

Chapter 2

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201. Rules and Exchange Rules

201.1 These Exchange Rules govern the relationship between and shall form a contract between the Exchange, the Book Depository and each Member, between the Exchange, the Book Depository and each Registered Person, and between all Members with each other. The Exchange shall be entitled from time to time to issue Circulars, Guidance Notes and Manuals. These Exchange Rules are to be read together with any such Circulars, Guidance Notes and Manuals which the Exchange and/or the Book Depository may issue from time to time. These Exchange Rules shall also be read in conjunction with the Depository Account Rules as supplemented, applied, interpreted or implemented by Circulars, Guidance Notes, processes and/or procedures, each as the same may be amended, modified, supplemented and replaced from time to time.

201.2 Each Member agrees that the rights and obligations in these Rules shall only be for the benefit of, and are solely enforceable by, the Book Depository and/or the Exchange against Members, except where any provision in these Rules is intended to be for the benefit of Members or expressly creates or defines rights and obligations as between Members. Each Member shall have the right to enforce the relevant provisions of these Rules against another Member where those provisions expressly create or define rights and obligations as between those Members.

Each Member further acknowledges and agrees that acceptance of these Rules (including but not limited to the Depository Account Rules as well as the Rules relating to the Security Deposit, Net Trading Limit, settlement procedures and default arrangements) is a condition for Membership and participation on the Exchange Trading System, and the Member would not otherwise have, and cannot otherwise have, participated on the Exchange Trading System.

201.3 In the event of any conflict between the provisions of any of the following:

- (a) these Exchange Rules set out in this rulebook;
- (b) the Depository Account Rules;
- (c) the Circulars;
- (d) Guidance Notes; and
- (e) the Manuals,

then:

- (i) the provisions of the Exchange Rules set out in this rulebook shall prevail over the provisions of the Depository Account Rules, Circulars, Guidance Notes and Manuals;
- (ii) the provisions of the Depository Account Rules shall prevail over the provisions of the Circulars, Guidance Notes and Manuals;
- (iii) the provisions of the Circulars shall prevail over the provisions of the Guidance Notes and Manuals; and
- (iv) the provisions of the Guidance Notes shall prevail over the provisions of the Manuals.

201.4 Failure by a Member or a Registered Person to comply with any of these Rules or with any decision of the Exchange and/or the Book Depository made pursuant to these Rules shall constitute a breach of these Rules.

202. Mission Statement

202.1 The Exchange aims to provide a fair, orderly and transparent marketplace for Members to trade in Products that are held by the Book Depository.

202.2 Without prejudice to Rule 208 (Amendment of Rules), the Exchange and the Book Depository shall not amend, cancel or replace this Rule 202 without having first consulted the Members on such amendment, cancellation or replacement.

203. Limitation of Liability

203.1 None of the Indemnitees shall be liable (whether under contract or tort) to any person for any Losses, arising from or in connection with:

- (a) any breach of these Rules by any Indemnitee, any action taken by, or any inaction of, any Indemnitee in connection with these Rules or any applicable law, unless such Losses are directly caused by its fraud, wilful default or negligence;
- (b) any breach of these 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 these Rules or any applicable law;
- (c) any defect in the Physical Diamonds or any non-conformity of the Physical 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 these 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 these 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 these Rules; or
- (o) any claim by any third party against any of the Indemnitees arising from the circumstances specified in any of the sub-clauses above.

203.2 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 these Exchange Rules, its action, inaction, performance or non-performance of its obligations under these 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.

203.3 Notwithstanding Rule 203.1 and any other provision of these 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 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 these Rules.

203.4 Each Member that is (quasi, nominally, partially, substantially or otherwise) a government body or agency, a statutory board or other statutory entity incorporated under any act, a government-owned or government-controlled entity, or an entity that is otherwise entitled to benefit from any immunity from suit or equivalent protections customarily or legally available to states or their representative bodies under the law of any jurisdiction hereby:

- (a) irrevocably waives and shall not claim any and all immunity from actions, suits and proceedings and from all forms of execution or attachment (including attachment prior to judgment and attachment in aid of execution) to which it or its property is now or may hereafter become entitled in accordance with the laws of any jurisdiction and declares that such waiver shall be effective to the fullest extent permitted by such laws; and
- (b) consents generally in accordance with section 15 of the State Immunity Act, Chapter 313 of Singapore or under any applicable law, to the issue of any proceedings or to relief being given against it by way of injunction or order for specific performance or for the recovery of land or other property and to its property being subject to any process for the enforcement of any judgment or any arbitration award or any process effected in the course of or as a result of any action in rem.

204. Disclaimer of Warranties

204.1 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.

205. Indemnity

205.1 Without prejudice to any other indemnities, rights or remedies of the Indemnitees in these

Rules, each Member shall indemnify, defend and hold harmless the Indemnitees from and against any and all Losses 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 these Rules by the Member;
- (b) (for an Approved Supplier), any defect in the Physical Diamonds or any non-conformity of the Physical Diamonds with the relevant Product Specifications sold to any Member;
- (c) any claim made by any Member on the basis of these Rules, any Contractor 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 these Rules;
- (f) the Member's delay or failure to comply with any provision of these 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.

205.2 Without prejudice to the generality of Rule 205.1, 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, judgement, 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).

206. Notification to Customers

206.1 Members shall notify Customers of the nature and terms of these Rules and the relationship between Members, the Exchange and the Book Depository, including without limitation that the Member 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 that the Customers shall have no third party beneficiary rights as against any other Member, the Exchange or the Book Depository. Without limitation to the foregoing, Members shall also notify Customers of the limitation of liability, disclaimer of warranties and indemnities under Rules 203, 204 and 205 either by way of inclusion in the contracts granting access to the Markets or such other manner as approved by the Exchange and/or the Book Depository. For the purposes of this Rule, "**Customers**" shall include Persons (other than the Member itself) for whose benefit the House Depository Account has been opened.

207. Waiver

- 207.1 The Exchange and the Book Depository may waive compliance with these Rules or any portion thereof or grant waivers subject to such terms and conditions as the Exchange and/or the Book Depository deem fit.
- 207.2 No failure by the Exchange and/or Book Depository to exercise or enforce any rights conferred upon it by these Rules shall be deemed to be a waiver of any such rights or operate so as to bar the exercise or enforcement thereof at any subsequent time or times. Waiver of any right arising from a breach or non-performance of these Rules or arising upon default under these Rules shall be in writing and signed by the Exchange and/or the Book Depository (as the case may be). A Member shall not be entitled to rely on a delay in the exercise or non-exercise of a right arising from a breach or non-performance of these Rules or on a default under these Rules as constituting a waiver of that right.
- 207.3 All waivers shall be notified as soon as possible to the relevant Members.

208. Amendment of Rules

- 208.1 These Rules may, from time to time and at any time, be unilaterally amended, cancelled or replaced, in whole or in part, by any of the Exchange and/or the Book Depository at its discretion, provided that the Exchange and/or the Book Depository shall provide 30 days notice prior to the date of such amendment, cancellation or replacement becoming effective unless:
- (a) in the Exchange and/or the Book Depository's reasonable opinion, it is required to enable the Exchange and/or the Book Depository to comply with its or their obligations under applicable law or any requirement or direction imposed on the Exchange and/or the Book Depository by any relevant regulatory authority;
 - (b) in the Exchange and/or the Book Depository's reasonable opinion, it is necessary to prevent a material disruption to or manage a significant risk to, the business of the Exchange and/or the Book Depository or the operation of any of the Exchange Systems;
 - (c) in the Exchange and/or the Book Depository's reasonable opinion, it is urgently required to protect the interest of one or more Members or to otherwise prevent imminent material detriment to the interests of the Exchange and/or the Book Depository and/or its Members,

in which case, the Exchange and/or the Book Depository shall provide such prior notice of the amendment, cancellation or replacement as is reasonable or practicable in the circumstances. The Exchange's and/or the Book Depository's rights to vary, amend or rescind these Rules are joint and several and may be exercised without the consent of any other person or entity.

- 208.2 The Exchange or, as the case may be, the Book Depository may provide for and publish transitional arrangements in relation to any amended or new Rule.

209. Inspection and Audit

- 209.1 Each of the Exchange and the Book Depository and/or their appointed agents may at its discretion and under conditions of secrecy inspect and audit the operations and books of a Member in connection with one or more of the purposes set out in Rules 210.1(b)(i) to (iii). The Member shall grant the Exchange and the Book Depository access to its books, premises, officers, partners, employees, Registered Persons, representatives and agents for the purpose of the Exchange and/or the Book Depository undertaking such inspection and audit.

210. Assistance by Members

210.1 The Members shall provide all documents, records and any information and access to its premises, officers, partners, employees, Registered Persons, representatives and agents as the Exchange and/or the Book Depository:

- (a) may require under these Rules or any applicable law; or
- (b) may reasonably request for in connection with:
 - (i) the discharge of its or their obligations under these Rules or any applicable law;
 - (ii) the protection of investors; or
 - (iii) the public interest.

Such documents, records or information may include details of the Member's Customers or former Customers.

210.2 The Members shall ensure that all documents, records or information provided to the Exchange and/or the Book Depository are true, accurate and not misleading in any material particular.

210.3 The Exchange and the Book Depository may take copies of any or all documents, records or information of the Member that has been provided to the Exchange and/or the Book Depository.

210.4 The Members consent to the collection, use and disclosure of their personal data by 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 these 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**").

210.5 The Members undertake to procure all relevant consents, authorisations and/or approvals from its directors, officers, employees, representatives, agents, partners, shareholders, any person holding a beneficial interest in the Member and Customers (including former Customers) (collectively, "**Relevant Persons**") for the provision of documents, records or information to the Exchange and/or the Book Depository and/or their related corporations, service providers and agents for all Permitted Purposes.

210.6 Such consents, authorisations and/or approvals shall include consents, authorisations and/or approvals for the Members' and the Relevant Persons' 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.

210.7 The Members warrant that such consents, authorisations and/or approvals have been procured

for and on behalf of the Exchange and/or the Book Depository and/or their related corporations, service providers and agents prior to any disclosure of the personal data of the Relevant Persons to the Exchange and/or the Book Depository and/or their related corporations, service providers and agents. The Members agree to indemnify, defend and hold harmless the Exchange and/or the Book Depository and/or their related corporations, and any of their respective directors, officers, employees, representatives, service providers and agents in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Members' breach of this warranty.

- 210.8 The Members acknowledge that they have read and agree to the Privacy Policy of the Exchange and the Book Depository. Where appropriate, the Members have referred or will direct the Relevant Persons to the Privacy Policy of the Exchange and the Book Depository.

211. Use or Disclosure of Documents, Records and Information

211.1 Each Member irrevocably and unconditionally consents to each of the Exchange, the Book Depository and their respective officers disclosing any information disclosed by or provided by the Member, information relating to the Member, any Account, any Contract, any transactions or dealings, and holdings in the Account (collectively, the "**Information**"), wherever situated including information residing in the global systems of the Exchange, the Book Depository, their related corporations or any entity in the SDiX Group, as the Exchange and/or the Book Depository shall consider appropriate for any purpose whatsoever as the Exchange and/or the Book Depository may think fit to:

- (a) any officer of the Exchange and any officer of the Book Depository;
- (b) any of the Exchange's and Book Depository's related corporations and affiliates, and any entity within the SDiX Group, whether situated in Singapore or elsewhere (together, the "**Affiliates**"); and
- (c) any other person, whether situated in Singapore or elsewhere:
 - (i) to whom the Exchange and/or the Book Depository outsources the performance of its operational functions (including, without limitation, any third party service provider engaged by the Exchange and/or the Book Depository to perform out-sourced functions) or who is an agent, advisor, attorney, custodian, sub-custodian, depository, manager, service provider or nominee selected or used by the Exchange and/or the Book Depository, whether in Singapore or elsewhere and whether a SDiX Group entity or otherwise, each an "**Agent**" and together, the "**Agents**";
 - (ii) pursuant to the procuring or management of data relating to the Exchange, the Book Depository or any facility or proposed facility or service offered by it;
 - (iii) to whom (including, without limitation, all government agencies and authorities, regulators, exchanges, clearing houses, markets or depositories, in each case whether in or outside Singapore) such disclosure is required (by any law or regulation (whether foreign or local), or pursuant to any directives of such entities) to be made by any SDiX Group entity;
 - (iv) for purposes of wire transfer;
 - (v) who is a Member with whom the first-mentioned Member has a dispute with arising out of or in connection with a Contract traded on the Exchange Trading System and/or with any representation or warranty in respect of any Product

traded on the Exchange Trading System. For the avoidance of doubt, the Information that may be disclosed under such circumstances shall be limited to the identity of the Member and the last address of the Member in the records of the Exchange or, as the case may be, the Book Depository;

- (vi) to whom the Exchange and/or the Book Depository is under a duty to make such disclosure or to whom such disclosure is considered by the Exchange and/or the Book Depository to be in its interests.

211.2 For the avoidance of doubt, each Member agrees that the Information may be held by and viewed remotely by and transferred to systems located in various jurisdictions outside Singapore. Each Member further acknowledges and agrees that all Information (including Information that is disclosed to the Exchange's and/or Book Depository's Affiliates and other third party service providers) will be held by the Exchange, the Book Depository and/or such Affiliates and other third party service providers subject to the security and technology standards of the SDiX Group.

211.3 The Member agrees that the Exchange and/or the Book Depository may outsource from time to time data and transaction processing, financial and transaction reporting, custody, execution and other functions to any Agent (which may be the Exchange's and/or the Book Depository's Affiliate or a third party). Such Agent may be in Singapore or elsewhere. Without prejudice to the other provisions of these Rules, each Member agrees that such outsourcing may involve the transfer of Information within or outside Singapore and each Member agrees to authorise access by such Agent to process or deal with the Information. Each Member acknowledges that such Agent may, in certain circumstances, be required to, and each Member agrees that it may, disclose information (including the Information) to third parties. Such circumstances include, but are not limited to, the Agent being compelled to disclose such information pursuant to a court order, police investigations, requests or requisitions by regulators, government agencies and authorities, and commercial prosecutions for tax and other offences, in each case in or outside Singapore.

211.4 The Member consents to and authorises the use by the Exchange and/or the Book Depository of any Information for the purposes of the sending of commercial messages to the Member. The provisions in this Rule shall constitute the Member's consent for the purpose of the provisions of any spam control laws (whether in Singapore or elsewhere).

211.5 The right of the Exchange and/or the Book Depository to disclose the Information under this Rule will continue even if the Member ceases to be a Member, and/or ceases to hold a Depository Account with the Book Depository.

212. Registers

- 212.1 The Exchange will maintain the following registers or such other registers as it may require:
- (a) Register of Members; and
 - (b) Register of Registered Persons.

213. Outsourcing and Delegation

213.1 The Exchange and/or the Book Depository may, in its absolute discretion (and without prior reference or notification to the Members), delegate to any Agent the performance of all or any part of the duties of the Exchange and/or the Book Depository, upon such terms as the

Exchange and/or the Book Depository shall consider fit. The Exchange and/or the Book Depository may grant to such Agent the authority to further sub-delegate, in its absolute discretion.

213.2 The Exchange and/or the Book Depository may outsource certain of its operational activities to third parties (including related corporations or affiliates of the Exchange and/or the Book Depository), subject to applicable laws and regulations.

213.3 Whilst the Exchange and/or the Book Depository will seek to exercise reasonable care in the appointment of any Agent, and specifically with respect to the Physical Depository, the Book Depository will seek to exercise reasonable care in the appointment and monitoring of the Physical Depository, none of the Indemnitees shall be liable for any Losses suffered or incurred by a Member arising out of or in connection with (i) the negligence of the Exchange and/or the Book Depository in the appointment of any Agent and/or the negligence of the Book Depository in the appointment and/or monitoring of the Physical Depository and/or (ii) any act, inaction, omission, fraud, negligence or insolvency of any Agent, except to the extent directly resulting from its fraud, or gross negligence in the appointment of the Agent or in the appointment and/or monitoring of the Physical Depository.

214. Rights of Third Parties

214.1 Except as between or amongst the Members, the Exchange and the Book Depository as provided for and contemplated in Rule 201.2, a Person who is not a party to these Rules shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any term of these Rules. All defences and limitations in these Rules shall be enforceable by each of the Indemnified Persons. Consent of the Indemnified Persons, Members or Registered Persons is not required for any variation, rescission or termination of these Rules. For the avoidance of doubt, nothing in this Rule shall affect the rights of any permitted assignee or transferee of these Rules.

215. Use of Exchange Systems

215.1 Each Member agrees to comply with guidelines, notices and instructions pertaining to the use of the Exchange Systems issued by the Exchange and/or the Book Depository, from time to time, as well as any amendments to the aforementioned.

215.2 The Member agrees and undertakes not to:

- (a) use any program, code, robot, spider, other automatic device or manual process to monitor, mirror or copy web pages comprising the Exchange Systems or the content contained therein without the Exchange's and/or the Book Depository's prior written permission;
- (b) use any program, code, device, routine, software or material that contains a virus or damaging component which may corrupt the Exchange's data or interfere with the operation of any of the Exchange Systems;
- (c) take or institute any action that imposes an unreasonable or disproportionately large load on the Exchange Systems;
- (d) establish and/or maintain, on any website or webpage, any in-links, frame-links and/or any other type of hyperlinks to the Exchange Systems or any part thereof;
- (e) transmit any materials or information through the Exchange Systems which are or may

be offensive, indecent, defamatory or which may not be lawfully disseminated under applicable laws or which the Member knows or has reason to suspect contains any viruses or damaging components which may detrimentally interfere with the Exchange Systems or the operation of the Exchange Systems; and

- (f) use the Exchange Systems other than in conformance with the acceptable use policies of any connected computer networks and any applicable Internet standards.

215.3 Access to and use of password protected and/or secure areas of the Exchange Trading System and other Exchange Systems are restricted to authorised users only. Each Member may not obtain or attempt to obtain unauthorised access to such parts of the Exchange Systems, or to any other protected information, through any means not intentionally made available by the Exchange and/or the Book Depository for the specific use of the Member.

215.4 Where the Member has been issued, by the Exchange and/or the Book Depository, with a password, personal or log-on identification number and other code and access procedures (such items to be referred to as "**Security Code**") for use in connection with access to the Exchange Systems or use of the facilities provided through the Exchange Systems, such Member hereby agrees to keep confidential, the Security Code issued to it. The Member shall notify the Exchange and the Book Depository immediately if it has knowledge that or has reason for suspecting that the confidentiality of the Security Code has been compromised or if there has been any unauthorised use of the Security Code.

215.5 The Member agrees and acknowledges that any use of or access to the Exchange Systems and any information, order, instructions, communications or data referable to its Security Code shall be deemed to be: (i) use or access of the Exchange Systems by such Member; and/or (ii) information, orders, instructions, communications or data transmitted or validly issued ("**Electronic Instructions**") by such Member, and it shall be bound by any access or use (whether such access or use is authorised by the Member or not) referable to its Security Code. Each of the Exchange and the Book Depository shall be entitled to act upon, rely on or hold the Member solely responsible and liable in respect thereof as if the same were carried out or transmitted by such Member.

215.6 Neither the Exchange nor the Book Depository is under any obligation to investigate the authenticity or authority of persons effecting any Electronic Instructions in accordance with Rule 215.5, or to verify the accuracy and completeness of such Electronic Instructions. Accordingly, each of the Exchange and the Book Depository may treat the Electronic Instructions as the Member's authentic and duly authorised instructions which are valid and binding on the Member notwithstanding any error, fraud, forgery, lack of clarity or misunderstanding in the terms of the Electronic Instructions.

215.7 Availability of Exchange Trading System: Members hereby agree that the Exchange and the Book Depository shall be entitled at any time, at their discretion and without prior notice, to temporarily suspend the operations of the Exchange Trading System or part thereof for updating, maintenance and upgrading purposes, or any other purpose whatsoever that the Exchange and the Book Depository deems fit, and in such event, the Exchange and the Book Depository shall not be liable for any loss, liability or damage which may be incurred as a result.

216. Member's Materials and Intellectual Property

216.1 The Member grants to each of the Exchange and the Book Depository an irrevocable, non-exclusive, sub-licensable and royalty-free right and licence to use the Member's Materials for any purpose, without restriction or compensation to the individual who has provided the

Member's Materials. "**Member's Materials**" means any and all of the following (whether proprietary to the Member or any other third party): trademarks, logos, brand names, service marks, photographs, graphical elements, wordings, forms, diagrams, information, text, film footage, computer animation, music, lyrics, sound effects, visual effects and/or other materials, including digital equivalents of all the above, which are provided by the Member through the Exchange Trading System in connection with Chapter 7. "**Member's Materials**" is deemed to include any trade or business name that the Member uses on the Exchange Trading System.

216.2 Any and all Intellectual Property Rights embodied in and to:

- (a) the Exchange Systems;
- (b) all documents, designs, materials, specifications, know-how, workflow information, methodologies, business models of the Exchange and/or the Book Depository; and
- (c) any works provided or otherwise created by the Exchange and/or the Book Depository for the purpose of these Rules, any Contract and/or the related documents,

(all the aforementioned Intellectual Property Rights to be collectively referred to as the "**IPR**") shall belong to the Exchange and the Book Depository exclusively and the Members shall not during or at any time after the completion, expiry or termination of their Membership, or during the term of or at any time after the completion, expiry or termination of any Contract in any way question or dispute such ownership. The Members agree and confirm that they retain no other right, licence, title or interest in or to the IPR and shall only have a limited, non-exclusive, revocable licence to use the same for purposes of completing its obligations under these Rules, any Contract and/or the related documents.

216.3 The Member agrees not to use, commercially exploit, disclose, market, sell or distribute any material or product incorporating IPR or any part thereof, save that such Member may use such material or product where expressly provided under these Rules, any Contract and/or the related documents, and provided that such use is for the sole purpose of completing its obligations under such documents during the term of such documents and upon such terms and restrictions of use as may be prescribed by the Exchange and/or the Book Depository through these Rules.

217. Dispute Resolution

217.1 Subject to Rule 217.3, any dispute arising between Members:

- (i) out of or in connection with a Contract traded on the Exchange Trading System, including any question regarding its existence, validity or termination, but excluding complaints solely of a disciplinary nature; and/or
- (ii) out of or in connection with any representation, warranty or undertaking in respect of any Product traded on the Exchange Trading System (other than a complaint solely of a disciplinary nature),

shall be referred to and finally resolved by arbitration in Singapore administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in this Rule.

- 217.2 Following the commencement of arbitration, the parties to such arbitration will attempt in good faith to resolve such dispute through mediation at the Singapore International Mediation Centre (“**SIMC**”), in accordance with the SIAC-SIMC Arb-Med-Arb Protocol for the time being in force. Any settlement reached in the course of the mediation shall be referred to the arbitral tribunal appointed by SIAC and may be made a consent award on agreed terms.
- 217.3 No arbitration shall be commenced in accordance with Rule 217.1 unless (a) a party to the dispute has served on every other party to the dispute a written invitation to settle such dispute through good faith negotiations and such dispute is not settled within 3 months of the date of the service of such written invitation or (b) an application for emergency interim relief is being made concurrently with the commencement of arbitration or will be made immediately thereafter.

218. Miscellaneous

- 218.1 Each of the provisions contained in these Rules shall be severable and distinct from one another and if at any time any one or more parts thereof become invalid, illegal or unenforceable, the validity, legality and enforceability of each of the remaining provisions of these Rules shall not in any way be affected, prejudiced or impaired thereby. If any provision of these Rules is determined by a court of competent jurisdiction in a final decision to be illegal, void or unenforceable under any law that is applicable hereto, these Rules shall continue in force save that such provision shall be deemed to be excised herefrom with effect from the date of such decision or such date as the Exchange and the Book Depository may determine.
- 218.2 The rights and remedies of each of the Exchange and the Book Depository under these Rules are joint and several, cumulative and are without prejudice and in addition to any rights or remedies the Exchange and/or Book Depository may have in law or in equity.
- 218.3 These Rules and all the rights and obligations of a Member under these Rules are personal to it and it shall not delegate, assign, sub-license, sub-contract, mortgage or charge any of those rights and/or obligations to any third party without the prior written consent of the Exchange and/or Book Depository which may be withheld for any reason.
- 218.4 These Rules and all the rights and obligations of the Exchange and/or the Book Depository under it may be assigned, transferred, novated or otherwise dealt with by the Exchange or, as the case may be, the Book Depository and will inure to the benefit of its successors and assigns, and the Member shall do all things necessary to facilitate such assignment, transfer, novation or dealing.
- 218.5 These Rules shall be governed by, and the relationship between the parties shall be governed by, and construed in accordance with Singapore law.
- 218.6 Save as provided in Rule 217.1, in respect of all other disputes, the Member hereby submits to the non-exclusive jurisdiction of the courts of Singapore and the courts of such other jurisdiction in which the Exchange or, as the case may be, the Book Depository may elect, and the Member hereby waives any objections on the ground of venue or forum non conveniens or any similar grounds and consents to service of process (including the service of process out of the Singapore courts) by registered or certified pre-paid mail to the last address in the records of the Exchange or, as the case may be, the Book Depository, such service to become effective seven (7) days after such mailing, whether or not the registered or certified pre-paid mail is received or collected by the Member, or in any other manner permitted by the relevant laws. Save as provided under these Rules, the Member also undertakes not to commence legal proceedings against any of the Exchange and/or the Book Depository in the courts of any

jurisdiction other than Singapore. The Member hereby acknowledges the competence of the courts of any jurisdiction in which the Exchange and/or the Book Depository brings proceedings and agrees that a final judgment in any such proceedings in such courts shall be conclusive and binding on the Member and a certified copy of such final judgment shall be conclusive evidence of the fact and of the amount of its Liabilities, as the case may be.

- 218.7 The Member shall be familiar with and aware of the laws in its country of nationality, residence, incorporation or registration (as the case may be) with regard to its Membership in the Exchange and the Book Depository, the ownership of diamonds, and its appointment of the Book Depository under these Rules or in any other jurisdictions and none of the Indemnitees shall be liable for any Losses incurred by the Member as a result of, arising from or in connection with its non-compliance with any regulations, laws or legal process of its country of nationality, residence, incorporation, registration, or otherwise applicable to the Member.
- 218.8 The Member shall at the request of the Exchange and/or the Book Depository at all times maintain an agent for service of process in Singapore to receive, for the Member and on its behalf, service of process in any proceedings in Singapore. Such service shall be deemed completed on delivery to the process agent (whether or not it is forwarded to and received by the Member). If for any reason the process agent ceases to be able to act as such or no longer has an address in Singapore, the Member irrevocably agrees to appoint a substitute process agent acceptable to the Exchange and/or the Book Depository and to deliver to the Exchange and the Book Depository a copy of the new process agent's acceptance of that appointment within thirty days.
- 218.9 The provisions of the "Uniform Law on the Formation of Contracts for the International Sale of Goods" and the Convention relating thereto, the "Uniform Law on the International Sale of Goods 1964" and the Convention relating thereto, and the "United Nations Convention on Contracts for the International Sale of Goods of 1980" shall not apply to these Rules and/or any transaction, or Contract.
- 218.10 The calculations and determinations of the Book Depository and/or Exchange made in connection with these Rules, including but not limited to the Net Trading Limit and the Net Settlement Amount, will be final, conclusive and binding on the Member in the absence of manifest error.

219. Partnerships

- 219.1 Where the Member is constituted as a partnership undertaking rights and obligations under these Rules and the Contracts, these Rules and the Contracts shall, until such time the Book Depository receives written notice of the change of constitution or dissolution of the partnership, be binding on a joint and several basis both on the present partners and on the persons from time to time carrying on business in the name of such partnership or under the name in which the business of such partnership may from time to time be continued. Accordingly, each such partner is jointly and severally entitled to all rights and responsible for all obligations in respect of these Rules and the Contracts. In the case of limited partners, each limited partner shall not (except as otherwise provided for in the Limited Partnership Act, Chapter 163B of Singapore) be liable for any outstanding obligations or any outstanding amounts in respect of these Rules and the Contracts beyond the amount of his, her or its agreed contribution.
- 219.2 Any security arrangement under these Rules shall apply to the indebtedness of the partnership or in the partnership's name until such time the Book Depository receives written notice of the change of constitution or dissolution of the partnership. Until and unless the Exchange and the Book Depository receive written notice of the change of constitution of, or dissolution of, the

partnership, no change resulting in the change of constitution of, or dissolution of, the partnership shall affect the liability of the partners who are partners of the partnership prior to receipt of such written notification, and each such partner shall be jointly and severally entitled to all rights and responsible for all obligations in respect of these Rules and the Contracts. Without prejudice to the foregoing, the security arrangements under these Rules shall continue and, in addition to the indebtedness of the old partnership, shall apply to all indebtedness due or incurred from or by the new partnership or partnerships thereby constituted as though there had been no change in the partnership previously constituted.

219.3 Where the Exchange and the Book Depository receives written notice of change of constitution or dissolution of the partnership, the old partnership shall not be entitled to enter into new Contracts on the Exchange Trading System, and the new partnership shall not be entitled to enter into new Contracts on the Exchange Trading System until after the old partnership has closed out and/or settled all Contracts entered into by the old partnership and the new partnership is admitted as a Member.

219.4 Rules 219.1 to 219.3 shall apply only to a partnership which is not a separate legal entity.

220. Adverse Event

220.1 Where an Adverse Event has occurred and is continuing in respect of a Member, the Exchange and the Book Depository may in the interest of maintaining a fair, orderly and transparent market issue directions to such Member. A failure by the Member to comply with any directions made pursuant to this Rule shall constitute a breach of these Rules.