement arising from the assets in the Custody Account, such as coupon or interest payment;
- (h) The extent of the Third Party's liability in the event of any loss of the assets maintained in the Custody Account caused by fraud or negligence on the part of the custodian or any of the custodian's agents will be the same as that for other clients of the Third Party; and
- (i) The fees and costs for the custody of the assets by the Third Party, which will be on an arms-length basis.

**(g) SECURITY INTERESTS, LIENS AND RIGHT OF SET-OFF**

Where Guotai Junan Futures (Singapore) holds the assets, Guotai Junan Futures (Singapore) will generally have rights of set-off, a general lien and other security interests over them, both as set out in the relevant agreement between the Parties and under general law. Guotai Junan Futures (Singapore)'s rights of lien and other general security interests are also specifically recognised under the Regulations.

A Third Party, including a depository who holds the assets may also have a security interest or lien over, or right of set-off in relation to such assets. Where not already disclosed above, Guotai Junan Futures (Singapore) will tell you where the assets are held in a jurisdiction where by law they are subject to security interests or rights of set off enabling a Third Party to dispose of them or recover debts that are not related to you.

## 6. DISCLOSURE STATEMENT FOR INDIVIDUAL SEGREGATED ACCOUNT

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

If regulations 16(5) and 26(5) of the SF(LCB)R apply, Guotai Junan Futures (Singapore) will be obliged to provide you with the option of having added protection against fellow-Client risk for the money and assets respectively. The aforementioned option allows for your money and/or assets provided to Guotai Junan Futures (Singapore) in relation to your OTC derivatives transactions to be “ring-fenced” from the money and/or assets belonging to Guotai Junan Futures (Singapore)'s other clients.

By making the appropriate selection in and signing the Application Form, you will be deemed to have indicated the choice of not having such Individual Segregated Account unless you have expressly informed Guotai Junan Futures (Singapore) otherwise.

### **CONSEQUENCES AND COSTS FOR INDIVIDUAL SEGREGATED ACCOUNT**

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

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

## 7. RISK WARNING STATEMENT FOR OVERSEAS-LISTED INVESTMENT PRODUCTS

An overseas-listed investment product\* is subject to the Applicable Laws of the jurisdiction it is listed in. Before you trade in an overseas-listed investment product or authorise someone else to trade, you should be aware of:

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

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

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

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

### Differences in Regulatory Regimes

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

### Differences in legal systems

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

### Different costs involved

- (a) There may be tax implications of investing in an overseas-listed investment product. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Singapore, or in both countries.
- (b) Your investment return on foreign currency-denominated investment products will be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency or may be affected by exchange controls.
- (c) You may have to pay additional costs such as fees and broker's commissions for transactions in overseas exchanges. In some jurisdictions, you may also have to pay a premium to trade in certain listed investment products. Therefore, before beginning to trade, you should obtain a clear explanation of all commissions, fees and other charges which will be liable for. These charges will affect the net profit (if any) or increase your loss.

#### Counterparty and correspondent broker risks

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

#### Political, Economic and Social Developments

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

## 8. NOTIFICATION ON FUTURES TRADING RULE 1.6

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

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

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

Unless otherwise expressly provided in this Rules or in any other agreements to which the Exchange is a party, none of the Exchange, its related corporations, SGX RegCo, any person or entity referred to under [Rule 1.7.4](#), or their respective directors, officers, employees, representatives or agents shall be liable to any Person for any loss (consequential or otherwise, including, without limitation, loss of profit), damage, injury, or delay, whether direct or indirect, arising from or in connection with the following, or anything done or not done as a direct or indirect consequence of the following:

- (a) any action taken in connection with the discharge of the Exchange's regulatory responsibilities including the suspension, interruption or closure of the Markets; or
- (b) any failure or malfunction of Exchange Systems;
- (c) any action taken by the Partner Market or by the Exchange in connection with the Partner Market, including the suspension, interruption or closure of the Partner Market; or
- (d) any failure or malfunction of Partner Market Facilities.

"Exchange Systems" refers to any pre-trade, trade or post-trade systems, including the Trading System, operated by the Exchange in connection with the Markets. "Partner Market Facilities" refers to any relevant facilities and systems operated by the Exchange or otherwise in connection with the Partner Market.

#### **1.6.1A Indemnity.**

Each Trading Member indemnifies each of the Exchange, its related corporations, SGX RegCo, any person or entity referred to under [Rule 1.7.4](#), and their respective directors, officers, employees, representatives and agents ("**Indemnified Persons**") against any loss or liability reasonably incurred or suffered by an Indemnified Persons where such loss or liability arose out of or in connection with:-

- (a) any breach by the Trading Member of its obligations under the Rules; or
- (b) any wilful, unlawful, reckless or negligent act or omission by the Trading Member

Without prejudice to the generality of Rule 1.6.1A(1), in the event that any legal, arbitration or other proceedings are brought to impose any liability on all or any of the Indemnified Persons for an alleged failure on the part of any Indemnified Person to prevent or to require action by a Trading Member or any of its directors, officers, employees, representatives or agents, the Trading Member shall reimburse the relevant Indemnified Person for: —

- (a) all expenses and legal fees incurred by or on behalf of the Indemnified Person in connection with such proceedings;
- (b) any payment made by or on behalf of the Indemnified Person with the approval of the Trading Member in connection with any settlement of such proceedings; and
- (c) any payment made by or on behalf of the Indemnified Person as a result of any order, award or judgment made in such proceedings.

The Trading Member shall render such co-operation as the Indemnified Person reasonably requires in respect of such proceedings including without limitation the production of any document or records.

Without prejudice to Rule 1.6.1A(2), the Trading Member shall pay to an Indemnified Person, if the Indemnified Person so requires, the costs incurred by or on behalf of the Indemnified Person of producing or obtaining, pursuant to a court order or other legal process, records relating to the business or affairs of a Trading Member or any of its directors, officers, employees, representatives or agents, regardless of the party requiring such production or obtainment.

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

As provided under Section 32 of the SFA, the Exchange or any Person or entity acting on its behalf, including any person or entity referred to under [Rule 1.7.4](#) and their respective directors, officers, employees, representatives, and agents, shall be immune from any criminal or civil liability for anything done (including any statement made) or omitted to be done with reasonable care and in good faith in the course of, or in connection with, the discharge or purported discharge of its obligations under the Act or these Rules.

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

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



the requirements of any user, or that operation of the Exchange Systems or Partner Market Facilities will be uninterrupted or error-free, or that any services performed in respect of the Exchange Systems or Partner Market Facilities will be uninterrupted or error-free.

#### 1.6.4 Index Related Disclaimers.

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

#### 1.6.5 Notification to Clients.

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

*[For the avoidance of doubt, this is the notification referred to in Futures Trading Rule 1.6.5 set out above.]*

*[As this Futures Trading Rule is updated from time to time, you may refer to the website of the Singapore Exchange Limited at <https://rulebook.sgx.com/rulebook/16-exclusion-liability-disclaimer-warranties-statutory-immunity> or other such other website that sets out the Futures Trading Rules of SGX-DT for the latest version.]*