

DEPOSITORY ACCOUNT RULES

1. Depository Account Rules

- 1.1 These depository account rules (the “**Depository Account Rules**”, which expression shall include these Depository Account Rules as may be amended, modified or replaced from time to time) govern the relationship between and shall form a contract between a Member (defined below) and the SDiX Depository Pte Ltd (the “**Book Depository**”, which expression shall include its successors and assigns) for the Depository Accounts held by a Member with the Book Depository for the holding and recording of Physical Diamonds Consigned by it or purchased or sold by it in the form of a Product on the Electronic Trading System operated by Singapore Diamond Investment Exchange Pte Ltd (the “**Exchange**”), and between all Members with each other.
- 1.2 The Book Depository shall be entitled from time to time to issue Circulars, Guidance Notes, processes and/or procedures. These Depository Account Rules are to be read together with any such Circulars, Guidance Notes, processes and/or procedures which the Book Depository may issue from time to time. These Depository Account Rules shall also be read in conjunction with the Exchange Rules as supplemented, applied, interpreted or implemented by Circulars, Guidance Notes and Manuals, each as the same may be amended, modified, supplemented and replaced from time to time.
- 1.3 Each Member agrees that the rights and obligations in these Depository Account Rules shall only be for the benefit of, and are solely enforceable by, the Book Depository against Members, except where any provision in these Depository Account 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 Depository Account Rules against another Member where those provisions expressly create or define rights and obligations as between those Members.

2. Definitions and Interpretation

- 2.1 In these Depository Account Rules, the following expressions shall have the following meanings, unless the context requires otherwise:

“**Approved Vault**” means a nominated Vault approved from time to time by the Book Depository for the Consignment of Physical Diamonds in accordance with these Depository Account Rules;

“**Book Depository Register**” shall have the meaning ascribed to it in Rule 4.1;

“**Depository Account**” means the account or accounts established and maintained by the Book Depository for a Member, on the terms and subject to these Depository Account Rules, specifying the Member’s entitlement to the number and type of Products held by the Book Depository for the Member;

“Force Majeure Events” 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, Physical Depository, 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;

“Losses” means any liabilities, losses (including but not limited to losses of earnings, diminution in value, loss or damage to property, loss of profits, business, goodwill or opportunity, or otherwise), damages, costs (including legal costs on a full indemnity basis), taxes, fines, penalties, judgments, interest, awards, expenses, fees, charges, actions, suits, proceedings, claims, claims for an account or equitable compensation or equitable lien, any other causes of action, demands or remedy of any kind whatsoever, in each case whether or not foreseeable, and in each case whether arising by law, contract, tort, voluntary settlement, in equity or otherwise;

“Member” shall have the meaning ascribed to it in the Exchange Rules; and

“Physical Depository” means, as the case may be, Malca Amit or any of its affiliates or subsidiaries which have been designated as such by the Book Depository, or such other person(s) that the Book Depository may from time to time appoint to safe-keep the Physical Diamonds;

“Physical Depository Agreement” has the meaning ascribed to it in Rule 7.2; and

“Recipient” means any person or entity designated by the relevant Member to collect Physical Diamonds from a Vault, as approved by Book Depository in accordance with the Depository Account Rules; and

“Singapore Vault” means the Vault premises of the Physical Depository, which the Book Depository has appointed, in Singapore.

2.2 Capitalised terms not defined herein have the meaning ascribed to them in the Exchange Rules.

2.3 For the purposes of these Depository Account Rules:

(a) words and expressions used in the singular shall include the plural and vice versa; those in the masculine gender shall include the feminine and the neuter genders, and vice versa; and those importing individuals shall include

corporations and bodies of persons, and vice versa;

- (b) the headings are inserted for convenience only and shall be ignored in construing these Depository Account Rules;
- (c) any reference to any statute, statutory instrument, regulations, set of rules, notices, directives, circulars, practice notes, codes, orders and guidelines shall be references to such statute, statutory instrument, regulations, set of rules, notices, directives, circulars, practice notes, codes, orders and guidelines as from time to time be amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force; and
- (d) notwithstanding anything to the contrary, where any right of the Book Depository is specified to be at its "*discretion*", "*sole discretion*" or "*sole and absolute discretion*", this shall be construed to refer to the Book Depository's "*sole, unfettered and absolute discretion*"; any determination to be made by the Book Depository or any exercise by the Book Depository of any rights or entitlement may be made at the Book Depository's sole, unfettered and absolute discretion and, in every case, shall be conclusive and binding on the Member. The word "*includes*" or "*including*" as used in these Depository Account Rules shall be construed to mean "*includes without limitation*" or, as the case may be, "*including without limitation*".
- (e) Any reference to time is to Singapore time.
- (f) Any reference to "certificate" in relation to a Physical Diamond shall mean such report or certificate issued by a Laboratory in respect of such Physical Diamond.
- (g) Any reference to "price" in relation to a Product shall mean the full purchase consideration payable to purchase the Product

3. Establishment of Account

- 3.1 Only a Member may establish a Depository Account with the Book Depository.
- 3.2 Each Member agrees that in order to trade on the Exchange Trading System, it must establish a Depository Account with the Book Depository, and each Member hereby appoints the Book Depository to establish and maintain Depository Accounts for it on the terms and subject to the conditions specified in these Depository Account Rules.
- 3.3 Where a Member is an Approved Supplier or a Proprietary Trading Member, the Depository Account must be designated as a House Depository Account for the Member's own account. An Approved Supplier or a Proprietary Trading Member is not permitted to open a Customer Depository Account, or to transact on behalf of any other person or hold any Product for any other person through the House Depository Account.
- 3.4 Where a Member is a Broker Member, the Depository Account must be designated as a House Depository Account or a Customer Depository Account. There is no limit on the number of Depository Accounts which a Broker Member can maintain with the Book

Depository. A House Depository Account can be held by a Broker Member for the Broker Member's own account, or for the benefit of a specific related or associated corporation or entity of the Broker Member, or a director, officer, partner, employee, representative or Registered Person of the Broker Member (whether on an omnibus basis, or for a specific person). A Customer Depository Account can be held by a Broker Member on an omnibus basis, or for the benefit of a specific Customer.

- 3.5 A Broker Member shall at all times segregate Products (i) held for its own account in a House Depository Account, (ii) held for the benefit of its Customers in a Customer Depository Account (whether on an omnibus basis or a separate Customer Depository Account for the benefit of each Customer) and (iii) held for the benefit of each of its related or associated corporations or entities, or its directors, officers, partners, employees, representatives or Registered Persons in a House Depository Account (whether on an omnibus basis or a separate House Depository Account for each such person).
- 3.6 At all times, the Broker Member shall maintain records specifying the Customer for whose benefit it has opened the Customer Depository Account or, if held on an omnibus basis, the Customer's entitlements to the Products held in the relevant Customer Depository Account. For this purpose, a "**Customer**" shall include customers of the Broker Member's Customers. A Broker Member shall maintain such information on its Customers as it may require in order to be able to identify the Depository Account held for the benefit of the Customer and the entitlements of the Customer within the Customer Depository Account. If required by the Book Depository, a Broker Member shall disclose such information as the Book Depository may require in relation to a Broker Members' Customers.
- 3.7 The requirements specified in Rules 3.4 to 3.6 shall be the individual responsibility of the Broker Member to its Customer. The Broker Member undertakes that it will, for the benefit of its Customers, meet the standards set out in these Depository Account Rules, including without limitation this Rule 3. Nothing in these Depository Account Rules shall impose on the Exchange and/or the Book Depository any responsibility or notice of any trust (express, implied or constructive), segregation, entitlement or any other right of the Customer or other arrangement, and no liabilities shall be affected by anything done in pursuance of these Depository Account Rules and neither the Exchange nor the Book Depository shall be affected with notice of any trust, segregation, entitlement or any other right of the Customer or other arrangement by anything so done.
- 3.8 The Book Depository shall not be responsible to ensure compliance and shall not take cognisance for observation of this Rule 3, and nothing in this Rule 3 shall confer on any Customer any right of claim by reason of any non-conformance with the requirements of this Rule 3.
- 3.9 Each Member shall within 5 months of the end of its financial year, obtain its external auditor's confirmation that it has complied with the requirements of these Depository Account Rules, and shall provide a certified true copy of such confirmation. The Book Depository shall be entitled to appoint another auditor at any time to provide such confirmation at the cost and expense of the Member.

4. Book Depository Register

- 4.1 The Book Depository establishes, and each Member authorises the Book Depository to maintain a register of Depository Accounts (the “**Book Depository Register**”). Products purchased on the Exchange Trading System by a Member and/or Consigned by an Approved Supplier with, and held by, the Book Depository will be recorded as a credit in the relevant Depository Account of the Member. Products sold on the Exchange Trading System by a Member will be recorded as a debit from the relevant Depository Account of the Member. Each Member agrees that the book entries made by the Book Depository in the Book Depository Register are conclusive and binding on each Member, without prejudice to the Book Depository’s rights to make any corrections as it considers necessary.
- 4.2 A Member’s entitlement to a Single Stone will be reflected in the Book Depository Register based on the Single Stone’s certificate number issued by a Laboratory and/or such other criteria as the Book Depository may determine at its discretion from time to time. In respect of Single Stones, a Member’s credit balance in the Book Depository Register corresponds to its right of ownership of and title to the Single Stones held in its Depository Account(s). In respect of specific and/or allocated Diamond Baskets, a Member’s credit balance in the Book Depository Register corresponds to its right of ownership of and title to the specific and/or allocated Diamond Baskets conforming to the relevant Product Specifications held in its Depository Account(s) (each such Single Stone and each such Diamond Basket in relation to a Member, the “**Member’s Specific Diamond**”).
- 4.3 A Member’s undivided share of Diamond Baskets in a Pool will be reflected in the Book Depository Register based on the Product Specifications of such Diamond Baskets in the Pool and/or such other criteria as the Book Depository may determine at its discretion from time to time. In respect of Diamond Baskets from a Pool, the Member’s credit balance in the Book Depository Register does not reflect that Member’s right of ownership of and title to any specific Diamond Basket but reflects the Member’s entitlement to an undivided share of Diamond Baskets in a fungible Pool as determined in accordance with Rule 5.5.

5. Title

- 5.1 Each Member agrees that a transfer of title, rights, property and interest to a Product by the Book Depository by way of book-entry credits and debits shall be valid and conclusive and shall not be challenged in any Court on the ground that the transfer is not accompanied by a proper instrument of transfer or that otherwise the transfer is not made in writing.
- 5.2 The Book Depository shall not recognise or be obliged to recognise any title, rights, property or interests in the Physical Diamonds of any person other than the title, rights, property and/or interest in the Products held by the Member whose Depository Account has been credited with such Products. For a Customer Depository Account, the Book Depository shall not recognise or be obliged to recognise any title, rights, property or interests (whether they be beneficial, equitable or any other interest, proprietary or otherwise) in the Physical Diamonds of any Customer, and the Book Depository will

only recognise the title, rights, property and/or interest in the Products held by the Member whose Customer Depository Account has been credited with such Products. For a House Depository Account, the Book Depository shall similarly not recognise or be obliged to recognise any title, rights, property or interests (whether they be beneficial, equitable or any other interest, proprietary or otherwise) in the Physical Diamonds of any person other than the title, rights, property and/or interest in the Products held by the Member whose House Depository Account has been credited with such Products. Neither a Customer nor any other person shall have any right or entitlement to communicate, give instructions to, or deal with the Book Depository directly on a Depository Account, and the Book Depository will act only on instructions of the Member.

Common Ownership

- 5.3 Where a Consigning Approved Supplier enters into a Contract on the Exchange Trading System to sell a Diamond Basket representing an undivided share in a particular Pool (which Diamond Basket, at the time of the Contract, has not yet been delivered into a Pool) (such a Contract, a “**First Diamond Basket Sale (Pooled)**”), the Consigning Approved Supplier agrees, consents and authorises the Book Depository to deliver such Diamond Basket(s) to the relevant Pool(s) by the second Business Day after the date the Original Contract is made or such other time as may be prescribed by the Exchange and/or the Book Depository. Where a Consigning Approved Supplier has Consigned more than one Diamond Basket (which Diamond Basket(s) have not been delivered into a Pool) and enters into one or more First Diamond Basket Sales (Pooled), such Consigning Approved Supplier agrees that the Book Depository may choose (at its sole and absolute discretion) such number of Diamond Baskets from the Diamond Baskets the Consigning Approved Supplier has Consigned to be placed into the relevant Pool(s). Such Consigning Approved Supplier agrees, consents and authorises the Book Depository to deliver such Diamond Basket(s) to the relevant Pool(s) by the second Business Day after the date the Original Contract is made or such other time as may be prescribed by the Exchange and/or the Book Depository.
- 5.4 Each Member who delivers a Diamond Basket to the Singapore Vault and delivers such Diamond Basket to a Pool, and/or who sells or purchases a Diamond Basket from a Pool on the Exchange Trading System, agrees and consents to:
- (a) such Diamond Basket being placed in (or remaining in, as the case may be) a Pool commingled with other Diamond Baskets of the same Product Specifications belonging to other Members;
 - (b) other Diamond Baskets of the same Product Specifications belonging to other Members being placed into the Pool at any time in accordance with these Depository Account Rules;
 - (c) any and all Diamond Baskets in the Pool being withdrawn from the Pool at any time in accordance with these Depository Account Rules; and
 - (d) these Depository Account Rules governing the relationship between itself and all other Members whose Diamond Baskets have been placed into the Pool.
- 5.5 Each Member who delivers a Diamond Basket to the Singapore Vault and delivers

such Diamond Basket to a Pool agrees that it relinquishes all its rights, title, property and interest in the Diamond Basket delivered in exchange for an undivided share in the Pool when the relevant Diamond Basket is delivered into the relevant Pool. Any Member who has contributed to the Pool and any Member who acquires title, property, rights and interest in any Diamond Basket in the Pool agree to the following:

- (a) Each such Member is an owner in common of the Pool and is entitled to an undivided share in the Pool in accordance with sub-paragraph (b) below.
- (b) Subject to sub-paragraph (c) below, for the purposes of this paragraph, the undivided share of each such Member shall be the proportion that the total quantity of Diamond Baskets which was contributed by or are sold to such Member, bears to the total quantity of Diamond Baskets recorded by the Book Depository as forming the Pool for the time being.
- (c) Where the aggregate of the undivided shares of the Members in relation to a Pool, whether determined under sub-paragraph (b) above or otherwise, would at any time exceed the whole of the Pool at that time, the undivided share in the Pool of each such Member shall be reduced proportionately so that the aggregate of the undivided shares is equal to the whole Pool.

5.6 A Member who is an owner in common of a Pool agrees and consents to:

- (a) any delivery of Diamond Baskets out of the Pool to any other owner in common of the Pool, being Diamond Baskets which are due to such other owner under these Depository Account Rules; or
- (b) any dealing with or removal, delivery or disposal of Diamond Baskets in the Pool by any other person who is an owner in common of the Pool in so far as the Diamond Baskets correspond to that co-owner's undivided share (or part thereof in the Pool at the time of the dealing, removal, delivery or disposal.

5.7 No cause of action shall accrue to anyone (and if accrued, is hereby waived) against a person by reason of that person having acted in accordance with Rule 5.6(a) or (b) above in reliance on any consent deemed to have been given under Rule 5.6.

5.8 Nothing in this Rule 5 shall:

- (a) impose an obligation on a common owner of Diamond Baskets out of a Pool to compensate any other common owner of Diamond Baskets out of that Pool for any shortfall in the Diamond Baskets received by that other common owner; or
- (b) affect any contractual arrangement (if any) made pursuant to these Depository Account Rules between common owners of Diamond Baskets out of a Pool for adjustments between themselves and for any rights of the Book Depository to establish rules applicable to a Pool for allocation, adjustments and/or appropriation.

5.9 All Members agree as follows:

- (a) the Book Depository shall have the authority to appropriate and allocate the interest of each Member representing its undivided share in a Pool in accordance with this Rule;

- (b) Should a First Diamond Basket Sale (Pooled) not be settled in accordance with the Exchange Rules notwithstanding the delivery of the relevant Diamond Baskets into the Pool, the Book Depository shall as soon as practicable appropriate and allocate the interest of the Consigning Approved Supplier representing the undivided share in a Pool under the First Diamond Basket Sale (Pooled) in accordance with this Rule;
- (c) the Book Depository shall be entitled to carry out such appropriation and/or allocation at any time as the Book Depository in its sole discretion deems fit, including but not limited to the following:
 - (i) upon the discovery of any shortage or excess in a Pool; and
 - (ii) upon the closure or discontinuation of a Pool;
- (d) for the purposes of implementing Rule 5.9(a) and/or (b), the Book Depository shall be entitled in its sole discretion to sell the whole or any part of a Pool on the Exchange Trading System at such time and for such price as the Book Depository in its sole discretion deems fit and thereafter allocate the proceeds of sale thereof (less any expenses incurred by the Book Depository) together with any unsold portion of the Pool to each Member in accordance with its undivided share in such Pool;
- (e) each Member agrees to be bound by any such appropriation and/or allocation pursuant to Rule 5.9(a) and/or (b) made by the Book Depository and under no circumstances shall the Book Depository be held liable or responsible in any way whatsoever for any appropriation or allocation made by it pursuant to these Depository Account Rules;
- (f) the Physical Diamonds which are appropriated and allocated by the Book Depository to a Member shall constitute ascertained goods belonging to that Member, and unless otherwise determined by the Book Depository, shall continue to stand to the credit of the relevant Member's Depository Account, but on the basis of an allocated Diamond Basket in accordance with Rule 4.2; and
- (g) upon appropriation or allocation by the Book Depository of an interest of a Member representing its undivided share in a Pool in accordance with this Rule, the said Member agrees that it relinquishes all rights, title, property and interest in the Pool in exchange for the allocated interest.

Representations, Warranties and Undertakings

- 5.10 Without prejudice to any other rights of any other person, whether under any Contract or otherwise, each Approved Supplier who delivers a Single Stone to the Singapore Vault represents, warrants and undertakes for the benefit of any Member (a "**Single Stone Member**") whose Depository Account (whether a House Depository Account or Customer Depository Account) has or at any time has been credited with the Single Stone that, in respect of that Single Stone:
- (a) it has the right to sell the Single Stone and it has good, clean and unencumbered title in the Single Stone and that it transfers good, clean and unencumbered title in the Single Stone to the Purchaser; and

- (b) such Single Stone conforms to its Product Specifications.

For purposes of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, the provisions of this Rule 5.10 may be enforced and relied upon by the Single Stone Member who is reflected as being credited with the Single Stone in the Book Depository Register at the time the non-conformity or defect in title of the Single Stone is first discovered by the Exchange and/or the Book Depository as if it were a party to these Depository Account Rules vis-à-vis the Approved Supplier who delivers the Single Stone. Consent of the Single Stone Members is not required for any amendment or variation of these Depository Account Rules, and/or the exercise of any of the Book Depository's rights under these Depository Account Rules.

- 5.11 Without prejudice to any other rights of any other person, whether under any Contract or otherwise, each Approved Supplier who delivers a Diamond Basket to the Singapore Vault represents, warrants and undertakes for the benefit of any Member (a "**Diamond Basket Member**") whose Depository Account (whether a House Depository Account or Customer Depository Account) has or at any time has been credited with the Diamond Basket that, in respect of that Diamond Basket:

- (a) it has the right to sell the Diamond Basket and it has good, clean and unencumbered title in the Diamond Basket and that it transfers good, clean and unencumbered title in the Diamond Basket to the Purchaser; and
- (b) such Diamond Basket conforms to its Product Specifications.

For purposes of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, the provisions of this Rule 5.11 may be enforced and relied upon by the Diamond Basket Member who is reflected as being credited with the Diamond Basket in the Book Depository Register at the time the non-conformity or defect in title of the Diamond Basket is first discovered by the Exchange and/or the Book Depository as if it were a party to these Depository Account Rules vis-à-vis the Approved Supplier who delivers the Diamond Basket. Consent of the Diamond Basket Members is not required for any amendment or variation of these Depository Account Rules, and/or the exercise of any of the Book Depository's rights under these Depository Account Rules.

- 5.12 Without prejudice to any other rights of any other person, whether under any Contract or otherwise, each Approved Supplier who delivers a Diamond Basket to the Pool in the Singapore Vault represents, warrants and undertakes for the benefit of any Member (a "**Pool Member**") (A) whose Depository Account (whether a House Depository Account or Customer Depository Account) has or at any time has been credited with the Diamond Basket and/or (B) who is or at any time has been an owner in common of the Pool that, in respect of each Diamond Basket that it delivers into the Pool:

- (a) it has the right to sell the Diamond Basket that it delivers into the Pool and it has good, clean and unencumbered title and property to such Diamond Basket; and
- (b) such Diamond Basket conforms to the Product Specifications for the Pool.

For purposes of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, the provisions of this Rule 5.12 may be enforced and relied upon by the Pool Member

who first withdraws the Diamond Basket from the Pool in the Singapore Vault as if it were a party to these Depository Account Rules vis-à-vis an Approved Supplier who delivers a Diamond Basket to the Pool in the Singapore Vault. Consent of the Pool Members is not required for any amendment or variation of these Depository Account Rules, and/or the exercise of any of the Book Depository's rights under these Depository Account Rules.

- 5.13 The provisions of this Rule shall be separate and in addition to any provision of law or any rule of law (whether relating to contracts for the sale of unascertained goods forming part of a bulk or otherwise) that could, may or purports to give effect to any of the matters specified in this Rule 5, save that where any of the provisions of this Rule 5 is inconsistent with any provision of law (other than mandatory law), then the provisions of this Rule 5 shall apply.

6. Statements

- 6.1 The Book Depository will provide statements to a Member on its Depository Account activity and balances at such frequency as it may determine from time to time. Such statements may be provided in such manner (whether in electronic record or otherwise) as the Book Depository may prescribe from time to time. In the event that a Member is aware of a material discrepancy or error on any statement, the Member is obliged to promptly notify the Book Depository, and in any event no later than the time specified in the statement. A Member shall be deemed to receive a statement on the Business Day on which such statement was provided by the Book Depository in the manner prescribed by the Book Depository. The Book Depository shall not be liable for any Losses (including but not limited to interest or default interest) if the Book Depository receives notification of any material discrepancy or error from the Member whether before or after such day, howsoever arising, unless and unless only such Losses are caused by or directly result from the wilful default or negligence of the Book Depository.

7. Role of Book Depository

- 7.1 The Book Depository holds Physical Diamonds Immobilised in a Vault as bailee.
- 7.2 The Book Depository will hold the Physical Diamonds in such Vault or Vaults as the Book Depository may determine from time to time, controlled by such Physical Depository as the Book Depository shall determine, pursuant to a physical depository agreement entered into on such terms as agreed between the Book Depository and the Physical Depository (the "**Physical Depository Agreement**"). The Physical Diamonds held in the Vault(s) pursuant to the Physical Depository Agreement are held by the relevant Physical Depository as Physical Depository exclusively for, on behalf of and to the benefit of, the Book Depository only.
- 7.3 The identity of the Physical Depository(ies) appointed by the Book Depository and details of the Vaults controlled by such Physical Depository shall be notified to the Members from time to time.

8. Consignment

- 8.1 The Book Depository shall be entitled to issue a Circular, Guidance Note, processes and/or procedures from time to time in respect of any Consignment, or any specific Consignment.
- 8.2 An Approved Supplier who wishes to Consign any Physical Diamond with the Book Depository shall notify the Book Depository of such proposed Consignment and the Physical Depository to which the Physical Diamond is proposed to be Consigned.
- 8.3 In respect of any Consignment of a Physical Diamond, the Approved Supplier shall:
- (a) complete, provide and/or execute such documentation and take such action as the Book Depository may require from time to time and/or as may be necessary for such Consignment, including but not limited to such certificates and documents to show that such Physical Diamond conforms to the Product Specifications;
 - (b) provide the Book Depository with such information and instructions in such format and form as the Book Depository may require from time to time for purposes of processing the Consignment;
 - (c) ensure and procure that a Consignment of a Physical Diamond must be undertaken in accordance with, and shall comply with, these Depository Account Rules and any Circular, Guidance Note, processes and/or procedures as may be issued from time to time by the Book Depository;
 - (d) deliver or cause to be delivered Physical Diamonds in accordance with these Depository Account Rules only to any one of the Approved Vaults;
 - (e) only Consign such Physical Diamonds which conform to the Product Specifications;
 - (f) vis-à-vis the Book Depository and/or other Members, be solely responsible for, accepts and bears all risks of, the Consignment of such Physical Diamonds, including but not limited to the risk of loss of the Physical Diamonds and all other Losses, whether arising out of or in connection with theft, damage, destruction or otherwise;
 - (g) pay for, and accept liability for, all costs and expenses (including but not limited to transportation and insurance) of the Consignment.
- 8.4 The Approved Supplier shall ensure that the Physical Diamond is certified or verified by a Laboratory as prescribed in the Product Specifications. After certification or verification is made that the Physical Diamond conforms to the Product Specifications, the Approved Supplier shall ensure that the Laboratory seals and packs the relevant Physical Diamond in tamper-evident packaging, and confirms to each of the Book Depository and the Physical Depository that the Physical Diamond adheres to the Product Specifications. The Approved Supplier shall deliver the Physical Diamond to the Approved Vault from the Laboratory by procuring the Physical Depository to pick up the Physical Diamond from the Laboratory, and deliver it to an Approved Vault controlled by the Physical Depository (the “**Consignment Delivery**”). For purposes of the Consignment Delivery, the Approved Supplier hereby appoints the Book Depository

as its agent in accordance with Rule 10 below.

- 8.5 The Book Depository shall not be obliged to accept the Consignment of any Physical Diamond. Without prejudice to the generality of the foregoing, the Book Depository shall have the right to refuse acceptance of or to reject a Consignment or purported Consignment of the Physical Diamonds, whether in whole or in part and shall not be required to provide any reason for such rejection.
- 8.6 The Book Depository reserves the right to require that the date of issuance for any certificate for any Physical Diamond shall be not earlier than such period of time before the date of Consignment as the Book Depository shall prescribe from time to time.
- 8.7 Members other than Approved Suppliers are not permitted to physically deliver Physical Diamonds into any of the Approved Vaults.
- 8.8 If the Book Depository has been informed by the Laboratory that the Physical Diamonds and their certificates and documentation conform to the Product Specifications, and only after the Physical Diamond has been deposited by the Physical Depository into the Approved Vault, and the Physical Depository notifies the Book Depository of such deposit, the Book Depository will record a book-entry credit to the Physical Diamond in the form of a Product to the relevant Depository Account of the Approved Supplier (in the case of Diamond Baskets to be placed into a Pool, the relevant book-entry credit will reflect this), provided that it is satisfied in good faith that all of the conditions for Consignment as set out in this Rule 8 are fully complied with. The Physical Diamonds shall be regarded as having been Consigned and Immobilised in the Approved Vault only at such time as the Physical Depository has received the Physical Diamonds and accepted them into the Approved Vault.
- 8.9 The Book Depository shall be entitled to specify such additional, amended and/or other procedures to apply to any specific Consignment or Consignments as it may determine from time to time. The Book Depository will notify the Approved Supplier of such additional, amended and/or other procedures, but any non-notification shall not invalidate any additional, amended and/or other procedures.
- 8.10 For the avoidance of doubt, where a Diamond Basket is Consigned to the Singapore Vault, it shall be held on a specific and/or allocated basis in accordance with Rule 4.2 and not in a Pool until the occurrence of the First Diamond Basket Sale (Pooled), whereupon the provisions of Rule 5.3 shall apply.

9. Transfer between Vaults

- 9.1 The Approved Supplier agrees that if it has Consigned Physical Diamonds to an Approved Vault outside Singapore, its obligation is to deliver (the “**Immobilisation Delivery**”) the Physical Diamonds to within the Singapore Vault for settlement purposes (in particular, where a sale transaction has been undertaken in respect of the Consigned Physical Diamond on the Exchange Trading System, the Approved Supplier’s obligation is to effect the Immobilisation Delivery no later than the second Business Day after the date the Original Contract is made or such other time as may be prescribed by the Exchange and/or the Book Depository). The Book Depository shall be entitled to issue a Circular, Guidance Note, processes and/or procedures from

time to time in respect of any Immobilisation Delivery, or any specific Immobilisation Delivery.

- 9.2 In respect of any Immobilisation Delivery of a Physical Diamond, the Approved Supplier shall:
- (a) complete, provide and/or execute such documentation and take such action as the Book Depository may require from time to time, and/or as may be necessary to ensure and procure that the Physical Diamond is Immobilised in the Singapore Vault by such time as is required by the Book Depository for settlement, including but not limited to undertaking such export processes and procedures and obtaining such export clearances and/or permits;
 - (b) provide the Book Depository with such information and instructions in such format and form as the Book Depository may require from time to time for purposes of the Immobilisation Delivery;
 - (c) ensure and procure that any Immobilisation Delivery of a Physical Diamond must be undertaken in accordance with, and shall comply with, these Depository Account Rules and any Circular, Guidance Note, processes and/or procedures as may be issued from time to time by the Book Depository;
 - (d) deliver or cause to be delivered Physical Diamonds in accordance with these Depository Account Rules only to the Singapore Vault;
 - (f) vis-à-vis the Book Depository and/or other Members, be solely responsible for, accepts and bears all risks of, the Immobilisation Delivery of such Physical Diamonds, including but not limited to the risk of loss of or damage to the Physical Diamonds and all other Losses, howsoever arising, including but not limited to whether arising out of or in connection with theft, damage, destruction or otherwise;
 - (g) pay for, and accept liability for, all costs and expenses (including but not limited to transportation and insurance) of the Immobilisation Delivery.
- 9.3 The Approved Supplier shall deliver the Physical Diamond to the Singapore Vault by procuring the Physical Depository to pick up the Physical Diamond from the Approved Vault, and deliver it to the Singapore Vault controlled by the Physical Depository. For purposes of the Immobilisation Delivery, the Approved Supplier hereby appoints the Book Depository as its agent in accordance with Rule 10 below.
- 9.4 The Book Depository shall not be obliged to accept the Immobilisation Delivery of any Physical Diamond. Without prejudice to the generality of the foregoing, the Book Depository shall have the right to refuse acceptance of or to reject any Physical Diamonds to be Immobilised in the Singapore Vault, whether in whole or in part and shall not be required to provide any reason for such rejection.
- 9.5 If the Physical Depository deposits the Physical Diamond into the Singapore Vault, and the Physical Depository notifies the Book Depository of such deposit, the Book Depository will record a book-entry credit to the Physical Diamond in the form of a Product to the relevant Depository Account of the Approved Supplier (in the case of Diamond Baskets to be placed into a Pool, the relevant book-entry credit will reflect this), provided that it is satisfied in good faith that all of the conditions for Immobilisation

as set out in this Rule 9 are fully complied with. The Physical Diamonds shall be regarded as having been Immobilised in the Singapore Vault only at such time as the Physical Depository has received the Physical Diamonds and accepted them into the Singapore Vault.

- 9.6 The Book Depository shall be entitled to specify such additional, amended and/or other procedures to apply to any specific Immobilisation Delivery(ies) as it may determine from time to time. The Book Depository will notify the Approved Supplier of such additional, amended and/or other procedures, but any non-notification shall not invalidate any additional, amended and/or other procedures.
- 9.7 The Book Depository does not act as bailee from the time that the Physical Diamonds leave the Approved Vault for delivery to the Singapore Vault, until the Physical Diamonds are Immobilised in the Singapore Vault.
- 9.8 During the transfer process, the credit in the form of a Product to the Approved Supplier's Depository Account in respect of the relevant Physical Diamond being transferred, will be placed in suspense and will not be reflected in the "Available Balance" of the Depository Account and the only permissible action by the Approved Supplier is to transfer such Physical Diamond to the Singapore Vault.
- 9.9 For the avoidance of doubt, where a Diamond Basket is Consigned to the Singapore Vault, it shall be held on a specific and/or allocated basis in accordance with Rule 4.2 and not in a Pool until the occurrence of the First Diamond Basket Sale (Pooled), whereupon the provisions of Rule 5.3 shall apply.

10. Authorisations

- 10.1 The Book Depository is authorised to enter into direct contracts with the Physical Depository for and on behalf of each Member for the provision by the Physical Depository to the relevant Member in respect of the provision of the following services:
 - 10.1.1 Any Consignment and/or any Immobilisation Delivery, and any variations thereto made by the Book Depository from time to time;
 - 10.1.2 Any verification checks to be carried out prior to any Consignment and/or Immobilisation Delivery; and/or
 - 10.1.3 Such other services the Book Depository prescribes from time to time (and any variations thereto made by the Book Depository from time to time),(all the above services collectively the "**Out-of-Scope Services**" and such contracts to be referred to as "**Out-of-Scope Services Contracts**").
- 10.2 Each Member agrees and confirms that the Book Depository shall have full and exclusive authority to: negotiate the terms of; enter into; and/or accept any variation of, the Out-of-Scope Services Contracts for and on behalf of the Member.

- 10.3 Each Member agrees and undertakes that it will be bound by the terms of each Out-of-Scope Services Contract entered into by the Book Depository for and on its behalf, and that it will fully satisfy any and all of the obligations contained therein including but not limited to:
- 10.3.1 payment of all fees owing or due to the Physical Depository from time to time under the Out-of-Scope Services Contract following the procedure specified therein;
 - 10.3.2 payment of any duty, tax, fee, levy, charge or outlay of whatsoever nature levied by any authority for or in connection with the Physical Diamonds or the Out-of-Scope Services and indemnification of the Physical Depository against any liability in connection therewith; and
 - 10.3.3 provision of: (i) accurate and full information, including information concerning the nature, particulars and characteristics of the Physical Diamonds; (ii) all necessary licenses and authorisation required for the transportation, exportation or importation of the Physical Diamonds; and (iii) any special instructions as to the appropriate manner and method of storage, handling and transportation of the Physical Diamonds.
- 10.4 The Book Depository is authorised to act as the agent for the purposes of making instructions, communications or any other dealings of each Member in respect of the provision of the Out-of-Scope Services, and the Book Depository hereby agrees to act in that capacity.
- 10.5 The Book Depository shall be the sole agent of each Member in respect of Out-of-Scope Services, and all instructions, communications or dealings with the Physical Depository in respect of the Out-of-Scope Services shall be undertaken by the Book Depository only, to the exclusion of the Member.
- 10.6 The Member shall indemnify, defend and hold harmless the Book Depository (including its officers, directors, employees, its successors and assigns) on written notice from and against all losses and expenses as a result of any liability incurred by the Book Depository (including its officers, directors, employees, its successors and assigns) in its performance as agent, irrespective of when the claim is being made (subject to the statute of limitations), and, whether or not the quantum of the claim has been determined), other than liability directly incurred by a negligent act or omission by the Book Depository in its performance as agent.
- 10.7 For the avoidance of doubt, the Book Depository shall not have any responsibility or liability relating to the compliance or non-compliance by the Physical Depository or Member of their respective duties and obligations in relation to the provision of Out-of-Scope Services.

11. Withdrawal / Recall

- 11.1 The Book Depository shall be entitled to issue a Circular, Guidance Note, processes and/or procedures from time to time in respect of any withdrawal / recall. The Book Depository shall be entitled to specify such additional, amended and/or other procedures to apply to any specific withdrawal or withdrawals, or as the case may be, recall or recalls, as it may determine from time to time. The Book Depository will notify Members of such additional, amended and/or other procedures, but any non-notification shall not invalidate any additional, amended and/or other procedures.
- 11.2 Any recall or withdrawal of Physical Diamonds in accordance with the Depository Account Rules as instructed by Member and with written approval of the Book Depository (in such manner, including electronic means, as may be prescribed by the Book Depository from time to time) shall be conclusively evidenced by a signed receipt given by the Recipient. The Book Depository does not act as bailee from the time the signed receipt is given by the Recipient.
- 11.3 The Member shall be responsible for arranging the inspection of any Physical Diamonds that such Member wishes to withdraw / recall. Any inspection of such Physical Diamonds must be undertaken in accordance with these Depository Account Rules. Lack of notation on any receipt of loss, damage or tampering to the Physical Diamonds by the Recipient at the time of release, shall be conclusive proof that the Physical Diamonds are collected from the Book Depository in good order and condition, intact, and without shortage, damage or loss.
- 11.4 From the time the signed receipt is given by the Recipient with a lack of notation, the Book Depository shall be freed, released and discharged of any and all actions, proceedings, claims, suits, demands, obligations, liabilities, costs or expenses, of whatsoever kind or nature, in law, equity or otherwise, whether known or unknown, whether or not concealed or hidden, which the Member has, had, may have had, or now has for or by reason of any matter, cause or thing whatsoever arising out of or in connection with or under these Depository Account Rules, including but not limited to the performance and/or discharge of the Book Depository as bailee.
- 11.5 Any failure by the Recipient to collect the Physical Diamonds within such other time period as may be prescribed by Book Depository) from the date of the relevant Member's instructions, or any refusal of the Recipient to issue a signed receipt at such time of collection, shall be deemed to be a revocation of such recall or withdrawal instruction and the Physical Depository shall continue safekeeping the Physical Diamonds in the relevant Vault.
- 11.6 Upon written approval by Book Depository, the Recipient may arrange with the relevant Physical Depository to collect the Physical Diamonds as follows:
- (a) Self-collection of the Physical Diamonds by Recipient from the relevant Vault;
 - (b) Physical Depository to ship the Physical Diamonds from the relevant Vault to the Recipient (whether within or outside Singapore), pursuant to a separate

contract to be signed between the Recipient and the Physical Depository (collection shall be deemed to take place when the Physical Diamonds physically leave such Vault for such shipment); or

- (c) Physical Depository to store the Physical Diamonds (whether within the same Vault or not) under the Recipient's name, pursuant to a separate contract to be signed between the Recipient and the Physical Depository (collection is deemed to take place when the Physical Diamonds are transferred from the relevant Member's account to the Recipient's (or its designee's) account),

each of the foregoing, a "**Collection Method**".

11.7 An Approved Supplier who wishes to recall any Physical Diamond from the Book Depository shall notify the Book Depository of such proposed recall from the Book Depository and the specific Account from which such Physical Diamond is to be debited from, as well as the particulars of the Recipient and the preferred Collection Method. A Member who wishes to withdraw any Physical Diamond from the Book Depository shall notify the Book Depository of such proposed withdrawal from the Book Depository and the specific Account from which such Physical Diamond is to be debited from, as well as the particulars of the Recipient and the preferred Collection Method.

11.8 In respect of any withdrawal or recall (as the case may be) of a Physical Diamond, the Member or the Approved Supplier (as the case may be) shall:

- (a) complete, provide and/or execute such documentation and take such action as the Book Depository may require from time to time and/or as may be necessary for such withdrawal or recall;
- (b) provide the Book Depository with such information and instructions in such format and form as the Book Depository may require from time to time for purposes of processing the withdrawal or recall;
- (c) ensure and procure that a withdrawal or recall of a Physical Diamond (including collection or deemed collection pursuant to a Collection Method approved by the Book Depository, by a specified or agreed date and time) must be undertaken in such manner as the Book Depository may prescribe or may agree in writing with the Member and in accordance with, and shall comply with, these Depository Account Rules and any Circular, Guidance Note, processes and/or procedures as may be issued from time to time by the Book Depository;
- (d) be solely responsible for, accept and bear all risks of, the withdrawal or recall of such Physical Diamonds, including but not limited to the risk of loss of the Physical Diamonds and all other Losses, whether arising out of or in connection with theft, damage, destruction or otherwise; and
- (e) pay for, and accept liability for, all costs and expenses (including but not limited to transportation and insurance) of the withdrawal or recall.

11.9 The Member shall bear the risk of any price differential arising out of the process of, or

any delay in, howsoever caused, the withdrawal or, as the case may be, recall. The Book Depository is entitled not to commence or direct the commencement of the withdrawal process or, as the case may be, recall process until all documentation and information, and in such form and manner as it may require, from time to time is provided to it and/or the Physical Depository, and unless the Member has paid all fees and amounts which are or may become due and payable to the Book Depository and the Exchange.

- 11.10 The Book Depository shall prescribe the time-line and process for withdrawal and recall, and shall approve the Collection Method to be utilised at its sole and absolute discretion. Where self-collection is to take place, the Book Depository shall notify the Member once the withdrawal or, as the case may be, recall date and time has been determined and the Book Depository shall not be liable or responsible for any delay if the Member fails to collect or cause to be collected the Physical Diamond from the nominated Vault on the appointed date and time.
- 11.11 The Member shall collect or cause to be collected Physical Diamonds in accordance with a Collection Method approved by the Book Depository. Such withdrawal or recall shall be at the Member's expense and risk. The Member shall arrange with the Physical Depository and/or its designated agent for the secure handling and transportation of the relevant Physical Diamonds from the Approved Vault. The Book Depository's obligations under these Depository Account Rules shall cease upon collection or deemed collection pursuant to Rule 11.5 above.
- 11.12 Once a Physical Diamond is withdrawn or, as the case may be, recalled from the Vault, the Member is no longer entitled to sell such Physical Diamond on the Exchange Trading System, unless the Physical Diamond is Consigned by an Approved Supplier to be accepted into the Vault, Immobilised in the Vault and credited in the form of a Product into the Depository Account of the Approved Supplier. The Book Depository will debit the relevant Physical Diamond from the relevant Depository Account of the Member upon withdrawal or, as the case may be, recall.
- 11.13 If a Member withdraws a Diamond Basket or Diamond Baskets from a Pool, as the Book Depository holds the Diamond Baskets on a fungible basis, the Member is not entitled to a specific, allocated or identifiable Diamond Basket, and the Book Depository shall be entitled to allocate and deliver any Diamond Basket from the relevant Pool, as may be determined by the Book Depository in its sole and absolute discretion. For the avoidance of doubt, an Approved Supplier's Diamond Basket that has been Consigned to an Approved Vault outside Singapore shall not be held in a Pool in that Approved Vault. Where a Diamond Basket is Consigned to the Singapore Vault, it shall be held on a specific and/or allocated basis in accordance with Rule 4.2 and not in a Pool until the occurrence of the First Diamond Basket Sale (Pooled), whereupon the provisions of Rule 5.3 shall apply.
- 11.14 Notwithstanding any other provision of these Depository Account Rules, after the collection or deemed collection of the relevant Physical Diamonds, the Member bears all liability for all costs (including but not limited to transportation and insurance), and the Member accepts and bears all risk of loss of the Physical Diamonds and all other Losses, whether arising out of or in connection with theft, damage, destruction, defects or otherwise.

- 11.15 The Member agrees that any withdrawal or recall will not be anonymous and will be on a named basis. The Member is not entitled to overdraw any Account.
- 11.16 Notwithstanding any provision in these Depository Account Rules, the Member shall have no right to withdrawal, recall, payment, use or otherwise receive whatsoever, of or in relation to the Physical Diamond until and unless, and any right of the Member shall be subject to the following condition precedents:
- (a) the Member has fully settled all and any of its Obligations;
 - (b) there is no Adverse Event that has occurred; and
 - (c) there are no default settlement arrangements (as set out in Chapter 9 of the Exchange Rules) in respect of the Member that have been commenced and are not yet fully completed.

12. Inspection

- 12.1 Unless otherwise agreed by the Book Depository or otherwise provided in these Depository Account Rules, each Member shall have no right to inspect its holdings of Physical Diamonds.
- 12.2 Subject to Rule 12.1 above, the Member shall only be entitled to request an inspection of its holdings of Physical Diamonds in the form of Products as specified against its name in the Book Depository Register, within the Singapore Vault on application and with notice.
- 12.3 The Book Depository and/or Physical Depository shall be entitled to refuse inspection if they have reasons to believe that allowing inspection may jeopardise the security of the Vault. All inspections shall be carried out in compliance with such rules and procedures as may be imposed by the Book Depository and/or Physical Depository. A Member conducting an inspection shall not tear or break the packaging or sealing of the Physical Diamonds without the Book Depository's consent. Any cost and expenses incurred in connections with an inspection shall be borne and paid by the Member. The inspection will not take place within the actual storage vault, but in such place as the Physical Depository deems fit within the Vault premises.
- 12.4 The Book Depository and the Physical Depository shall have no duty and shall not be responsible to inspect and/or certify that any Physical Diamond Consigned and/or delivered to an Approved Vault and/or the Singapore Vault conforms to the relevant Product Specifications.
- 12.5 Without prejudice to Rule 12.4 above, the Book Depository shall be entitled (but shall not be required) to inspect and/or instruct a Laboratory to verify, inspect, re-grade and/or certify any Physical Diamond(s), if it reasonably believes that the Physical Diamond(s) does not comply with the Product Specifications, and/or if it reasonably believes that such inspection is required for the protection of the Members and to ensure a continued orderly and efficient Market. The Book Depository may undertake or procure the undertaking of such verification, inspection, re-grading and/or certification without consent or notice to any Member.

13. Reversal of entries

- 13.1 The Book Depository has the right at any time, without prior notice to the Member, to reverse any erroneous entries to a Depository Account with effect back-valued to the date upon which the final or correct entry (or no entry) should have been made. For the avoidance of doubt, the Book Depository will not make provisional credits to the Depository Account in connection with a proposed deposit. The Book Depository shall notify a Member as soon as reasonably practicable of any such reversals. The non-notification of the reversal shall not invalidate the reversal.

14. Insurance

- 14.1 The Physical Depository is required, as a condition in the Physical Depository Agreement, to take out or have taken out on its behalf an insurance policy to insure against physical loss, wrong delivery or destruction of, or damage to the Physical Diamonds. The cost of such insurance policy is included in the fees which the Book Depository charges to the Member in respect of its role as depository. At the reasonable request of a Member, the Book Depository will make available to such Member upon prior arrangement such evidence of such insurance as may be provided to the Book Depository by the Physical Depository.

15. Representations, Warranties and Undertakings

- 15.1 The Member represents, warrants and undertakes to the Exchange, the Book Depository and each other Member, on the basis that each of these representations, warranties and undertakings is deemed repeated on a continuing basis for the period of Membership and each time that a notice is given for the deposit or withdrawal of Physical Diamonds and each time that it enters an Order, executes a Contract or transacts on the Exchange Trading System, that:
- (a) it is permitted under applicable law to, and has full power and authority to enter into these Depository Account Rules, open and establish the Depository Account(s), appoint the Book Depository as bailee, and fulfill and perform its obligations under these Depository Account Rules (including transferring of good, clean and unencumbered title of the relevant Physical Diamonds to the Purchaser upon settlement of the sale of such Physical Diamonds), and that it has obtained all consents, approvals and permission required from any Person for its entry into, and performance of, the foregoing;
 - (b) it is the legal and beneficial owner of any and all Physical Diamonds which it deposits for its own account in the form of Products into its House Depository Account and/or which from time to time stand to the credit of its House Depository Account, and will enter and enters into transactions on the Exchange Trading System as principal for its own account in respect of Orders and Contracts entered into for its own account in the House Account;
 - (c) if it is an Approved Supplier, it will only Consign Physical Diamonds in respect of which it has legal and beneficial ownership to transfer to the Purchaser by the time a transaction it has entered into for the sale of such Physical

Diamonds on the Exchange Trading System is settled, and will enter and enters into transactions on the Exchange Trading System as principal for its own account;

- (d) if the Member is a Broker Member and holds Physical Diamonds in the form of Products in a Customer Depository Account for the benefit of its Customer or in a House Depository Account for the benefit of a House Account, it has full and absolute right and consent of each of its Customers and each person for whose benefit it carries the House Account to enter into and be bound by these Depository Account Rules and perform any of its obligations and exercise any of its rights under these Depository Account Rules in respect of the relevant Physical Diamonds and the Member has entered into a legally valid, binding and enforceable agreement containing terms for the holding of Physical Diamonds in the form of Products for the benefit of its Customer or, as the case may be, the person on whose benefit it carries the House Account;
- (e) (i) it has the right to sell the Physical Diamonds which are the subject matter of a sale on the Exchange Trading System; (ii) it has good title to the Physical Diamonds which are the subject matter of a sale on the Exchange Trading System, or will have good title to such Physical Diamonds to transfer to the Purchaser by the time a transaction it has entered into for the sale of such Physical Diamonds on the Exchange Trading System is settled (iii) it will be able to transfer to the Purchaser good title to such Physical Diamonds upon settlement of a transaction it has entered into for the sale of such Physical Diamonds on the Exchange Trading System; and (iv) any and all Physical Diamonds deposited in the form of Products in the Depository Account and/or which from time to time stand to the credit of its Depository Account are free and clear of and not and will not at any time be subject to any mortgage, charge, lien, encumbrance, security interest or any other right, interest or claim of any third party, whether permitted or created by the Member or a third party and upon settlement of the transactions in the diamonds being effected under the Rules, the Purchaser shall acquire good, clean and marketable title to such Physical Diamonds in the form of Products without or free from any encumbrances;
- (f) notwithstanding any references elsewhere in the Rules to a Broker Member placing or executing orders, acting as broker or performing or doing any act, for the benefit in any way of a Customer, or to warranties or obligations of a Broker Member in relation to a Customer, it confirms and agrees that it has the full and absolute right and consent to act as principal, hold and deal with the Physical Diamonds as principal, and that it acts as and shall be responsible as principal for the Physical Diamonds, and that nothing in these Depository Account Rules shall impose on the Book Depository or any other Member any responsibility or notice of any trust (express, implied or constructive) or other arrangement, and agrees that no liabilities shall be affected by anything done in pursuance of these Depository Account Rules by reason of, and the Book Depository and each other Member shall not be affected with notice of, any

- trust or other arrangement of the Broker Member;
- (g) the quantity, quality and description of the Physical Diamonds shall meet all the following requirements (and in the event of any inconsistency or discrepancy between any of the following, the Physical Diamonds shall meet or exceed the higher of such requirement):
 - (i) comply in all respects with the Product Specifications;
 - (ii) comply in all respects with the description contained in the supporting documents and information; and/or
 - (ii) satisfy each of the conditions imposed by the Exchange and/or the Book Depository from time to time;
 - (h) it has obtained certification from the Laboratory as prescribed from time to time by the Exchange and Book Depository and that it will maintain such certification for so long as the relevant Physical Diamond stands in the form of a Product to the credit of its Depository Account. The Member shall provide evidence of such certification to the Book Depository during the term of these Depository Account Rules ;
 - (i) it is not and will not be, and no person involved with the Member (including its Customer) is or will 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 Physical Diamonds deposited and/or held in the form of Products are not “conflict diamonds” 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;
 - (j) the entry into and performance of obligations under these Depository Account Rules do not and will not breach any applicable law, its constitutional documents or any agreement binding upon it;
 - (k) the information it has supplied or may from time to time supply in connection with and under these Depository Account Rules is true, complete, up to date and in full force and effect; and
 - (l) it shall bear all risk of loss or damage arising from or in connection with the Physical Diamonds after withdrawal / recall and shall at no point seek any compensation, damages, or indemnification whatsoever from the Exchange and/or the Book Depository in relation to any such loss or damage.

16. Anti-Money Laundering

- 16.1 The Exchange and Book Depository may at any time, without any liability and without giving any reasons to a Member, refuse to execute any instruction involving, and the Book Depository shall be under no obligation to accept any deposit, transfer any

Physical Diamond, accept any withdrawal, or recall, or make any debits or credits in the form of Products in a Depository Account under or in connection with, carry out any transaction in relation to, or otherwise implement, any term of these Depository Account Rules and/or Exchange Rules or perform any of its obligations thereunder, if in the Exchange or Book Depository's opinion to do so would involve, any monies or property which the Exchange or Book Depository suspects to have originated from illegitimate sources or derived from drug trafficking or other criminal conduct, whether in Singapore or elsewhere or where the Exchange or Book Depository suspects that conflict activities, sanctioned activities, proliferation financing or any fraud or illegality is involved.

- 16.2 The Member agrees to provide any information or documentary evidence as may be requested by the Exchange or Book Depository from time to time for the purposes of complying with any applicable laws, regulations and policies in respect of any transaction and/or the Depository Account.

17. Disclosure of Information

- 17.1 The Member irrevocably and unconditionally consents to the Exchange and Book Depository and their officers disclosing any information with respect to the Member, any Depository Account, any transactions or dealings, and holdings in the Depository Account, (collectively, the "**Information**") wherever situated including information residing in the global systems of the Book Depository, the Exchange, their related or associated corporations or any entity in the SDiX Group, whether situated in Singapore or elsewhere, as the Exchange or Book Depository shall consider appropriate for any purpose whatsoever as the Exchange or Book Depository may think fit to:

- (a) any other officer of the Exchange or Book Depository, whether situated in Singapore or elsewhere;
- (b) any of the Exchange or Book Depository's related or associated corporations and affiliates, and any entity within the SDiX Group, whether situated in Singapore or elsewhere (together, the "**Affiliates**");
- (c) any Laboratory and any Physical Depository, whether situated in Singapore or elsewhere; and/or
- (d) any other person, whether situated in Singapore or elsewhere:
 - (i) to whom the Book Depository out-sources the performance of its operational functions (including, without limitation, any third party service provider engaged by 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 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 them;

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

17.2 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. The Member further acknowledges and agrees that all Information (including Information that is disclosed to the Affiliates and other third party service providers) will be held by the Exchange, Book Depository and/or such Affiliates and other third party service providers subject to the security and technology standards of the SDiX Group.

17.3 The Member agrees that the Exchange and 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 an Affiliate or a third party). Such Agent may be in Singapore or elsewhere. Without prejudice to the other provisions of these Depository Account Rules, the Member agrees that such outsourcing may involve the transfer of Information within or outside Singapore and the Member agrees to authorise access by such Agent to process or deal with the Information. The Member acknowledges that such Agent may, in certain circumstances, be required to, and the 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.

17.4 The Member consents to and authorises the use by the Exchange and Book Depository of any Information for the purposes of the sending of commercial messages to the Member. The provisions in this Rule 17 shall constitute the Member's consent for the purpose of the provisions of any spam control laws (whether in Singapore or elsewhere).

17.5 The Exchange and Book Depository's rights to disclose the Information under this Rule 17 (Disclosure of Information) will continue even if the Member ceases to be a Member, and/or ceases to hold a Depository Account with the Book Depository.

18. Exclusion and Limitation of Liability

18.1 Subject to mandatory law, all warranties, conditions and other terms implied by statute or common law are excluded herefrom.

18.2 None of the Indemnitees makes any representation or warranty and does not 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 the Product; (ii) the compliance of the Product in all respects with the Product Specifications, the description contained in the supporting documents and information and/or the conditions imposed by the Exchange and/or the Book Depository; and (iii) the suitability of the diamonds for any particular purpose or use under any specific conditions, notwithstanding that such purpose or conditions may be known or made known to Members or the Book Depository or Exchange;

(b) the authenticity, validity or accuracy of any document or instrument given, issued, delivered, transmitted, submitted, prepared or lodged by the Physical Depository, any Laboratory, any Member at any time, whether for purposes of execution, settlement, Novation or Re-novation. The Book Depository merely acts in an administrative manner only and as a conduit for the onward transmission of documents or instruments between the Physical Depository, a Laboratory, and Members and essentially performs the role of crediting and debiting the relevant Accounts for purposes of settlement of a Contract and 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, the Laboratory, or any Member or any other person responsible for the giving, issuance, transmission, submission, lodgment, preparation, or delivery of any document or instrument pursuant to or arising out of these Depository Account Rules and/or the Product Specifications.

18.3 Whilst the Book Depository will seek to exercise reasonable care in the appointment and monitoring of any Physical Depository, and will seek to exercise reasonable care in the approval of the use of specified Laboratories and/or delivery facilities, the Book Depository shall not be liable for any Losses suffered or incurred by a Member arising out of or in connection with (i) the Book Depository's negligence in the appointment and/or monitoring of any Physical Depository or the approval of the use of any specified Laboratories and/or delivery facilities and/or (ii) any act, inaction, omission, fraud, negligence or insolvency of any Physical Depository, Laboratory and/or delivery facilities, except to the extent directly resulting from its fraud or gross negligence in its appointment or monitoring of the Physical Depository or in its approval of the use of specified Laboratories and/or delivery facilities.

- 18.4 Without prejudice to any other indemnities, rights or remedies of the Book Depository, the 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 Depository Account 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 Depository Account Rules, transactions undertaken on the Exchange Trading System, any Contract or any other agreement entered into with the other Member(s);
 - (d) any failure to act, negligence, negligent act or omission, error 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 herein;
 - (f) the Member's breach, delay or failure to comply with any provision of the Depository Account Rules; or
 - (g) any claim by any third party against any of the Indemnitees arising from the circumstances specified in any of the subclauses above.
- 18.5 The Book Depository shall not be liable or responsible for any Losses suffered or incurred by any Member arising from or in connection with:
- (a) 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;
 - (b) any claim made by any Member on the basis of these Depository Account Rules, transactions undertaken on the Exchange Trading System, any Contract or any other agreement entered into with the other Member(s);
 - (c) any failure to act, negligence, negligent act or omission, error 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;
 - (d) any breach of any warranty or representation made herein;
 - (e) any Member's breach, delay or failure to comply with any provision of the Depository Account Rules; or
 - (g) any claim by any third party against any of the Indemnitees arising from the circumstances specified in any of the subclauses above.
- 18.6 The Book Depository's aggregate liability to a Member 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 Depository Account Rules, its action, inaction,

performance or non-performance of its obligations under these Depository Account Rules shall be limited to the fair market value (calculated at the time the cause of action accrues) of the relevant Physical Diamonds that are the subject matter of the cause of action by that Member and which are or were held by the Book Depository as bailee for that Member.

- 18.7 At no time shall the Book Depository be liable or responsible to any person for any and all pure economic loss, loss of profits, fall in the price of Products, 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 the Book Depository) which arise out of or in connection with these Depository Account Rules.

19. Fees

- 19.1 The Member agrees to pay to the Book Depository such fees (“**Fees**”) as may from time to time be prescribed by the Book Depository in connection with these Depository Account Rules, and any and all applicable taxes in connection with such fees.
- 19.2 The Member will pay to the Book Depository on demand all costs, charges, and expenses incurred by the Book Depository in connection with the performance of its obligations under these Depository Account Rules.

20. Taxes

- 20.1 A Member is responsible for all income and other taxes, duties, assessments, and any other governmental, import or export charges (“**Taxes**”), payable or deductible, in respect of or in relation to Physical Diamond transactions, and/or any activity relating to the Physical Diamonds and/or the Book Depository’s services as bailee in holding the Physical Diamonds and/or performing settlement functions in respect of transactions on the Exchange Trading System.
- 20.2 In the event that withholding taxes are imposed by the laws of any country on payments due to the Member, the Book Depository shall deduct such withholding taxes from payments due to the Member and forward the balance to the Member without any obligation to gross up such payment or pay the Member any amount so withheld.
- 20.3 The Member expressly authorizes the Book Depository to deduct and withhold from all sums due to the Member whether under these Depository Account Rules and/or under the Exchange Rules and/or in respect of any transactions undertaken on the Exchange Trading System any sums which may be deductible in accordance with applicable laws from time to time, including withholding taxes or any other applicable taxes.
- 20.4 In the event that any amounts payable by the Member to the Book Depository, including without limitation the Fees, are subject to any withholding or other applicable taxes that

the Member is required to deduct or withhold from such payments, the Member shall bear such withholding or other applicable taxes, and the Member shall pay the Book Depository such additional sums as will, after such deduction or withholding has been made, result in the receipt by the Book Depository of such amounts which would have been received by the Book Depository in the absence of any such requirement to make a deduction or withholding.

- 20.5 The Member shall indemnify the Book Depository for any Taxes that the Book Depository is or may be required to pay in respect of any Account, any deposits, withdrawals, recalls or transfers between Vaults (including but not limited to any Taxes which were not withheld).

21. Risk Factors

- 21.1 Each Member acknowledges and agrees that trading in Physical Diamonds is not without risks, and understands the arrangements pursuant to which the Book Depository provides depository services under these Depository Account Rules. In particular, each Member agrees that:

- (a) **No Finality:** The Exchange and the Book Depository are not regulated as exchanges or clearing houses under the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). Accordingly, the protections in the SFA in respect of the insolvency of any Member do not extend to transactions on the Exchange Trading System, or settlement of such transactions, including but not limited to transfers of title effected by book-entry records in the Book Depository Register maintained by the Book Depository. Each Member should be aware of and note that without such protections, Members could face the risks associated with insolvency pertaining to a Member, which may have an adverse effect on Contracts.
- (b) **Import Risk:** Approved Suppliers who are outside Singapore may have deposited Physical Diamonds into a Vault outside Singapore, and may only export the Physical Diamonds to the Singapore Vault **after** the Approved Supplier has executed a sale transaction for the relevant Physical Diamonds. For the avoidance of doubt, the risk of transfer of the Physical Diamonds from the Vault outside Singapore to the Singapore Vault rests with the Approved Supplier in the event of any loss or damage to the Physical Diamonds prior to the credit of the Physical Diamonds in the form of a Product into the Purchaser’s Depository Account, while the Purchaser bears all risk in respect of the Physical Diamonds after the Physical Diamonds have been credited in the form of a Product to the Purchaser’s Depository Account. Members are not given the right of inspection of the Physical Diamonds prior to settlement of the purchase. When entering into a transaction on the Exchange Trading System, it will not be made known to Members as to whether Physical Diamonds are situated in a Vault outside Singapore, and Members must be aware that they could be entering into a transaction where there is a risk that settlement may not proceed in the event of the inability to transfer the Physical Diamonds into the Singapore Vault. Purchasers’ Depository Accounts will only be credited

with Physical Diamonds in the form of relevant Product if the Physical Diamonds are received into the Singapore Vault. Usual export-import risks, including but not limited to transportation risks, risks of loss and/or damage could result in losses to the purchasing Member.

- (c) **Property in the Physical Diamonds:** As the Book Depository holds Physical Diamonds as bailee, the Physical Diamonds do not form part of the property of the Book Depository, and as the Physical Depository acts as “warehouseman” for the Book Depository, the Physical Diamonds do not form part of the property of the Physical Depository. However, if a Member owes any moneys to the Exchange, the Book Depository and/or any other Member, the Book Depository will have a pledge over the Member’s Specific Diamonds and has the power to sell the Member’s Specific Diamonds and to apply the proceeds towards meeting the Member’s liabilities to the Exchange, the Book Depository and/or any other Member (to the extent provided for in the Exchange Rules).
- (d) **Security Interests in the Physical Diamonds:** Members should be aware that where any Approved Supplier enters into a transaction to sell a Product on the Exchange Trading System, the Product which is being sold could be subject to an encumbrance, security interest, lien, mortgage, charge or other right, interest or claim (the “**Encumbrances**”) in favour of secured bank or banks (together, the “**Banks**”), which may only be discharged once the proceeds of the sale is paid into a designated account held with a Bank or Banks, and/or the proceeds of the sale are otherwise received by the Bank or Banks. When entering into a transaction on the Exchange Trading System, Members must be aware that they could be entering into a transaction where there is a risk that settlement may not proceed or title of the purchasing Member may be adversely impacted in the event of the Bank or Banks enforcing or asserting the Encumbrance(s). Each Member agrees and understands that if it has entered into a Contract with an Approved Supplier, and a Bank or Banks seeks to enforce its Encumbrance(s), even after the relevant transaction under such Contract has been settled, the transaction may be ‘*reversed or unwound*’, and the Member would only have an unsecured claim against the counterparty Approved Supplier for any loss or damage incurred. ***Members are not otherwise permitted to create any encumbrance, security interest, lien, mortgage, charge or any other right, interest or claim in favour of any third party.***
- (e) **Insurance:** The Physical Depository is required, as a condition in the Physical Depository Agreement, to take out or have taken out on its behalf an insurance policy to insure against physical loss, wrong delivery or destruction of, or damage to the Physical Diamonds. Any insurance policy is subject to exclusions on the risks covered by the policy. Each Member agrees that it takes all risks in respect of the Physical Diamonds not being covered by the insurance policy.
- (f) **Book Depository Register:** The Book Depository Register records holdings

of Members in the form of Products. The Book Depository Register is established on the basis of contract, and does not have the protections of statute for being a central depository.

- (g) **Electronic Risks:** Access to the Exchange Trading System and statements relating to Depository Accounts are subject to electronic risks – there could be delays in receiving information, access to the Exchange Systems, risks of disclosure to third parties, risks of unauthorised Users using the Codes. By using the Exchange Systems, each Member agrees to these risks and all risks arising from trading on an on-line trading system.
- (h) **No advice:** The Exchange and Book Depository do not and are not obliged to provide investment advice to a Member. Each Member agrees that it is deemed to have made independent analysis and decision with respect to investments in Physical Diamonds in the form of Products, continued holding of Physical Diamonds in the form of Products and any dealings therein. Each transaction shall be deemed to be undertaken by a Member in reliance only upon the Member's own judgement and not in reliance on the Exchange, Book Depository or any of their agents, officers or employees. The Member acknowledges and agrees that the Exchange and Book Depository do not hold out any of their agents, officers or employees as having any authority to advise the Member and the Exchange and Book Depository do not purport to advise the Member on the terms of, or any other matters connected with any investment or transaction in Physical Diamonds in the form of Products and/or continued holding of Physical Diamonds in the form of Products.
- (i) **Chain of Transactions:** The Exchange Rules provide that a Member may sell a Product if the Product is or will be standing to the credit of its Depository Account on the Settlement Date. A Member agrees that there are risks in selling a Product which is not already credited to its Depository Account on the date the Original Contract is made. This is because such Member may have purchased the Product from another Member who may itself have purchased the Product from another Member and so-on. As there could be a number of sale and purchase transactions for the same Product, any default by any of those other Members would lead to a default of such Member.
- (j) **Pools and Diamond Baskets:** Until such time as the Exchange and Book Depository designate that sales of Diamond Baskets are for specific Diamond Baskets, any transaction in a Diamond Basket would be for an *interest* in a Diamond Basket in a Pool, the Member does not have title to a specific Diamond Basket in that Pool. One of the risks of owning an undivided share in a Pool is that any shortfall in Diamond Baskets means that each Member that has an undivided share in the Pool will have its undivided share reduced proportionately so that the aggregate of the undivided shares is equal to the whole Pool.
- (k) **Allocation of Diamond Baskets:** If a Diamond Basket is held in a Pool, any

allocation of a specific Diamond Basket from the Pool to a Member will only take place on withdrawal, or if a First Diamond Basket Sale (Pooled) is not settled in accordance with the Exchange Rules notwithstanding the delivery of the relevant Diamond Basket(s) into the Pool, or if the Exchange and Book Depository so designate. The Exchange and the Book Depository may exercise their right at their sole and absolute discretion to designate that a Pool of Diamond Baskets be allocated so that the Pool will no longer be a mass or collection of Diamond Baskets, but rather, a Member will own a specific Diamond Basket. The Book Depository will have the right at its sole and absolute discretion to allocate the specific Diamond Basket to be recorded in the Book Depository Register as being owned by the Member. By purchasing or delivering into a Pool a Diamond Basket, the Member agrees to such designation by the Exchange and Book Depository, such allocation by the Book Depository, and to the risks of any such designation and allocation. Such risks would include an allocation to a Diamond Basket which does not conform with Product Specifications.

- (l) **Default:** Even though the Book Depository is a party to a Novated Contract, the Book Depository is not responsible for passing title, property, rights and interest to a Product to the Purchaser. The obligation of the Book Depository in relation to the transfer of title, property, rights and interest to a Product is limited and as set out in these Depository Account Rules. Thus, any claims by the Purchaser cannot be made to the Book Depository, and the Purchaser must claim directly against the Vendor under the Re-Novated Contract. Similarly, a Vendor will need to claim directly against the Purchaser for any non-payment or shortfall in payment of purchase consideration.

22. Business Continuity/Force Majeure

- 22.1 The Exchange and Book Depository shall not be liable to any Member, and the Exchange and/or Book Depository shall be entitled at its/their discretion at any time to refuse to act on any of the Member's instructions, to suspend operations of any or all of the Depository Account(s), services and/or any arrangement under these Depository Account Rules from time to time and for such duration as the Exchange and/or Book Depository deem fit (including but not limited to an occurrence or in anticipation of a Force Majeure Event, the Exchange and/or Book Depository's records, Depository Accounts or services not being available or access to such records, Depository Accounts or services being hindered), or any other reason whatsoever and the Exchange and Book Depository shall not be liable for any Losses or inconvenience, suffered or incurred by the Member in connection therewith or arising therefrom.
- 22.2 The Exchange and Book Depository shall be relieved from the performance and discharge of any duty or obligation owed to the Member to the extent to which the performance or discharge of such duty or obligation is in the opinion of the Exchange and/or Book Depository prevented, frustrated or impeded as a consequence of any Force Majeure Event or any other event beyond the Exchange and/or Book Depository's reasonable control. The Exchange and/or Book Depository may at its/their discretion

suspend the operation of any Depository Account(s) at any time for any reason whatsoever; including without limitation any Force Majeure Event or any other event beyond the Exchange and/or Book Depository's reasonable control. The Exchange and Book Depository shall not be held liable to the Member for any partial performance, delay in performance, or non-performance of any of the Exchange and/or Book Depository's obligations under the Rules by reason of any Force Majeure Events or any exercise of its rights under this Rule 22. The Exchange and Book Depository shall not be liable for any Losses which the Member may suffer or incur as a result of, arising from or in connection with the occurrence of any Force Majeure Events or exercising their rights under this Rule 22.

23. Dispute Resolution

- 23.1 Subject to Rule 23.3, any dispute arising between Members 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.
- 23.2 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.
- 23.3 No arbitration shall be commenced in accordance with Rule 23.1 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.

24. General

- 24.1 A Member agrees that the Book Depository shall have the right to amend, add, delete, alter, vary, and modify any of these Depository Account Rules (the "**Amendments**"), with or without notice to the Member as the Book Depository in its sole and absolute discretion deems fit. A Member further agrees that the Amendments shall take effect on the day as specified by the Book Depository and are legally binding whether or not the Member shall have actual notice thereof. If the Member does not accept the Amendments, the Member shall cease membership, and shall promptly close the relevant Depository Account. If the Member continues to operate the relevant Depository Account after such notification, the Member shall be deemed to have agreed to the Amendments without reservation. The Book Depository's rights to

amend, add, delete, alter, vary, rescind and modify these Depository Account Rules may be exercised without the consent of any person or entity who is not a party to these Depository Account Rules.

- 24.2 No failure by the Book Depository to exercise or enforce any rights conferred upon it by these Depository Account 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 Depository Account Rules or arising upon default under these Depository Account Rules shall be in writing and signed by the Book Depository. A Member is not entitled to rely on a delay in the exercise or non-exercise of a right arising from a breach or non-performance of these Depository Account Rules or on a default under these Depository Account Rules as constituting a waiver of that right.
- 24.3 These Depository Account Rules (save as expressly provided otherwise herein) represent the entire terms on which the Book Depository will provide to Member the services set out in these Depository Account Rules. Each of the provisions contained in these Depository Account 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 Depository Account Rules shall not in any way be affected, prejudiced or impaired thereby. If any provision of these Depository Account 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 Depository Account 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 Book Depository may determine.
- 24.4 Except as between or amongst the Members and the Book Depository as provided for and contemplated in Rule 1.3, a person or entity who is not a party to these Depository Account Rules shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any term of these Depository Account Rules, regardless of whether such person or entity has been identified by name, as a member of a class or as answering a particular description, unless otherwise specifically provided. For the avoidance of doubt, nothing in this Rule 24.4 shall affect the rights of any permitted assignee or transferee of these Depository Account Rules.
- 24.5 The rights and remedies of the Book Depository under these Depository Account Rules are cumulative and are without prejudice and in addition to any rights or remedies the Book Depository may have in law or in equity.
- 24.6 These Depository Account Rules and all the rights and obligations of a Member under these Depository Account 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 Book Depository which may be withheld for any reason.
- 24.7 These Depository Account Rules and all the rights and obligations of the Book Depository under it may be assigned, transferred, novated or otherwise dealt with by the Book Depository and will inure to the benefit of the successors and assigns of the

Book Depository, and the Member shall do all things necessary to facilitate such assignment, transfer, novation or dealing.

- 24.8 These Depository Account Rules shall be governed by, and the relationship between the parties shall be governed by, and construed in accordance with Singapore law.
- 24.9 Save as provided in Rule 23.1, 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 Book Depository may elect, 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 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. The Member also undertakes not to commence legal proceedings against 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 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.
- 24.10 The Member shall be aware of the laws in its country of nationality, residence, incorporation or registration (as the case may be) with regard to its Membership, the ownership of Physical Diamonds, and its appointment of the Book Depository under these Depository Account Rules or in any other jurisdiction and the Book Depository shall not be liable for any Losses imposed on 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.
- 24.11 The Member shall at the request of 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 Book Depository and to deliver to the Book Depository a copy of the new process agent's acceptance of that appointment within thirty days.
- 24.12 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 Depository Account Rules and/or any transaction, or contract.

