

## ADDENDUM TO THE MASTER TRADING AGREEMENT SECTION G ON THE TERMS AND CONDITIONS APPLICABLE TO SPOT DIAMOND TRADING

### G1 APPLICATION

G1.1 Where the Client has requested in the relevant Application for UOBKH to provide services in trading in Diamonds (as defined below) in the market operated by the Singapore Diamond Investment Exchange Pte. Ltd. (the "**Exchange**") ("**Diamond Trading**"), the Client shall comply with the relevant terms and conditions of this Section (the "**Spot Diamond Terms**"), in addition to all other terms and conditions under Section A of this Agreement, the applicable rules of the Exchange (including without limitation the Exchange Rules and Depository Account Rules (each as defined below)) and all other rules, guidelines and documents of UOBKH pertaining to Diamond Trading as UOBKH may issue from time to time (collectively, the "**Trading Terms**"). In the event of any conflict or inconsistency between the provisions of these Spot Diamond Terms and the Trading Terms in relation to Diamond Trading, the provisions in these Spot Diamond Terms shall prevail to the extent of such conflict or inconsistency.

G1.2 All expressions used in these Spot Diamond Terms shall, unless the context requires otherwise or unless expressly defined or stated in these Spot Diamond Terms, have the same meanings assigned to them in Section A of this Agreement, and if also not defined in Section A of this Agreement, they shall have the same meanings assigned to them under the Exchange Rules (as defined below). In addition, the following terms shall have the meaning ascribed to them below:

"Accredited Investor" shall have the meaning ascribed to it in the Exchange Rules;

"Book Depository" means the SDiX Depository Pte. Ltd.;

"Contract" refers to an agreement to purchase or sell a Diamond and to settle such purchase or sale pursuant to the Exchange Rules and the Depository Account Rules;

"Depository Account Rules" means the rules of the Book Depository, as the same may be amended, modified, supplemented or replaced from time to time, which govern the relationship between a Member and the Book Depository for the accounts held by the Member with the Book Depository for the recording of Diamonds sold or purchased by the Member on the Exchange Trading System. The Depository Account Rules may be accessed at <https://www.sdix.sg/about-us/rules-forms/>;

"Diamond" means a Product available for trading on the Exchange;

"Diamond Trading Platform" means such trading systems, platforms and/or related software and technology for trading in Diamonds which UOBKH may make available to the Client as it deems fit;

"Diamond Trading Platform 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 accessing or using, the Diamond Trading Platform;

"Diamond Transaction" means a Transaction in a Diamond on the Exchange;

"Exchange Rules" means the trading rules and settlement rules of the Exchange and/or the Book Depository pursuant to which Members transact on the Exchange Trading System, and settle such transactions, as the same may be amended, modified, supplemented or replaced from time to time. The Exchange Rules may be accessed at <https://www.sdix.sg/about-us/rules-forms/>;

"Exchange Trading System" means the trading system on which Members enter into Contracts;

"Force Majeure Event" means events beyond the reasonable control of the affected party, including but not limited to any breakdown, malfunction or failure of transmission or power, communication or computer facilities or systems, strikes or industrial actions, lockout, the failure of any agent (such as an agent, custodian, sub-custodian, carrier, delivery facility) for any reason to perform its obligations, unavailability of any energy source or utility, suspension or absence of quotation, war, invasion, act of foreign enemy, hostility (whether war has been declared or not), civil war, rebellion, revolution, insurrection, riot, malicious damage, civil commotion, terrorist acts, sabotage or other blockade or embargo, requisition by any government, regional or local authority, competent regulatory authority, department, council or other authority (whether de jure or de facto) or any agency thereof, acts and regulations of any government or supra national bodies or authorities, exercise of military or usurped powers or any law, statute, rules, regulation, edict, order, requisition or mandate of any such body, or suspension of trading in any currency, currency devaluations, imposition or changes to foreign exchange controls, moratorium or governmental intervention or restrictions on currency exchange or remittance, whether having the force of law or not or any act of God, fire, flood, frost, storm, explosion, disease epidemic or chemical contamination;

"Laboratory" means such diamond certification laboratory that is recognised, approved and prescribed by the Exchange and Book Depository from time to time for the purpose of consignment and delivery of Diamonds into an Approved Vault for sale on the Exchange Trading System;

"Manifest Error" means any error, omission or misquote (whether an error of UOBKH or any third party) which is manifest or palpable, including a misquote by any representative of UOBKH taking into account the current market and currently advertised quotes, or any error or lack of clarity of any information, source, commentator, official, official result or pronunciation. The fact that the Client may have entered into, or refrained from entering into, a corresponding financial commitment, contract or trade in reliance on a Diamond Transaction entered into with UOBKH (or that the Client has suffered or may suffer any loss whether direct, indirect, consequential or otherwise) is deemed irrelevant as a factor and shall not be taken into account in determining whether a situation amounts to a Manifest Error;

"Member" means a person admitted to membership of the Exchange and the Book Depository in accordance with the Exchange Rules and the Depository Account Rules;

"Physical Depository" means Malca Amit and its group of companies, or such other

person(s) that the Book Depository may from time to time appoint to safe-keep the Diamonds;

"Registered Person" means an individual registered with the Exchange as a Registered Operator to enter an Order on the Exchange Trading System on behalf of a Member or a Registered Representative to deal in Diamonds on behalf of a Member; and

"Spot Price" means the current market price.

## **G2 CONDITIONS PRECEDENT**

G2.1 The following shall be conditions precedent to the Client being allowed to trade in Diamonds:

- (a) the completion by the Client of the relevant application form for the opening of an Account or Accounts by UOBKH in the name of the Client for Diamond Trading with or through UOBKH and the provision of any and all information as UOBKH may require in connection with such application, and the approval of such application by UOBKH in its sole and absolute discretion;
- (b) the Client having received, read, understood, acknowledged and accepted all risks of trading in Diamonds with UOBKH including, but not limited to, the risks disclosed in the written risk disclosure statement required to be furnished by UOBKH pursuant to section 32(1) of the Commodity Trading Act (Chapter 48A of Singapore) as set out in Annex I to these Spot Diamond Terms and the risks disclosed under Rule 21 of the Depository Account Rules and these Spot Diamond Terms; and
- (c) the Client having provided such collateral for its Diamond Trading as UOBKH may require from time to time.

## **G3 RULES**

G3.1 UOBKH is a Broker Member of the Exchange and the Client is the Customer of UOBKH for the benefit of whom UOBKH transacts on the Exchange Trading System as principal and whose account is carried on the books of UOBKH with the Exchange.

G3.2 The Client understands and agrees that:

- (a) the trading of Diamonds, the execution of Orders (as defined in the Exchange Rules) and the entry into Contracts by or for or with the Client shall be subject to the Exchange Rules and Applicable Laws; and
- (b) the accounts held by UOBKH with the Book Depository for the holding and recording of Diamonds purchased or sold by UOBKH for or with the Client on the Electronic Trading System operated by the Exchange shall be governed by the Depository Account Rules and Applicable Laws.

Accordingly, the Client shall at all times observe and comply with the Exchange Rules, Depository Account Rules and Applicable Laws and shall do all things necessary to facilitate the provision of Diamond Trading services by UOBKH to the Client as UOBKH may determine to be necessary, expedient or desirable in

UOBKH's sole and absolute discretion for compliance with the Exchange Rules, Depository Account Rules and Applicable Laws. The Client shall ensure that it does not, by its actions or omissions, cause UOBKH to be in breach of the Exchange Rules, Depository Account Rules or any Applicable Laws.

G3.3 The Exchange Rules govern the relationship between and form a contract between the Exchange, the Book Depository and UOBKH and between UOBKH and each Member. The Depository Account Rules govern the relationships between and shall form a contract between UOBKH and the Book Depository and between UOBKH and each Member. The rights and obligations in the Exchange Rules and Depository Account Rules shall only be for the benefit of, and are solely enforceable by, the Exchange and/or the Book Depository against UOBKH respectively, except where any provision in the foregoing rules is intended to be for the benefit of UOBKH or expressly creates or defines rights and obligations as between UOBKH and another Member. UOBKH shall have the right to enforce the relevant provisions of the foregoing rules against another Member where those provisions expressly create or define such rights and obligations.

#### **G4 RELATIONSHIP BETWEEN THE PARTIES**

G4.1 The Client understands that UOBKH acts as the agent broker of the Client in respect of all Diamond Transactions, except when UOBKH discloses to the Client with respect to any particular Diamond Transaction that UOBKH acts as principal for UOBKH's own account.

G4.2 Notwithstanding that, as between the Client and UOBKH, UOBKH may in fact be the agent of the Client in respect of a Diamond Transaction, the Client acknowledges and agrees that UOBKH acts as principal and is responsible and deals as principal only in relation to the other Members, the Exchange and the Book Depository, as the case may be, and the Client shall have no third party beneficiary rights as against any other Member, the Exchange or the Book Depository. More specifically:

- (a) UOBKH acts as principal and is responsible and deals as principal only in relation to the other Member which is the contracting party to a Contract entered into by UOBKH on the Exchange Trading System. Notwithstanding any references elsewhere in the Exchange Rules and Depository Account Rules to UOBKH placing or executing orders, acting as broker or performing or doing any act, for the benefit of the Client, or to warranties or obligations of UOBKH in relation to the Client, the Client confirms and agrees that each Order (as defined in the Exchange Rules) placed in the Exchange Trading System, and Original Contract, is entered into by UOBKH as principal only vis-à-vis the other Member and that UOBKH shall be responsible for such Order (as defined in the Exchange Rules) and Original Contract vis-à-vis the other Member as principal; and
- (b) the Exchange and the Book Depository shall not be obliged to recognise any interest of any person other than UOBKH in respect of accounts opened and maintained by UOBKH with the Book Depository. At no time shall any rights or entitlements arise directly in favour of the Client in respect of such accounts. The Client shall not have any right or entitlement to communicate, give instructions to, or deal with the Exchange or Book Depository and the Exchange and Book Depository shall not be obliged in any way to deal with or communicate with the Client.

G4.3 UOBKH is expressly intended to be a riskless principal vis-à-vis the Client in the sense that:

(a) UOBKH's obligations to the Client with respect to any Diamond Transaction is limited only to passing onto the Client the benefit of such rights as UOBKH may itself actually have to enforce under such Diamond Transaction; and

(b) UOBKH's obligation to perform on any Diamond Transaction is dependent upon the performance of the Client's obligations to UOBKH.

Accordingly, the Client shall indemnify, keep indemnified and hold harmless UOBKH against any and all actions which UOBKH deems in good faith necessary to ensure that UOBKH will not be in default of its said principal obligation or responsibility. The foregoing right of UOBKH and obligation of the Client will apply even though as between UOBKH and the Client, the Client may be in actual or anticipatory default. The foregoing indemnity in favour of UOBKH is in addition to any other right that UOBKH may have (whether as expressly provided between the parties or implied by law).

G4.4 Without prejudice to the indemnity provided immediately above, the Client acknowledges that UOBKH, in taking principal obligation or responsibility with respect to any Diamond Transaction, may do so on behalf of the Client together with other clients of UOBKH, on an aggregate and undifferentiated basis, whether on an omnibus account or otherwise.

## **G5 DISCRETIONARY TRADING**

G5.1 Without prejudice to Clause A2.5 of this Agreement, UOBKH shall not permit the Client to appoint an Agent to act as the Client's attorney to trade or otherwise deal in Diamonds on the Client's behalf, without the prior approval in writing of the Exchange and the Book Depository, and execution of such agreement and/or document as UOBKH may require. Such approval may be granted by each of the Exchange and the Book Depository at its absolute discretion. For the avoidance of doubt, UOBKH may accept orders and instructions from a natural person (including without limitation any person who is an officer, partner or employee of the Client) who is appointed to act on behalf of the Client.

## **G6 TRADING LIMITS AND COLLATERAL REQUIREMENTS**

G6.1 Without prejudice to the generality of Clause A4 of this Agreement, UOBKH may, in its sole and absolute discretion at any time, impose upon the Client any position or Diamond Transaction limits, or any trading or Diamond Transaction restrictions or requirements.

G6.2 Without prejudice to the generality of Clause A5 of this Agreement, collateral may be required by UOBKH as security for the Client's obligations under one or more Diamond Transactions as well as a condition precedent for the effecting of any Diamond Transaction. The Client shall maintain at all times sufficient collateral as determined by UOBKH in its sole and absolute discretion. UOBKH reserves the right in its sole and absolute discretion to vary or waive any such collateral requirements in respect of one or more Diamond Transactions from time to time.

G6.3 If UOBKH determines that additional collateral is required, the Client shall provide such additional collateral immediately upon demand or within such time as UOBKH

may specify. The Client acknowledges that any failure or delay in providing such additional collateral as requested may adversely impact its effecting of any Diamond Transaction and/or its Account.

G6.4 UOBKH shall be entitled to deposit, pledge, repledge, hypothecate, rehypothecate, invest or loan any collateral in whatever form provided to UOBKH or otherwise, and shall not be under any obligation to account to the Client for any interest, income or benefit that may be derived therefrom. No interest shall be paid on any type of collateral deposited by the Client with UOBKH and the Client acknowledges and consents that interest earned on the collateral deposited under these Spot Diamond Terms may be retained by UOBKH for its own account and benefit.

G6.5 Notwithstanding any of the other provisions of this Clause, UOBKH may offer, on a case-by-case basis, trading in Diamonds on a margin or leveraged basis to be secured wholly or partially by Margin on such terms and conditions as UOBKH may specify from time to time.

## **G7 TRANSACTION STATUS**

G7.1 The Client shall at all times be fully responsible for monitoring its own positions entered into in respect of Diamond Transactions.

G7.2 Statements and Confirmations of Diamond Transactions concluded and Account status shall be sent by UOBKH to the Client from time to time.

## **G8 DIAMOND TRADING PLATFORM**

G8.1 For the purposes of Diamond Trading, UOBKH may offer or make available for access and use by the Client such Diamond Trading Platform to enable, assist and/or facilitate the Client to place Orders, enter into and/or settle Diamond Transactions in addition or in place of voice broking or other trading facilities for Diamond Trading. The Diamond Trading Platform may be proprietary to UOBKH or may be licensed by UOBKH from third party licensors (the "**Third Party Licensors**") for access and/or use by the Client. In addition to these Spot Diamond Terms, the Client agrees and undertakes to comply with any and all terms and conditions as UOBKH and/or such Third Party Licensors may from time to time prescribe or stipulate to be applicable to their provision and/or the Client's access and/or use of such Diamond Trading Platform.

G8.2 To the extent that the Client may use third party technology, web applications, application programme interfaces, software, software code, programmes, protocols and/or other third party resources (the "**Third Party Applications**") whether independently identified and selected, sourced or used by the Client, made available via UOBKH or otherwise, to provide connectivity to the Diamond Trading Platform offered or made available by UOBKH to place Orders, enter into and/or settle Diamond Transactions, the Client acknowledges and accepts that it is solely responsible for and will bear all risks that such Third Party Applications may not be compatible with or function appropriately with the Diamond Trading Platform.

G8.3 UOBKH disclaims and excludes unless expressly prohibited by applicable mandatory law, all terms and conditions and warranties implied by statute or common law in relation to the Diamond Trading Platform including, but not limited to, merchantability, satisfactory quality, suitability or fitness for any particular purpose. Technical difficulties may be encountered in connection with the Diamond Trading Platform. Such difficulties may include, but not be limited to, malfunctions, failures, delays,

hardware damages or software erosion. Such difficulties could be the result of hardware, software or communication link inadequacies or any other cause and such difficulties could lead to possible economic and/or data loss. In the absence of fraud or wilful default, in no event will UOBKH, any of its related companies or affiliates or any of their respective officers, employees, agents, representatives or contractors be liable for any Diamond Platform Trading Loss and even if UOBKH had been advised of the possibility of the same arising or that the same were reasonably foreseeable.

## **G9 RIGHT TO CHANGE PRODUCT OFFERINGS**

G9.1 UOBKH shall have the right at any time and in its sole and absolute discretion to change, vary or discontinue any specific Diamonds offered to the Client for Diamond Trading pursuant to these Spot Diamond Terms, and shall not be required to provide any reason for such change, variation or discontinuance.

## **G10 PRICING**

G10.1 UOBKH will quote prices via several mediums at which it may be prepared to enter into Diamond Transactions with the Client, including, but not limited to, over the telephone or through the Diamond Trading Platform.

G10.2 The Client acknowledges that a price quotation from UOBKH pursuant to this Clause does not constitute an offer to enter into or close a Diamond Transaction. A quoted price may change at any time after it has been quoted and prior to the Client making an offer to enter into a Diamond Transaction based on such quoted price. If a quote is made by UOBKH to the Client over the telephone, the Client may only offer to enter into a Diamond Transaction with UOBKH on that quote during the same telephone conversation in which the quote was given. Quotes, which are given by UOBKH as "indication only" or which have been communicated to the Client as being no longer valid, cannot be used by the Client as a basis for making an offer to enter into a Diamond Transaction. For the avoidance of doubt, where the Client offers to enter into a Diamond Transaction with UOBKH on a current valid quote, such offer is always subject to acceptance by UOBKH in accordance with the terms of this Agreement including, but not limited to, these Spot Diamond Terms.

## **G11 SETTLEMENT AND DELIVERY OF DIAMOND TRANSACTIONS**

G11.1 The Client understands and acknowledges that the Diamonds are for trading at Spot Prices and are intended for physical delivery. The date of settlement for any Diamond Transaction shall be three (3) Business Days after the trade date or such other Settlement Date as may be prescribed from time to time by the Exchange and/or the Book Depository under the Exchange Rules.

G11.2 If the Client fails to comply with Clause G11.1 above, UOBKH shall be entitled (but not obliged) to carry out any or all of the following without notice to the Client:

- (a) notwithstanding any collateral deposit with UOBKH, if the Client does not pay in full for any Diamonds which it purchases by the applicable settlement date, without prejudice to any of its other rights against the Client, UOBKH has the right to force sell any or all of these Diamonds at any time, in which case UOBKH will not be liable to the Client for any Loss suffered by the Client as a result of any fall in the market price of the Diamonds between the time the right to force sell arose and the time it actually sells the Diamonds;

- (b) notwithstanding any collateral deposit with UOBKH, if the Client does not deliver in full any Diamonds which it sells by the applicable settlement date, without prejudice to any of its other rights against the Client, UOBKH has the right to buy-in at any time and bill the Client for the difference, in which case UOBKH will not be liable to the Client for any Loss suffered by the Client as a result of any rise in the market price of the Diamonds between the time the right to buy-in arose and the time it actually buys the Diamonds; or
- (c) exercise any of its rights set out in Clauses A9 of this Agreement,

and the Client shall be responsible for any and all fines, penalties, late charges and all consequential losses and damages which may be assessed against the Client or UOBKH whether pursuant to the Exchange Rules or otherwise.

## **G12 COMMISSIONS AND CHARGES**

- G12.1 Commission will be payable on the entry into each Diamond Transaction. On the Business Day on which the parties have entered into a Diamond Transaction, the Client shall pay to UOBKH the commission at the applicable rates then in force, as set out in the Confirmation thereof or the applicable fee schedule. This commission is in addition to any and all other payment obligations in relation to a Diamond Transaction and will be rounded up to the nearest dollar.
- G12.2 UOBKH reserves the right from time to time in its sole and absolute discretion and by notice to the Client to vary commission rates or impose other fees. Commission fees and other charges may be quoted on request, posted on UOBKH's website or individually notified via post or other modes of communication as UOBKH in its sole discretion may deem fit. It is the Client's responsibility to ensure that it is aware of current applicable commission, charges and rates.
- G12.3 Where access to the Diamond Trading Platform is provided to the Client by UOBKH, the Client shall pay to UOBKH such access fees as may from time to time be applicable. The access fees shall be payable by the Client to UOBKH at the end of every calendar month.
- G12.4 The Client shall promptly pay all commissions, fees and charges at such rates and in such manner as UOBKH may in its sole and absolute discretion impose and stipulate from time to time with respect to the execution, performance and/or settlement of any Diamond Transaction or otherwise for the maintenance of the Account. All commissions, fees and charges to be payable from the Client may be settled by UOBKH on the day they fall due by debiting the Client's Account with the relevant amount payable by the Client. In the event that there are insufficient cleared funds in the Client's Account, the Client acknowledges that any amount due and payable from the Client under this Clause is a debt immediately due and owing by the Client to UOBKH.
- G12.5 The Client agrees that UOBKH may share all fees and charges with other persons in any proportion that UOBKH deems fit without being required to disclose that fact to the Client (unless that disclosure is required by Applicable Laws).

## **G13 WITHDRAWAL OF DIAMONDS**

- G13.1 The Client understands and agrees that any and all withdrawals of any Diamond or any individual diamond stone forming part thereof from the Book Depository shall be in accordance with the Depository Account Rules and the Book Depository shall be



entitled to issue any Circular, Guidance Note, processes and/or procedures from time to time in respect of any such withdrawal.

G13.2 In respect of any withdrawal of any Diamond (or any individual diamond stone forming part thereof) from the Book Depository effected at the request of the Client, the Client agrees to be solely responsible for, accept and bear all risks of the withdrawal of such Diamonds (or any individual diamond stone forming part thereof), including, but not limited to, the risk of loss of the Diamonds and all other Losses (as defined under the Depository Account Rules) and pay for, and accept liability for, all costs and expenses (including, but not limited to, transportation, insurance, GST, stamp and all other duties or taxes payable) of the withdrawal. The Client further agrees to bear the risk of any price differential arising out of the process of, or any delay in, howsoever caused, the withdrawal.

#### **G14 ERRORS**

G14.1 Subject to the provisions of this Clause, a Confirmation which does not accurately reflect the relevant Diamond Transaction entered into using the telephone or via the Diamond Trading Platform:

(a) does not affect the validity of the Diamond Transaction which the Confirmation evidences; and

(b) where there is Manifest Error, does not entitle the Client to enforce whatever is inaccurately recorded in the Confirmation.

G14.2 UOBKH reserves the right to void from the outset any Diamond Transaction involving or deriving from a Manifest Error or to amend the details of such Diamond Transaction to reflect that which UOBKH considers in its sole and absolute discretion acting in good faith to be the correct or fair details of such a Diamond Transaction absent Manifest Error.

G14.3 Without prejudice to the generality of the other terms in these Spot Diamond Terms, and in the absence of fraud or bad faith, UOBKH shall in no circumstances be liable to the Client for any loss, cost, claim, damage, demand or expense of whatsoever nature the Client may suffer or incur in connection with any Manifest Error howsoever arising, whether direct or indirect, special or consequential, including, but not limited to, loss of profit, loss of opportunity or even if UOBKH had been advised of the possibility of the same arising or that the same were reasonably foreseeable. The Client's attention is drawn in particular to Clause A12 of this Agreement.

#### **G15 FORCE MAJEURE EVENTS**

G15.1 If UOBKH determines in its reasonable opinion that a Force Majeure Event exists then UOBKH may in its sole and absolute discretion (and without prejudice to any other rights UOBKH may have) and, where relevant, for such period as UOBKH may in its sole and absolute discretion determine in good faith :

(a) cease or suspend trading and/or alter trading times for Diamonds on the Exchange;

(b) vary commission rates or any other applicable fees or charges;

(c) exercise a buy-in or force sell in respect of any or all Diamond Transactions, refuse any Diamond Transactions, cancel or fill any Orders in respect

Diamond Transactions, in each case at such level as UOBKH considers in good faith to be appropriate in all the circumstances;

- (d) immediately require payment of Margin, collateral or any other amounts the Client may owe UOBKH;
- (e) vary maximum and/or minimum Diamond Transaction size;
- (f) suspend or modify the application of any or all of this Section G to the extent that it is impossible or not reasonably practicable for UOBKH to comply with them; and
- (g) take or omit to take all such other actions as UOBKH deems appropriate in the circumstances to protect itself and its Client as a whole.

## **G16 DEFAULT**

G16.1 Without prejudice to the generality of Clause A9 of this Agreement, the following events shall additionally be considered to be a "Default" for the purposes of these Spot Diamond Terms:

- (a) if UOBKH has reasonable concerns that the Client does not have a sufficient understanding of the nature of, or the risks of, Diamond Trading.

G16.2 Upon the occurrence of a Default, in addition to any rights that UOBKH may have under Clause A9.2, UOBKH may exercise its rights to buy-in or force sell under Clause G11.2.

G16.3 Any action by UOBKH under this Clause shall be without prejudice to any of its rights to damages or any other remedy under these Spot Diamond Terms.

## **G17 ILLEGALITY**

G17.1 If any event occurs (including the introduction, implementation, operation or taking effect of, any law, regulation, tax, treaty, order, official directive or ruling, or any change in any such law, regulation, tax, treaty, order, official directive or ruling or in their interpretation or application by any governmental authority or agent) which makes or declares it unlawful or physically, technically or commercially impracticable or unviable for either UOBKH or the Client to exercise its rights or perform its obligations under these Spot Diamond Terms, UOBKH shall in good faith determine if these Spot Diamond Terms may be amended or the trading arrangements restructured in a manner which is lawful or practicable or viable. If UOBKH determines in good faith that this is not reasonably practicable and that such event adversely alters or changes the rights or obligations which UOBKH in good faith undertook upon the establishment of such Diamond Transaction or otherwise when opening or maintaining the Diamond Trading Account, UOBKH may terminate such Account by notice to the Client and exercise its rights under these Spot Diamond Terms including under Clause G16 as if a Default had occurred for the purpose of that Clause.

## **G18 NO ADVICE**

G18.1 Without prejudice to the generality of Clause A13.2 of this Agreement, UOBKH does not and is not willing to assume any advisory, fiduciary or similar or other duties or act as investment adviser to the Client in respect of any Diamond or Diamond

Trading and may provide the Client solely with execution only services for and with respect to the Client's Diamond Transactions with or through UOBKH.

## **G19 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

G19.1 In addition and without derogation of any of the representations, warranties and undertakings of the client under Clause A24 of this Agreement, the Client represents, warrants and undertakes to UOBKH, on the basis that each of these representations, warranties and undertakings is deemed repeated on a continuing basis for as long as the Diamond Trading services are provided to the Client and each time UOBKH makes a quote, or accepts an offer to enter into, or enters, an Order (as defined in the Exchange Rules), executes a Contract, or transacts on the Exchange Trading System, unless UOBKH has waived the requirement for any such representation, warranty or undertaking, that:

- (a) the Client is an Accredited Investor and if an Account is opened and maintained for Diamond Trading in the name of more than one person or a partnership for dealing on a joint account basis pursuant to Clause A8 of this Agreement, each of the Clients is an Accredited Investor;
- (b) UOBKH has full and absolute right and consent of the Client to enter into and be bound by the Exchange Rules and Depository Account Rules and perform any of its obligations and exercise any of its rights under the Exchange Rules and Depository Account Rules;
- (c) notwithstanding any references in the Exchange Rules and Depository Account Rules to UOBKH placing or executing orders, acting as broker or performing or doing any act, with or for the benefit in any way of the Client, or to warranties or obligations of UOBKH in relation to the Client, UOBKH has the full and absolute right, and consent of the Client, to act as principal, hold and deal with the Diamonds as principal vis-à-vis the Exchange, and that UOBKH acts as and shall be responsible as principal for the Diamonds vis-à-vis the Exchange, and that nothing in the Exchange Rules or Depository Account Rules shall impose on the Exchange, the Book Depository or any of the other Members any responsibility or notice of any trust (express, implied or constructive), segregation, entitlement or any other right of the Client or other arrangement, and no liabilities shall be affected by anything done in pursuance of the Exchange Rules and Depository Account Rules, and the Exchange, the Book Depository and each of the other Members shall not be affected with notice of any trust, segregation, entitlement or any other right of the Client or other arrangement by anything so done; and
- (d) the Client is not or will not be, engaged in any activity relating to "*conflict diamonds*" or any activity in contravention of any applicable anti-money laundering and/or countering of terrorism financing regulation, proliferation financing and/or sanctions regulations in force in any jurisdiction and all payments made and all Diamonds deposited and/or held in the form of Products are not "*conflict diamonds*" or connected therewith, and do not represent and/or relate to, or facilitate, the retention or control of proceeds, property, funds or investments derived from or used in connection with any conflict activities, money laundering and/or terrorism financing activities, proliferation financing activities and/or sanctioned activities.

G19.2 Where UOBKH offers or makes available for access and use by the Client a Diamond Trading Platform, the Client represents, warrants and undertakes to UOBKH, on the basis that each of these representations, warranties and undertakings will be correct and complied with in all material aspects so long as these Spot Diamond Terms remain in force as if repeated on each day, that:

- (a) the Client understands and accepts that trading through the Diamond Trading Platform exposes the Client to certain risks, including, but not limited to, risks associated with system or component failure. Such system or component failure may result in the inability to enter new instructions, execute existing instructions, modify or cancel instructions previously entered, or stop erroneous instructions, as well as a loss of instructions or order priority; and
- (b) the Client has received adequate instructions in respect of the operation and access of the Diamond Trading Platform and is fully conversant with the procedures and instructions in relation to the use of the Diamond Trading Platform and will ensure that all users of the Diamond Trading Platform using the Client's Account number and password are equally conversant and will abide with the same, and undertakes at all times to act to preserve the integrity of the Diamond Trading Platform.

## **G20 LIABILITY OF UOBKH**

G20.1 The Client understands and agrees that UOBKH does not make any representation or warranty or undertake any liability or responsibility with respect to the following:

- (a) no condition is made or to be implied nor is any warranty given or to be implied as to: (i) the quantity, quality and description of a Diamond; (ii) the compliance of the Diamond in any and all respects with the Product Specifications, the description contained in the supporting documents and information and/or the conditions imposed by the Book Depository; and (iii) the suitability of any Diamond for any particular purpose or use under any specific conditions, notwithstanding that such purpose or conditions may be known or made known to UOBKH or the Book Depository or Exchange;
- (b) the authenticity, validity or accuracy of any document or instrument given, issued, delivered, submitted or lodged by the Physical Depository, any Laboratory, any Member at any time, whether for purposes of execution, settlement, Novation or Re-novation. UOBKH shall not be liable or responsible in any way for any negligence, misconduct, fraud, wilful default or any other default, wrongdoing or breach of duty howsoever caused and however serious of the Physical Depository, any Laboratory, or any other Member or person responsible for the issuance, transmission, lodgement, preparation, or delivery of any document or instrument pursuant to or arising out of the Exchange Rules, Depository Account Rules and/or the Product Specifications, nor obliged in any way to take any action against any of the foregoing persons for any of the foregoing matters; and
- (c) the availability, suitability, efficiency or competence of the Physical Depository, any Laboratory, any delivery facility approved by the Book Depository, and any of their respective agents. UOBKH shall not be liable or responsible in any way for the condition, availability, suitability or efficiency of any such Physical Depository, Laboratory, or delivery facility,

or any of their respective agents, nor obliged in any way to take any action against any of the foregoing persons for any of the foregoing matters.

## **G21 CLIENT INFORMATION**

G21.1 The Client consents to, authorises and approves the provision of documents, records or information (including personal data) to the Exchange and/or the Book Depository and/or their related corporations, service providers and agents for all purposes in connection with: (a) the Exchange and/or the Book Depository discharging their obligations under the Exchange Rules and Depository Account Rules or any applicable law; (b) the opening, administration and operation of the depository accounts with the Book Depository or other ancillary purposes (including market research and the marketing of products and services of the Exchange and the Book Depository or its related corporations to the Members); and (c) such other purposes set out in the privacy policy of the Exchange and the Book Depository at <https://www.sdx.sg/privacy-policy-2/> ("**Privacy Policy**") (and all such purposes collectively, "**Permitted Purposes**").

G21.2 Such consents, authorisations and/or approvals shall include consents, authorisations and/or approvals for Client's personal data to be: (a) collected and/or used by the Exchange and/or the Book Depository and/or their related corporations, service providers and agents; (b) disclosed by the Exchange and/or the Book Depository and/or their related corporations, service providers and agents to the following persons and their authorised representatives, for all Permitted Purposes: (i) other Members; (ii) other Members' banks by whom such Members' bank accounts are maintained for direct crediting; (iii) the Book Depository's bank by whom the Book Depository's bank account is maintained for direct crediting; and/or (iv) such other persons as specified in the Privacy Policy of the Exchange and the Book Depository.

G21.3 The Client acknowledges that it has read and understood the Privacy Policy of the Exchange and the Book Depository.

G21.4 For the avoidance of doubt, this Clause shall apply in addition to Clause A34 of this Agreement.

## **G22 NOTIFICATION TO CLIENT AND INDEMNITY**

G22.1 Pursuant to Rule 206.1 of the Exchange Rules, UOBKH hereby notifies the Client of the limitation of liability, disclaimer of warranties and indemnities under Rules 203, 204 and 205 of the Exchange Rules as set out below.

### **Rule 203: Limitation of Liability**

G22.2 The Client acknowledges and agrees that none of the Exchange, the Book Depository, and any of their related corporations and any of their respective directors, officers, employees, representatives, third party service providers or agents (collectively, the "**Indemnitees**" and each, an "**Indemnitee**") shall be liable (whether under contract or tort) to any person for any Losses (as defined under the Exchange Rules), arising from or in connection with:

- (a) any breach of the Exchange Rules or Depository Account Rules by any Indemnitee, any action taken by, or any inaction of, any Indemnitee in connection with the Exchange Rules or Depository Account Rules or any

applicable law, unless such Losses (as defined in the Exchange Rules) are directly caused by its fraud, wilful default or negligence;

- (b) any breach of the Exchange Rules or Depository Account Rules by any of the Members or Registered Persons, any action taken by, or any inaction of, any of the Members or Registered Persons in connection with the Exchange Rules or Depository Account Rules or any applicable law;
- (c) any defect in the Diamonds or any non-conformity of the Diamonds with the relevant Product Specifications sold by or to any Member;
- (d) any claim made by any Member or person on the basis of the Exchange Rules or Depository Account Rules, any Contract or any other agreement entered into with the Vendor;
- (e) any failure to act, negligence, negligent act or omission, or error of any Indemnitee or its related corporations / entities, directors, officers, partners, employees, agents, servants or independent contractors;
- (f) any failure to act, negligence, negligent act or omission, error or wilful default, misconduct or fraud or unlawful act of any Member or its related corporations / entities, directors, officers, partners, employees, agents, servants or independent contractors;
- (g) any breach of any warranty or representation made by any person in any of the Exchange Rules or Depository Account Rules;
- (h) any closure, suspension or interruption of the Markets;
- (i) the exercise or non-exercise by an Indemnitee in any decision-making power or discretion;
- (j) any ruling, determination or decision of any Indemnitee, Disciplinary Committee and/or Appeals Committee;
- (k) any malfunction of Exchange Systems howsoever caused, including but not limited to failure, negligence, omission or error of any Indemnitee;
- (l) any Force Majeure Event;
- (m) the use of any Exchange Systems or the inability to use any Exchange Systems;
- (n) any Member's breach, delay or failure to comply with any provision of the Exchange Rules or Depository Account Rules; or
- (o) any claim by any third party against any of the Indemnities arising from the circumstances specified in any of the sub-clauses above.

G22.3 The aggregate liability of the Exchange and the Book Depository in contract, tort (including but not limited to negligence), misrepresentation, restitution or any other cause of action arising out of or in connection with the Exchange Rules, its action, inaction, performance or non-performance of its obligations under the Exchange Rules shall be limited in respect of each incident to the higher of US\$100,000 or 10%

of the purchase consideration of the sale Contract(s) that is(are) the subject matter of the claim.

G22.4 Notwithstanding Rule 203.1 of the Exchange Rules and any other provision of the Exchange Rules and Depository Account Rules, at no time shall any Indemnitee be liable or responsible to any person for any and all pure economic loss, loss of profits, fall in the price of diamonds, equitable compensation, loss of business, or any other indirect or consequential Losses (as defined in the Exchange Rules) whatsoever and howsoever caused (including but not limited to whether or not resulting from any failure to act, negligence, negligent act or omission, or error on the part of any Indemnitee and/or Member) which arise out of or in connection with the Exchange Rules or Depository Account Rules.

#### **Rule 204: Disclaimer of Warranties**

G22.5 The Exchange Systems, any component thereof, and any content displayed or made available therein and any services or functionalities provided in respect of Exchange Systems or provided therein (all such content, services or functionalities collectively the "Materials"), are provided on an 'as is' and 'as available' basis. Neither the Exchange, the Book Depository nor any of its licensors (including contributors of any content, articles, reports, surveys or news) warrant the accuracy, adequacy, completeness, timeliness, quality, currency, reliability, performance, or continued availability of the Exchange Systems, any component thereof, and any Materials and each of the Exchange, Book Depository and its licensors (including contributors of any content, articles, reports, surveys or news) expressly disclaims liability for errors or omissions or any delays in the Exchange Systems or the Materials, or for any actions taken in reliance on the Materials. No warranty or condition of any kind, whether express or implied, as to condition, description, quality, performance, merchantability, durability, satisfactory quality or fitness for the purpose or otherwise, is given in conjunction with or in relation of any of the Exchange Systems or any component thereof, or any Materials. The Exchange and the Book Depository does not warrant or forecast that the Exchange Systems, any component thereof or any Materials will meet the requirements of any user, or that operation of the Exchange Systems will be uninterrupted or error-free, or that any Materials will be uninterrupted or error-free.

#### **Rule 205: Indemnity**

G22.6 Without prejudice to any other indemnities, rights or remedies of the Indemnitees in the Exchange Rules and Depository Account Rules, each Member shall indemnify, defend and hold harmless the Indemnitees from and against any and all Losses (as defined in the Exchange Rules) which may be sustained, instituted, made or alleged against or suffered or incurred by any of the Indemnitees and which arises (whether directly or indirectly) out of, in the course of or in connection with any of the following:

- (a) any breach of the Exchange Rules or Depository Account Rules by the Member;
- (b) (for an Approved Supplier), any defect in the Diamonds or any non-conformity of the Diamonds with the relevant Product Specifications sold to any Member;
- (c) any claim made by any Member on the basis of the Exchange Rules or Depository Account Rules, any Contract or any other agreement entered into with any other Member;

- (d) any negligent act or omission or wilful default, misconduct or fraud or unlawful act of the Member or its related corporations / entities, directors, officers, partners, employees, agents, servants or independent contractors;
- (e) any breach of any warranty or representation made by the Member in the Exchange Rules or Depository Account Rules;
- (f) the Member's delay or failure to comply with any provision of the Exchange Rules or Depository Account Rules;
- (g) any breach of the laws of Singapore or of the jurisdiction to which the Member is subject; or
- (h) any claim by any third party against any of the Indemnitees arising from the circumstances specified in any of the sub-clauses above.

G22.7 Without prejudice to the generality of Rule 205.1 of the Exchange Rules, the Member shall indemnify and hold harmless the Exchange and the Book Depository for any and all expenses, costs and legal fees (on a full indemnity basis) incurred, including but not limited to expenses, costs and legal fees incurred for producing records, and information, or payment made (whether such payment is or was or is to be made in settlement of any proceedings or in connection with any ruling, judgment, order or award), by the Exchange and/or the Book Depository in connection with any proceedings (whether legal, arbitration or other proceedings) brought against it. The Exchange may request, and the Member shall provide any and all assistance to the Exchange in connection with such proceedings. Such assistance shall include, without limitation, the furnishing of information, documents, records and/or attendance of witnesses (potential or otherwise).

### **Client Indemnity**

G22.8 Without prejudice to the generality of Clause A11 of this Agreement, the Client shall indemnify, defend and hold harmless UOBKH from and against any and all Losses (as defined in the Exchange Rules) which may be sustained, instituted, made or alleged against or suffered or incurred by any of the Indemnitees and which arises (whether directly or indirectly) out of, in the course of or in connection with any of the events set out under Rule 205 of the Exchange Rules where such Losses are directly or indirectly caused by or attributable to the Client. The Client shall indemnify and hold harmless UOBKH for any and all expenses, costs and legal fees (on a full indemnity basis) incurred, including but not limited to expenses, costs and legal fees incurred for producing records, and information, or payment made (whether such payment is or was or is to be made in settlement of any proceedings or in connection with any ruling, judgment, order or award), by UOBKH, the Exchange and/or the Book Depository in connection with any proceedings (whether legal, arbitration or other proceedings) brought against it. The Client shall provide any and all assistance to UOBKH, the Exchange and/or the Book Depository in connection with such proceedings. Such assistance shall include, without limitation, the furnishing of information, documents, records and/or attendance of witnesses (potential or otherwise).



**RISK DISCLOSURE STATEMENT REQUIRED TO BE FURNISHED BY A COMMODITY  
BROKER OR SPOT COMMODITY BROKER UNDER THE CTA**

(The references to "you" below are references to the Client.)

**FORM 3**

**COMMODITY TRADING ACT (CHAPTER 48A)**

**COMMODITY TRADING REGULATIONS**

**RISK DISCLOSURE STATEMENT REQUIRED TO BE FURNISHED BY A COMMODITY  
BROKER OR SPOT COMMODITY BROKER**

1. This statement is provided to you in accordance with section 32 (1) of the Commodity Trading Act.
2. The intention of this statement is to inform you that the risk of loss in trading in commodity contracts and in spot commodity contracts can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition.
3. In considering whether to trade, you should be aware of the following:
  - (a) Margin: You may sustain a total loss of the initial margin and any additional margins that you deposit to establish a position or maintain positions in the commodity market or spot commodity market. If the market moves against your positions, you may be called upon to deposit a substantial amount of additional margins, on short notice, in order to maintain your positions. If you do not provide the required margins within the prescribed time, your positions may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
  - (b) Liquidation of position: Under certain market conditions, you may find it difficult or impossible to liquidate a position.
  - (c) Contingent orders: Placing contingent orders, such as "stop-loss" or "stop-limit" order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.
  - (d) "Spread" position: A "spread" position may not be less risky than a simple "long" or "short" position.
  - (e) Leverage: The high degree of leverage that is often obtainable, trading in commodity contracts and spot commodity trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
  - (f) Foreign markets and off-futures exchange transactions: Funds placed with a commodity broker or spot commodity broker for the purpose of participating in foreign markets, such as the New York Mercantile Exchange or Chicago Board of Trade, may not enjoy the same level of protection as funds placed in

commodity markets located in Singapore.

4. This brief statement cannot disclose all the risks and other significant aspects of the commodity market. You should therefore carefully study trading in commodity contracts and spot commodity trading before you trade.

25 April 2016