

SCHEDULE 1 TERMS AND CONDITIONS APPLICABLE TO FUTURES TRANSACTIONS

1. APPLICATION OF THIS SCHEDULE

- 1.1 The clauses in this Schedule 1 shall apply (in addition to all other terms and conditions under the General Terms and Conditions) to Futures Transactions and Futures Services.
- 1.2 The Client shall also comply with Futures/Clearing Terms as Orient Futures may issue from time to time (together with the clauses in this Schedule 1).
- 1.3 In the event of any conflict or inconsistency between:
- (a) the clauses in this Schedule 1 and the Futures Trading/Clearing Terms, the clauses in this Schedule 1 shall prevail to the extent of such conflict or inconsistency;
 - (b) the clauses in this Schedule 1 and the terms of any Confirmation, the terms of that Confirmation shall prevail with respect to the Futures Transaction to which that Confirmation relates.
- 1.4 Unless otherwise stated, references to numbered clauses in this Schedule 1 are references to the clauses of this Schedule 1.

2. DEFINITIONS FOR THIS SCHEDULE

- 2.1 All terms used in this Schedule 1 which are defined in the General Terms and Conditions shall, unless otherwise defined here, have the same meanings ascribed to them in the General Terms and Conditions.

- 2.2 In this Schedule 1, unless the context otherwise requires:

“Clearing Arrangements” means the necessary clearance of the Client’s Futures Transactions through the relevant Exchange;

“Clearing Margin” means collateral and security in a form acceptable by Orient Futures (cash, fixed deposits and banker’s guarantees) for Initial Margin, Maintenance Margin or for securing the Client’s obligations.

“Futures Contract” has the meaning ascribed to it in the SFA and includes Futures Options;

“Futures Option” means any option in relation to a Futures Contract which is transacted in accordance with the business rules or practices of the relevant Exchange;

“Futures Trading/Clearing Terms” means all other rules, guidelines notices and documents of Orient Futures pertaining to trading and/or clearing of Futures Contracts;

“Futures Services” means trading, clearing and other services, in connection with Futures Contracts and Futures Options provided by Orient Futures to the Client;

“Futures Trading Loss” means any loss, cost, claim, demand, expense or damage including, without limitation, loss of profit, loss of revenue, loss of opportunity, consequential, unforeseeable, special or indirect damages or expenses which arise directly or indirectly as a result of any Futures Transactions, or otherwise arising from the use of the trading and/or clearing services for Futures Contracts provided by Orient Futures;

“Futures Transaction” means any transaction in a Futures Contract as Orient Futures may from time to time permit to be carried out under the Account;

“Limits” means restrictions on but not limited to, trading, exposure and position limits without incurring any liability on Orient Futures’ part;

“Notice of Exercise”, in respect of a Futures Option, means telephonic or other electronic notification providing assurance of receipt (excluding facsimile transmission), given by the Client before the Prescribed Cut-off Time or Orient Futures’ Cut-off Time, whichever is earlier, of the exercise of a Futures Option, which notification shall be irrevocable;

“Orient Futures’ Cut-off Times” means exercise cut-off times at Orient Futures’ sole and absolute discretion;

“Prescribed Cut-off Times” means the established cut-off times by Exchanges, Clearing Houses and other Intermediaries..

“Trading Day”, with respect to an Exchange or Clearing House (as the case may be), means a day on which the Exchange or Clearing House (as the case may be) is open for trading or settling Exchange Transactions.

3. GENERAL

- 3.1 The Client shall at all times be fully responsible for monitoring its own positions entered into in respect of Futures Transactions.

Commissions

- 3.2 Without prejudice to the generality of Clause 10 of the General Terms and Conditions, commission will be payable on:
- (a) the entry or liquidation into each Futures Transaction; and
 - (b) the Business Day which the Client have entered into or liquidated a Futures Transaction.

No third-party beneficiary rights

- 3.3 Notwithstanding that, as between the Client and Orient Futures, Orient Futures may in fact be the agent of the Client in respect of a Futures Transaction, the Client acknowledges and agrees that, in relation to all Futures Transactions executed on the Exchange, the Client shall have no third party beneficiary rights as against any other

counterparties to such Futures Transactions, the Exchange or the Clearing House.

Omnibus account

3.4 Where the Client is holding an Omnibus Account with Orient Futures:

- (a) the Client shall disclose to Orient Futures the gross long and short positions and the purchase and sale dates of all open positions held in the Client's Omnibus Account, or any sub-account of such Omnibus Account, in each contract, as required under the rules, regulations, directives, orders, notices, interpretations and practice notes of the relevant Exchange, market or Clearing House, and other Applicable Laws; and
- (b) the Client irrevocably and unconditionally confirms that Orient Futures may notify such relevant Exchange, market or Clearing House of any failure by the Client to make any disclosure referred to in Clause 3.4(a).

Provision of information

3.5 Without prejudice to the generality of any other provision in this Agreement, the Client shall promptly provide to Orient Futures such information as Orient Futures may at any time require in respect of any or all of the Client's customers, or their respective positions in any Exchange Transaction by or through the Client. Orient Futures may communicate such information to any person as Orient Futures may deem to be necessary, desirable or expedient for compliance with any Applicable Laws. The Client shall ensure that it has obtained all necessary consents from its underlying customers for the Client's and Orient Futures' collection, use and disclosure of such information.

Notification obligation

3.6 Where the Client's membership on the relevant Exchange is suspended or terminated or the Client is in any other way disabled from trading on the relevant Exchange, the Client shall immediately notify Orient Futures in writing of such event.

Record keeping

3.7 The Client shall:

- (a) keep such books, accounts and written records as may be required under all Applicable Laws and the rules of the relevant Exchange or Clearing House in respect of the Client's Exchange Transactions and all business transacted on or through the relevant Exchange or Clearing House to which this Agreement relates;
- (b) ensure that all of its aforesaid books, accounts and written records are kept in such form as will facilitate inspection of the same by Orient Futures or Orient Futures' external auditor (as may be required to monitor and ensure Orient Futures' or the Client's compliance with Applicable Laws and the rules of the relevant Exchange or Clearing House, or as the Client may be required to do so by the relevant Exchange or Clearing House under and the rules of the

relevant Exchange or Clearing House) and permit the conduct of such inspections;

- (c) promptly make available all such books, accounts and written records to Orient Futures or Orient Futures' external auditor (including to take copies thereof) as and when required for the purpose of such inspection; and
- (d) promptly render its cooperation and assistance to Orient Futures or Orient Futures' external auditor in the conduct and facilitation of such inspection and procure that its officers, employees, agents and representatives, if any, do the same.

3.8 All costs and expenses incurred by the Client and Orient Futures in (a) keeping and maintaining such books, accounts and records; and (b) in respect of such inspection, shall be wholly borne by the Client.

4. TRANSACTION LIMITS AND RESTRICTIONS

4.1 Without prejudice to the generality of Clause 8 of the General Terms and Conditions and to any other right of Orient Futures under this Agreement or otherwise at law, Orient Futures may, at its sole and absolute discretion, without giving the Client any reasons therefor, and without incurring any liability on its part, impose and vary Limits on the Account and/or Exchange Transactions, and the Client shall strictly comply with all such Limits.

4.2 The Client confirms its familiarity with and awareness of the Applicable Laws and the rules of the relevant Exchange or Clearing House in relation to the Limits.

4.3 Without prejudice to any other right or remedy of Orient Futures under this Agreement, any other agreement or otherwise at law, if there is a breach of the Limits, Orient Futures may, in its discretion, immediately, or at any time thereafter:

- (a) withhold and not pay any money or deliver any property to the Client that may otherwise be due, owing or deliverable, take steps to disable the Client's trading on the relevant Exchange;
- (b) suspend its clearing arrangements with the Client; and/or
- (c) close out any of the Client's open positions under any Futures Transaction, until Orient Futures is satisfied that such breach has been fully remedied.

4.4 Orient Futures may communicate such Limits (and any changes to such Limits) to the Client from time to time and in such manner as Orient Futures may deem appropriate. In the event that Orient Futures does not, or is unable to, communicate any or all such Limits to the Client for any reason, the most recently communicated Limits then prevailing shall continue in force until new Limits have been communicated to the Client.

4.5 Without prejudice to Orient Futures' right to vary any Limits, the Client agrees and acknowledges that, Orient Futures may at Orient Futures' discretion, increase or decrease the Client's Limits on a case by case basis for any reason, including but not limited to the occurrence of any event or circumstances as Orient Futures may

communicate to the Client.

4.6 The Client:

- (a) shall monitor its trading and be fully aware at all times of its outstanding positions on Exchange Transactions or the quantity that the Client can trade at each Exchange Transaction so as not to over trade against the Client's Limits;
- (b) agrees and acknowledges that Orient Futures and Orient Futures' Officers, agents and representatives shall not be responsible or held liable for any error in computing the Client's position(s) or for failing to inform the Client of any excess in any Limit, as it is solely the Client's own responsibility to know the Client's own positions and Limits at all times; and
- (c) shall inform Orient Futures immediately if the Client does not receive any communication on Limits by the customary time or by the time indicated by Orient Futures.

5. EXERCISE OF FUTURES OPTIONS AND FUTURES CONTRACTS

5.1 The Client acknowledges and agrees that:

- (a) Prescribed Cut-off Times for the submission of exercise instructions in relation to Future Options may be imposed (and from time to time amended) without prior notice or without notice and beyond the control of Orient Futures; and
- (b) Orient Futures' Cut-off Times which may be earlier than the Prescribed Cut-off Times, it is the Client's sole responsibility to make itself aware of all relevant Prescribed Cut-off Times in respect of a Futures Option and the Client shall abide by and be subject to all such Prescribed Cut-off Times.

5.2 Orient Futures shall give the Client reasonable prior notice of any Orient Futures' Cut-off Time which differs from a Prescribed Cut-off Time.

5.3 The Client may exercise a Futures Option by delivery to Orient Futures of a Notice of Exercise.

5.4 The Client agrees and acknowledges that in the event that a Notice of Exercise with respect to a Futures Option has not been received by Orient Futures before the Prescribed Cut-off Time or Orient Futures' Cut-off Time, whichever is earlier, such Futures Option shall expire worthless.

5.5 Where the Client has:

- (a) sold a Futures Option and such Futures Option is exercised by the Futures Option purchaser; or
- (b) entered into a Futures Contract and the Client is required to deliver the underlying under such Futures Contract,

the Client agrees and undertakes to:

- (a) make all the necessary payments and/or deliveries in accordance with the timelines and conditions; and/or
 - (b) accept any and all amendments to such Futures Option exercise or obligation to deliver the underlying under a Futures Contract, as may from time to time be prescribed by the relevant Exchange, Clearing House or Intermediary, and as notified by Orient Futures to the Client and the Client acknowledges that the occurrence of any of Clause 5.5(a) or Clause 5.5(b), the timelines and conditions under which the Client may be required to perform its obligations under such Futures Options or Futures Contracts and the amendments in respect thereof, may be beyond the control of Orient Futures.
- 1.2 Notwithstanding Clause 5.5, the Client agrees and acknowledges that Orient Futures may itself stipulate a different timeline and/or impose such additional or different conditions from that imposed by the relevant Exchange, Clearing House or Intermediary, as the case may be, in respect of such Futures Option or Futures Contract, and the Client agrees and undertakes to make all the necessary payments and/or deliveries in accordance with the timelines and conditions as may be prescribed by Orient Futures from time to time.
- 1.3 Where the relevant Exchange, Clearing House or Intermediary does not identify a particular Futures Option or Futures Contract pursuant to Clause 5.5 and if the aggregate of:
 - (a) Futures Options exercised by Futures Options purchasers; or
 - (b) Futures Contracts specified for delivery of the underlying,

are less than the aggregate of all positions in such Futures Options or Futures Contracts for the time being, Orient Futures may allocate the exercised Futures Option or the Futures Contract specified for delivery in such manner as Orient Futures believes to be fair and equitable and the Client:

 - (a) and its Account will be bound by any allocation made to the Client pursuant to these procedures; and
 - (b) accepts that such allocation or actions by Orient Futures as aforesaid may result in prejudice and/or loss to the Client which may arise from any Futures Trading Loss and accepts the risks thereof as being solely for its account.
- 1.2 The Client shall not have any claim against Orient Futures or its Officers arising from the exercise, non-exercise, allocation or non-allocation of a Futures Option or Futures Contract, save in circumstances where Orient Futures has failed to act in accordance with the Client's Instructions to exercise or, as the case may be, refrain from exercising an Futures Option where such Instructions have been duly given in accordance with Clause 5.3.

2. RIGHTS OF ORIENT FUTURES

2.1 Without prejudice to any other provision in this Agreement (including, without limitation, Clause 14.1 of the General Terms and Conditions), Orient Futures may but is not obliged, in its sole and absolute discretion, at any time and from time to time if it deems necessary, desirable or advisable for the protection of its interest, without notice or provision of any reason to the Client and at the Client's sole expense and risk, take such measures in such manner as it deems fit in relation to the Account in respect of the Futures Services, including but not limited to:

- (a) liquidating any of the positions in Futures Contracts held by the Client in the Account by entering into an off-setting transaction or in any other manner as Orient Futures deems fit;
- (b) taking delivery under any of the positions in the Account;
- (c) hedging and/or entering into off-setting or other transaction in order to establish a spread or straddle to protect against any risk of Futures Trading Loss in respect of such positions; cancelling or completing any open Orders or other commitments made on behalf of the Client; and/or
- (d) any action(s) set out in Clause 7.3.

3. EXCHANGE ACTIONS

3.1 If an Exchange (or an Intermediary, acting at the direction of, or as a result of action taken by, an Exchange) or regulatory body takes any action which affects a Transaction:

- (a) the Client agrees that Orient Futures may take any action which Orient Futures, in its reasonable discretion, considers desirable to correspond with such action or to mitigate any potential or actual loss or prejudice incurred as a result of such action;
- (b) Orient Futures shall notify the Client of such action; and
- (c) any such action shall be binding on the Client.

3.2 Without prejudice to any provision of this Agreement relating to cooperation, if an Exchange or regulatory body makes an enquiry in respect of any of the Client's Futures Transactions, the Client agrees to cooperate with Orient Futures and to promptly supply information requested in connection with the enquiry.

4. TRANSACTION REPORTING

4.1 Without prejudice to the generality of any provision in this Agreement (including, without limitation, the provisions in Clause 26 of the General Terms and Conditions), the Client acknowledges and hereby authorises Orient Futures and each of its Officers and agents to submit, report or disclose such data or information relating to the Client and its Futures Transactions to the relevant repository, Exchange, Clearing House or

Intermediary or any other person for the purposes of complying with Applicable Laws, and the Client shall use its best efforts to co-operate with Orient Futures in respect of the foregoing.

- 4.2 Without prejudice to any other rights or remedies Orient Futures may otherwise have, the Client shall indemnify, keep indemnified and hold harmless Orient Futures against any and all Futures Trading Loss suffered or incurred by Orient Futures in connection with or in relation to the submission, report or disclosure of information where required by Applicable Laws or any delay, failure, omission or mistake by Orient Futures in doing so.
- 4.3 The Client agrees that all proprietary rights in such information relating to its Futures Transactions are owned by Orient Futures and waives any duty of confidentiality of Orient Futures attaching to such information which Orient Futures may reasonably disclose.

5. SETTLEMENT OR LIQUIDATION OF FUTURES TRANSACTIONS

- 5.1 For avoidance of doubt and notwithstanding anything in this Clause 5, Orient Futures will not physically settle any Futures Transactions unless it has expressly agreed to the same in writing with the Client.
- 5.2 The Client shall give Orient Futures Instructions to liquidate open Futures Contracts and Futures Option positions maturing in a current month:
 - (a) in the case of long positions in open Futures Contracts, at least 3 Business Days prior to the first notice day; and
 - (b) in the case of short positions in open Futures Contracts and long and short positions in open Futures Options, at least 3 Business Days prior to the last Trading Day,or by such other time as Orient Futures may notify the Client.
- 5.3 If Orient Futures does not receive such Instructions referred to in Clause 5.2 by the time specified in Clause 5.2:
 - (a) Orient Futures may, without notice to the Client, liquidate the Client's position and/or take such other steps as Orient Futures deems fit upon such terms which Orient Futures deem to be appropriate (including closing-out or rolling such Futures Transaction(s)) to prevent physical settlement of such Futures Transaction(s) from taking place; and
 - (b) any gains, losses, costs or expenses made or incurred by Orient Futures in relation to taking any such action will be solely for the Client's account.

Settlement by physical delivery

- 5.4 Subject to Orient Futures' prior agreement that settlement may be by physical delivery in respect of any Futures Transactions:

- (a) where the Client is required to take actual delivery on the maturity date(s) of the Futures Transaction(s):
 - (i) the Client acknowledges and agrees that it is the Client's sole responsibility to take delivery on any such maturity date(s). Unless Orient Futures agrees in writing, Orient Futures shall have no responsibility nor obligation to inform the Client of such delivery to be taken or to take delivery of such Futures Contracts on behalf of the Client; and
 - (ii) without prejudice to the generality of the immediately preceding Clause, where Orient Futures takes any such delivery for the Account of the Client, in the absence of Orient Futures' wilful default, manifest fraud or gross negligence, the Client agrees to indemnify, keep indemnified and hold Orient Futures harmless against and from any Futures Trading Loss that Orient Futures may suffer or incur including without limitation any and all costs involved in taking such delivery and any losses resulting directly or indirectly from a decline in value of the underlying;
- (b) where the Client is required to make any delivery, the Client acknowledges and agrees that Orient Futures shall have no duty to borrow, buy or deliver any of the underlying or attempt to do so, in order to satisfy the Client's delivery obligation in such circumstances; and
- (c) where physical delivery is required to be made or taken, and the Client fails to remit delivery documents or effect or take delivery in a timely manner, the Client will be responsible for any and all fines and damages imposed by the relevant Exchange, market or Clearing House through which such Futures Transactions are executed, settled or cleared, and any and all late charges imposed by Orient Futures; and all consequential losses and damages pursuant to Applicable Laws and also to the customary practices prevailing in the relevant Exchange, market or Clearing House concerned.

6. CLEARING ARRANGEMENTS

Application of this Clause

- 6.1 Where Orient Futures is a clearing member of the relevant Exchange or Clearing House, and the Client instructs Orient Futures to provide Clearing Arrangements in respect of the Client's Futures Transactions on the relevant Exchange and to clear such Exchange Transactions through the relevant Clearing House, the Client shall be deemed to have accepted the terms and conditions of this Clause 6 as additionally applying to such Clearing Arrangements

Definitions

- 6.2 All expressions used in the Clearing Provisions shall, unless the context requires otherwise or unless defined in this Schedule 1, have the meanings ascribed to them in the General Terms and Conditions, or if also not defined in the General Terms and

Conditions, shall have the same meanings ascribed to them, if any, under the rules of the relevant Exchange or Clearing House.

Reporting

- 6.3 The Client shall report all Exchange Transactions done by the Client to Orient Futures on a half-hourly basis or at such other shorter intervals as shall be prescribed by the relevant Clearing House to enable Orient Futures to make the necessary reporting to the relevant Clearing House.

Client's compliance

- 6.4 The Client shall at all times observe and comply with all Applicable Laws, the rules of the relevant Exchange(s) and Clearing House(s) for the time being in force and do all things necessary to facilitate the clearing of the Client's Exchange Transactions through the relevant Clearing House, and ensure that it does not, by its actions or omissions, cause Orient Futures to be in breach of any Applicable Law or any provision of the rules of the relevant Exchange or Clearing House.

Margin for clearing

- 6.5 Without prejudice to the generality of Clause 13 of the General Terms and Conditions, for the purposes of the Clearing Provisions, the Client agrees that prior to commencement of trading on the relevant Exchange and in the course of trading and for as long as any position remains open in respect of any Exchange Transaction and the Client owes any liability to Orient Futures, the Client shall provide to Orient Futures in a timely manner, and maintain, Clearing Margin as Orient Futures may, from time to time, require in Orient Futures' absolute discretion as security for:
- (a) Orient Futures providing the Clearing Arrangements and clearing the Client's Exchange Transactions;
 - (b) any and all liability which Orient Futures may assume when providing Clearing Arrangements hereunder and clearing the Client's Exchange Transactions, including but not limited to any indemnity, guarantee or other liability which Orient Futures may assume to the relevant Exchange or Clearing House, pursuant to all Applicable Laws;
 - (c) the performance of the Client's obligations under the Clearing Provisions, this Agreement and in respect of each Exchange Transaction; and
 - (d) the payment of all sums of money, and the delivery of all property, which are now or at any time owing or deliverable to Orient Futures, under the Account or an Exchange Transaction(s), whether from the Client solely or jointly with any other person or persons.
- 6.6 Calls for any (including additional) or all Margin shall be satisfied by the Client by cash payment or any other instrument prescribed by Orient Futures within the time period specified by Orient Futures to the Client.

- 6.7 Subject to Applicable Laws, valuation of any such instruments referred to in Clause 6.6 by Orient Futures shall be done in its sole and absolute discretion although reference may be made to the procedures prescribed by an Exchange or Clearing House.

Inter-exchange cross margining

- 6.8 The Client agrees and acknowledges that:
- (a) where the Client holds long and short positions on contracts (as defined in the Clearing Rules of the SGX-DC) (on the same underlying) with SGX-DC and another Clearing House, Orient Futures may (but is not obliged to) at any time set off such positions for the purpose of Rule 7.22A of the Clearing Rules of the SGX-DC; and
 - (b) where the Client holds long and short positions on futures contracts (having the same meaning as used in Rule 3.3.14 of the Futures Trading Rules of the SGX-DT) which are traded on the SGX-DT and another Exchange and held with SGX-DC and another Clearing House, Orient Futures may (but is not obliged to) at any time set off such positions for the purpose of Rule 3.3.14 of the Futures Trading Rules of the SGX-DT.

No liability

- 6.9 The Client shall have no claim against Orient Futures whatsoever in respect of or in connection with Orient Futures' inability to provide Clearing Arrangements in respect of any of the Client's Exchange Transactions for any reason whatsoever or in respect of the Loss sustained by the Client or the Client's customers (if any) as a direct or indirect result of Orient Futures' inability.

Money and assets paid to or deposited with Orient Futures

- 6.10 The Client agrees and acknowledges that, subject to Applicable Laws, the Clearing House may use any money or assets the Client has paid to or deposited with Orient Futures in relation to any Futures Contracts or any Futures Transaction to meet obligations arising from Futures Contracts or Futures Transaction of the Client and/or from other clients to the Clearing House.

Due Payment or Delivery

- 6.11 Without prejudice to any other provision in this Agreement, the Client shall, on demand, pay Orient Futures any sums owing to Orient Futures and deliver to Orient Futures any property deliverable to Orient Futures, on the Accounts and Exchange Transactions whatsoever from the Client solely or jointly with any other person or persons.

Statements

- 6.12 Orient Futures shall, where required by the Applicable Laws (including the rules of the relevant Exchange or Clearing House), send periodic statements in respect of the Clearing Arrangements, to the Client.

Transfer of open position

- 6.13 Orient Futures shall be entitled to transfer any open position in respect of any Exchange Transaction, along with all Clearing Margin, Collateral and security provided by the Client or received by Orient Futures in connection with that Exchange Transaction, to another clearing member of the relevant Clearing House as Orient Futures may in its sole and absolute discretion deem necessary, desirable or expedient, whether for clearing through the relevant Clearing House or other purpose (including but not limited to where such transfer is contemplated in the rules of the relevant Exchange or Clearing House or is required or directed by the relevant Exchange or Clearing House).

Rights of Orient Futures

- 6.14 Without prejudice to Orient Futures' other rights and remedies (including but not limited to those set out in Clauses 19 and 20 of the General Terms and Conditions and Clause 6), Orient Futures reserves the rights to, in its sole and absolute discretion, at any time and from time to time, if it deems necessary for the protection of its interests, without prior notice or providing any reason to the Client and at the Client's sole expense and risk:

- (a) suspend (whether indefinitely or otherwise); or
- (b) terminate,

Orient Futures' provision of the Clearing Arrangements in accordance with the rules of the relevant Exchange or Clearing House and Orient Futures shall further be entitled, by oral or written notice to the Client, to:

- (c) terminate any Account or Orient Futures' relationship with the Client;
 - (d) require the Client to immediately repay or deliver all monies and property under the Account with Orient Futures whereon such repayments and deliveries shall immediately become due, owing, payable and deliverable, including but not limited to, Commodities borrowed or deliverable, interest thereon, commission and other fees or costs payable to the Client;
 - (e) require the Client to immediately satisfy and perform any and all other liabilities and obligations in respect of any of the Account held by the Client with Orient Futures; and/or
 - (f) liquidate all Exchange Transactions in the Account with Orient Futures (with all resulting Losses therefrom being borne solely by the Client).
- 6.15 Upon Orient Futures suspending or terminating the provision of Clearing Arrangements to the Client hereunder for whatsoever reason, either Orient Futures or the Client shall inform the relevant Exchange or Clearing House (as required) accordingly.
- 6.16 Any action referred to in Clause 6.14 may be taken without demand for Clearing Margin or additional Clearing Margin, notice of sale or purchase or other notice, and any such actions including sales or purchases may be made at Orient Futures' sole and absolute

discretion on any Exchange or market where such business is then usually transacted.

Use of Inter-dealer broker

6.17 The Client shall, if it wishes to use an IDB to register its Clearing Arrangements, agrees and acknowledges that:

- (a) for the purposes of authorising the IDB to register the Client's Clearing Arrangements through the relevant approved trade registration system, the Client shall provide Orient Futures with the name and all other relevant particulars of the IDB together with the Client's consent for Orient Futures to submit such particulars to the relevant approved clearing system provider and/or Intermediary;
- (b) the Client shall ensure, to the extent relevant, that the IDB shall at all times be the relevant inter- dealer broker for the registration of requisite counterparty information and particulars, including information on the counterparty's clearing member for the Clearing Arrangements;
- (c) the Client shall be deemed to have authorised the IDB as the Client's appointed agent for the registration of the Client's Clearing Arrangements and shall be solely responsible, as between Orient Futures and the Client, for the IDB's actions and omissions (including any and all errors);
- (d) (notwithstanding that, as between Orient Futures and a relevant agreed clearing system provider and/or Intermediary, Orient Futures may be responsible for all the actions of the IDB) as between Orient Futures and the Client, the IDB is in fact and in law solely to be regarded as the Client's appointed agent for the registration of its Clearing Arrangements and the Client shall be solely responsible for the IDB's actions and omissions (including any and all errors) and shall (without prejudice to Clause 22 of the General Terms and Conditions) indemnify and hold harmless Orient Futures from and against any Losses, damages, liability, costs (including legal fees) and expenses incurred by Orient Futures as a result of or in connection with IDB's actions and omissions with respect to the registration of the Clearing Arrangements;
- (e) Orient Futures shall be fully entitled to assume that all inputs by the IDB purportedly relating to the Client's Clearing Arrangements are, as between Orient Futures and the Client, wholly correct and authorised to be made;
- (f) (to the extent relevant) the Client shall ensure that all relevant margin requirements to enable the Clearing Arrangements to be cleared for the Client have been provided or shall be provided within the relevant deadline for the provision of such margins; and
- (g) if for any reason, including the fact that the relevant Clearing Arrangements as registered or attempted to be registered:
 - (i) by the IDB; or
 - (ii) if the Client does not use an IDB for registering the Clearing Arrangements through the approved trade registration system, by

Orient Futures,

does not fulfil the criteria for registration under any Applicable Laws, the Clearing Arrangement is not or is deemed not to have been:

- (iii) submitted to the relevant agreed clearing system provider; or
- (iv) accepted for clearing,

then such Clearing Arrangement shall (whether pursuant to the operation of any specific Applicable Law):

- (v) remain in effect as a bilateral transaction between the Client and its counterparty to the transaction; or
- (vi) be cancelled or terminated as the case may be, in accordance with the terms of the bilateral agreement for such transaction agreed or deemed to be agreed between the Client and its counterparty,

and Orient Futures will not be privy to and shall have no responsibility or obligation in relation to such bilateral contract.

7. DEFAULT

7.1 This Clause 7 shall be without prejudice and in addition to Clauses 18 to 20 of the General Terms and Conditions. For the avoidance of doubt, any action(s) taken by Orient Futures under this Clause 7 shall not prejudice any other right or remedy which Orient Futures may have under this Agreement (including, without limitation, under Clauses 18 to 20 of the General Terms and Conditions) or otherwise at law.

7.2 For the purpose of this Clause 7 and Clauses 19.1 to 19.8 of the General Terms and Conditions, any of the following events shall be considered to be a “**Default**”:

- (a) Orient Futures has reasonable concerns that the Client does not have a sufficient understanding of the nature of, or the risks of, Futures Transactions;
- (b) the Client’s membership on the relevant Exchange is suspended or terminated or the Client is in any other way disabled from trading on the relevant Exchange;
- (c) the Client fails to liquidate all Futures Transactions upon the termination of this Agreement or provision of clearing arrangement to the Client hereunder;
- (d) the Client fails to meet any Clearing Margin requirement or any obligation under the Clearing Provisions;
- (e) the Client breaches any provision of the Applicable Laws, this Schedule 1, the Futures Trading/Clearing Terms and/or any rule of the relevant Exchange or Clearing House.

7.3 In the event that Orient Futures determines in its sole and absolute discretion that a Default has occurred, Orient Futures shall be entitled, by oral or written notice to the Client:

- (a) to do one or more of the following, in relation to the Futures Services:
 - (i) suspend or cease (whether indefinitely or otherwise) providing to the Client the Futures Services and/or terminate any Account or Orient Futures' relationship with the Client;
 - (ii) require the Client to immediately repay or deliver all monies and property under the Account with Orient Futures whereon such repayments and deliveries shall immediately become due, owing, payable and deliverable, interest thereon, commission and other fees or costs payable to the Client;
 - (iii) require the Client to immediately satisfy and perform any and all other liabilities and obligations in respect of any of the Account held by the Client with Orient Futures;
 - (iv) liquidate all Exchange Transactions in any of the Account held by the Client with Orient Futures (with all resulting Losses therefrom being borne solely by the Client);
 - (v) hedge and/or offset all or any of the Client's Exchange Transactions at the Client's sole risk;
 - (vi) sell, dispose or realise in any manner Orient Futures deems fit the Clearing Margin or other Collateral belonging to or deposited by the Client and in Orient Futures' possession or control or held by Orient Futures in respect of one or more Futures Transaction, and apply the proceeds thereof to extinguish or diminish the Client's obligations towards Orient Futures including the payment of interest, commission and other costs and expenses; and
 - (vii) take such other action as Orient Futures deems appropriate; and/or
- (b) to exercise one or more of the rights set out in Clause 20.1 of the General Terms and Conditions.

7.4 Where Orient Futures, in its sole and absolute discretion:

- (a) decides to take any of the action or exercise any of Orient Futures' rights referred to in Clause 7.3, the Client shall repay upon demand any deficiency that may thereafter remain in the Account with Orient Futures; and/or
- (b) decide not to take any of the action or exercise any of Orient Futures' rights referred to in Clause 7.3, Orient Futures shall nevertheless be entitled to demand the immediate payment of all amounts, and the immediate delivery of all property, due to Orient Futures.

- 7.5 Any action referred to in this Clause 7 may be taken without demand for Clearing Margin or additional Clearing Margin, notice of sale or purchase or other notice, and any such actions including sales or purchases may be made at Orient Futures' sole and absolute discretion on any Exchange or market where such business is then usually transacted.

8. DISPUTES

Notwithstanding Clauses 25.2 and 25.3 of the General Terms and Conditions, where there is any dispute between the Client and Orient Futures and which is required by the rules of the relevant Exchange or Clearing House to be referred to arbitration, then and only then would such dispute be so referred, provided however, that Orient Futures shall be entitled to require any amount owing by the Client or which Orient Futures allege to be owing to Orient Futures to be promptly paid to Orient Futures before the Client may initiate such proceedings.