Annex E: Bypass Undertaking

Singapore Exchange Derivatives Trading Limited
2 Shenton Way, #19-00
SGX Centre 1,
Singapore 068804
Singapore

Attention: Member Supervision

[Date] **PRIVATE AND CONFIDENTIAL**

Dear Sir,

Bypass Undertaking Given Pursuant to Futures Trading Rules

We, the undersigned, furnish the following irrevocable undertakings (this "**Undertaking**") in connection with the grant of Bypass Privileges under the Rules. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Rules.

1. **Exchange Rulebook and Supremacy**. We have read and understood the Rules governing the Markets and in particular the rules applicable to Bypass Privileges. The Rules, including those relating to Bypass Privileges, market conduct and enforcement are incorporated herein by reference and are binding on each of the undersigned herein. In the event of any conflict between the Rules and this Undertaking, the Rules shall prevail.

2. **Authorised and Proper Purpose**. We understand and agree that Bypass Privileges are granted at the sole discretion of the Exchange and subject to the Rules, applicable laws and the conditions set forth herein. Under no circumstances shall we access or attempt to access QUEST for any illegal or improper purpose.

3. **Clearing Member and Trading Member Guarantee**. As Clearing Member or Trading Member which provides Customers with Bypass Privileges we hereby agree to:

   (a) guarantee and assume all financial responsibility for all activity conducted through each Customer's trading terminal;

   (b) assist the Exchange in a timely manner with respect to any investigation into potential violations of the Rules or the Securities and Futures Act, including, but not limited to, requiring the Customers to produce documents, to answer questions from the Exchange and/or appear in connection with any investigations;

   (c) maintain a current register of Customers which are granted Bypass Privileges and ensure that the information therein is updated, at a minimum, on a monthly basis; and

   (d) suspend or terminate the Customer's access to QUEST if the Exchange determines that the actions of the Customer undermine the operation of a fair, orderly and transparent market or if the Customer fails to cooperate in any investigation instituted by the Exchange.

4. **Customer Undertaking**. As a Customer with Bypass Privileges, we hereby agree to:

   (a) observe all applicable rules prescribed under the Rules to ensure the safety and integrity of the Markets and in particular agree:

      (i) not to extend Bypass Privileges to any third party;

      (ii) to cooperate with the Exchange and comply with such regulatory and other requirements as imposed by the Exchange to ensure market integrity;

      (iii) to comply with such credit limits and other risk management obligations as required by the sponsoring Clearing Member and cooperate with the sponsoring Clearing Member and provide such information and assistance as reasonably requested by the sponsoring Clearing Member to ensure compliance with the Rules;

      (iv) to comply with the Exchange's audit trail recording requirements and playback capability of audit trail data and be responsible for ensuring that the audit trail is archived on a timely basis and in an acceptable media;

      (v) to provide access to our premises, books and records and allow an independent external auditor to undertake an audit of our systems and procedures to the extent necessary to enable the auditor to prepare an audit report as contemplated herein; and

      (vi) not to refer to ourselves as a Member of SGX-DT or use any of the nomenclature reserved for Members under this Rules; and

   (b) pay to the Exchange such fees, levies or charges in connection with our Bypass Privileges as the Exchange may prescribe.

5. **Inspection and Access**. We agree to extend our fullest cooperation and provide full access to books, personnel, properties and documentation to the Exchange to enable it to carry out inspections.

6. **Legal Opinion**. We understand that electronic trading often has cross-border aspects and laws of a foreign country outside Singapore may be involved. We agree to procure legal opinions from a reputable international law firm to opine on the legality, validity or enforceability of licences or such other corporate, tax or regulatory matters as reasonably required by the Exchange. Such legal opinions are to be addressed to the Exchange and in such form as requested by the Exchange and shall be at our expense.

7. **Notification of Adverse Changes**. We agree to immediately notify the Exchange after the occurrence of any of the following events:

   (a) any civil, criminal or disciplinary proceedings instituted against any of the undersigned or its employees, whether in Singapore or elsewhere;

   (b) any threatened or actual inability to meet the financial requirements needed to secure Bypass Privileges;

   (c) any disruption of, delay in, suspension of or termination of any trading procedure or trading practice including those resulting from system failure;

(d) any fact or condition that renders or is likely to render any of the representations contained herein false or misleading;

(e) any violation or revocation of licences held by an Affiliate or change in the regulator or jurisdiction which the Affiliate is subject to; or

(f) any other matter which has or would be likely to have a material adverse effect on any of the undersigned's ability to observe the Rules or this Undertaking.

8. **Exchange Exclusion of Liability**. We have read and understand the risks inherent in trading in the Markets and that the Exchange has disclaimed liability for any loss (consequential or otherwise, including, without limitation, loss of profit), damage, injury, or delay, whether direct or indirect, arising from: (a) any action taken by the Exchange in connection with the discharge of its regulatory responsibilities including the suspension, interruption or closure of the Markets; or (b) any failure or malfunction of communications, equipment, market facilities, including QUEST.

9. **Index Provider Exclusion of Liability.** We have read and understand the risks inherent in trading in index-linked products made available on the Markets and that the index-providers have disclaimed liability for various losses as set forth in the Rules.

10. **Technical, Operation and Risk Management**. We agree to comply with such technical, operational, risk management and other requirements as specified in the Rules or by the Exchange from time to time with respect to trading on the Markets.

11. **Disciplinary Action and Fines**. We acknowledge that a failure to observe the Rules and the Undertaking set forth herein may in certain cases threaten the safety, integrity and reputation of the Markets. Failure to observe the Rules may result in Sanctions including a reprimand, fine of up to $250,000,[1] disciplinary action or suspension of trading privileges as contemplated in the Rules. We agree to cooperate with the Exchange and appear or cause to appear before the Exchange's Disciplinary Committee such individuals charged with trading malpractices to face disciplinary proceedings in Singapore. We further acknowledge and agree that money damages may not be a sufficient remedy for any material breaches and the Exchange shall therefore be entitled to seek equitable relief, including an injunction or specific performance, as a remedy for any such breach. For the avoidance of doubt, such remedies shall not be deemed to be the exclusive remedies for a breach of the Rules or this Undertaking but shall be in addition to all other remedies available at law or equity.

12. **Jurisdiction and Service of Process**. The parties hereto agree that any and all actions or proceedings seeking to enforce any provision of, or based on any right arising out of, this Undertaking shall be brought in the courts of Singapore. Each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

[1] The upper limit of $250,000 with respect to the Exchange's powers to fine is contained in Chapter 7 of this Rules.

13. **Suspension or Termination of Bypass Privileges.** The Exchange may suspend or terminate this Undertaking and any Bypass Privileges or access rights granted herein in accordance with the Rules. The Member or Customer may seek to terminate this Undertaking by providing a termination notice to the Exchange of not less than fourteen (14) days prior to the intended date of termination. The Exchange retains the discretion to refuse or accept the termination notice if it considers it necessary for the protection of Customers, or otherwise in the interest of the Markets. Termination of this Undertaking shall not affect the accrued rights and obligations of the parties which continue to survive.

14. **Entire Agreement.** This Undertaking and the Rules constitute the entire agreement between the parties and supersede all prior oral or written agreements, understandings, representations and warranties, and dealings between the parties on the subject matter hereof.

15. **No Third Party Rights**. Nothing in this Undertaking confers or purports to confer on any third party any benefit or any right to enforce any term of this Agreement pursuant to the Contracts (Rights of Third Parties) Act.

16. **Authority; No Violation**. We hereby represent and warrant that we have full legal right and power and authority to execute and deliver this Undertaking and to perform fully the respective obligations hereunder. The execution, delivery or performance of this Undertaking will not violate any statute or law or any judgment, decree, order, regulation or rule of any court or governmental authority.

17. **Further Assurances**. We agree to take or cause to be taken such further actions, and to execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments, and to obtain such consents, as may be reasonably required or requested by the Exchange in order to effectuate fully the purposes, terms and conditions of this Undertaking or the Rules.

By signing herein below we the undersigned acknowledge that this Undertaking constitutes legal, valid, binding and enforceable obligations and is enforceable against each party to this Undertaking under the laws of Singapore in accordance with the terms hereof.

Regards,

_____

[Company Name and registered address (the "**Clearing Member**")]

_____

[Company Name and registered address] (the "**Trading Member**")[2]

_____

[*Full Name and registered address] (the "***Customer***"*].

ACCEPTED BY:

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SINGAPORE EXCHANGE DERIVATIVES TRADING LIMITED

[2] Delete if not applicable.