

# AltaX

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## DEFINITIONS

In these Rules, the following terms shall have the respective meanings as follows:

Annual Fee	means any dues set by AltaX from time to time to be paid on an annual basis in accordance with the terms of Alta's Membership Agreement with Member.
Affiliate	means any Person(s) controlling, controlled by or under common control with such Person.
AI Opt In Requirements	means the accredited investor opt in requirements as set out under Regulation 3 of the Securities and Futures (Class of Investors) Regulations 2018.
Alta Exchange or Exchange	means the private exchange operated by AltaX (formerly known as Hg Exchange) which facilitates the trading of Listed Products.
Alta's Website	means Alta's website at <a href="https://alta.exchange/">https://alta.exchange/</a> .
AltaX	means AltaX Pte. Ltd. (a company incorporated in the Republic of Singapore) which operates and manages the Exchange.
Appellate Panel	has the meaning ascribed to it in Rule 518.
Applicable Law	means any applicable national, federal, supranational, state, regional, provincial, local, or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, regulatory requirement, judgment, or decision of a Governmental Authority applicable to access to and use of the Market, and, for the avoidance of doubt, includes the MAS Requirements. All references to Applicable Law shall include such versions thereof as updated from time to time.
APs	has the meaning ascribed to it in Rule 401.2.
Arbitration Committee	has the meaning ascribed to it in Rule 525.
Base Capital	has the meaning given to such term in Regulation 2 of the Financial and Margin Regulations.
Board	means the board of directors of AltaX.
Business Day	means the twenty-four hour calendar day, on all calendar days except Saturdays, Sundays, and public holidays (within the meaning of the Holidays Act 1998 of Singapore) in Singapore.
Capital	means: <ul style="list-style-type: none"><li>(a) Members that hold a licence (or are otherwise exempted from the requirement to hold a licence) to engage in a regulated activity under the SFA in Singapore: Base Capital (as applicable) and/or such other capital requirements as such Member is required to maintain as a result of their licence;</li></ul>

	(b) Foreign Members: net capital (or a similar term referring to capital requirements) mandated under the capital standards imposed on such Members under the laws applicable to it in its local jurisdiction.
Circular	means an informational notification issued by AltaX and published on Alta's Website.
Capital Markets Services Licence	means a capital markets services licence issued by MAS and held by a party for the conduct of such specified activity regulated under the SFA.
Capital Markets Products	has the meaning given to such term in the SFA.
Client or End-customer	means such customers of a Member that transacts in Listed Products on Alta Exchange and/or conducts a Primary Issuance of Listed Products on Alta Exchange, in each case, through the Member. For the avoidance of doubt, an End-customer is a person whose account is carried on the books of a Member except where such person is the Member itself with respect to the Member's House Account.
collective investment scheme	has the meaning given to such term in the SFA.
Definitive Transaction	has the meaning ascribed to it in Rule 314.1.
Digital Listed Product	means Listed Products that exist in digital form, including all Tokens.
Director	means an executive or non-executive director of the Board.
Disciplinary Panel	means the tribunal of first instance, constituting such persons as appointed by AltaX, which hears and determine charges brought by AltaX against a Member for contravention of any Rule.
Error	means a Localised Error or Systemic Error.
Existing AI Client	means a client with whom the Member entered into transactions immediately before 21 June 2021 and who was treated by the Member as an accredited investor in those transactions.
Financial and Margin Regulations	means the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations.
Financial Resources	means, for Members that hold a licence (or are otherwise exempted from the requirement to hold a licence) to engage in a regulated activity under the SFA in Singapore, has the meaning given to such term in Regulation 2 of the Financial and Margin Regulations
Foreign Member	means a Member whose jurisdiction of incorporate is not Singapore
Governmental Authority	means any national, federal, supranational, state, regional, provincial, local, or other government, government department, ministry, governmental or administrative authority, regulator, agency, commission, secretary of state,

	minister, court, tribunal, judicial body or arbitral body or any other Person exercising judicial, executive, interpretative, enforcement, regulatory, investigative, fiscal, taxation, or legislative powers or authority anywhere in the world with competent jurisdiction, (including, without limitation, any Regulatory Authority and the MAS).
House Account	unless otherwise indicated in a particular Rule, means an account in respect of which only the Member is the legal and beneficial owner.
Indicative Orders	has the meaning ascribed to it in Rule 303.
Issued Tokens	means the Tokens issued or proposed to be issued by such Issuer for listing and trading on Alta Exchange.
Issuer	means an entity whose Listed Products are quoted for sale on the Exchange.
Listed Product(s)	means the securities and/or Tokens listed on Alta Exchange or in respect of which in-principle approval has been granted by AltaX for such Listed Product to be listed on Alta Exchange.
Listing Rules	means the AltaX Registration Rules and Requirement for Disclosure that an entity seeking to be admitted as an Issuer must comply with.
Localised Error	means a localised error in relation to a specific transaction with a Member.
Market	means a market as defined under the SFA that is operated by AltaX.
MAS	means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act 1970 of Singapore.
MAS Requirements	means all requirements, laws, regulations, notices, directions, guidelines, codes, practice notes, circulars, policy statements, guidance, examples, waivers, and other similar materials administered, published or otherwise made by the MAS from time to time.
Matched Trade	has the meaning ascribed to it in Rule 314.
Member	means an entity or Person who has been admitted to a category of membership referred to under Rule 102. For the avoidance of doubt, all references to "Member" includes Foreign Members unless otherwise specified.
Member's Representative	means any director, employee, executive, officer, staff, partner, agent or representative of a Member (whether a natural person or corporation, including any employee, director, officer, partner, agent or representative of such a corporation), including, for the avoidance of doubt, a Trading Representative.
NoI	means a Notice of Investigation.
Non-Digital Listed Product	means a Listed Product that is not a Token.

Order	means generally, any buy or sell order, which may consist of either a Buy Order, Sell Order, Market Order, Limit Order or Cancellation Order as set out in Rules 312 to 313.
Pending Transaction	has the meaning ascribed to it in Rule 314.
Person	means any individual, corporation, partnership, statutory body, government ministry, association, trust, or entity as the context admits or requires.
Professional Investor	means: <ul style="list-style-type: none"> <li>(a) a bank that is licensed under the Banking Act 1970 of Singapore;</li> <li>(b) a merchant bank that is approved as a financial institution under section 28 of the Monetary Authority of Singapore Act 1970 of Singapore;</li> <li>(c) a finance company that is licensed under the Finance Companies Act 1967 of Singapore;</li> <li>(d) a company or society registered under the Insurance Act 1966 of Singapore as an insurer;</li> <li>(e) the Singapore Government;</li> <li>(f) a statutory body established under any Act in Singapore;</li> <li>(g) the Government of Singapore Investment Corporation Pte Ltd;</li> <li>(h) a pension fund;</li> <li>(i) a collective investment scheme, as defined under section 2(1) of the SFA;</li> <li>(j) a holder a capital markets services licence under the SFA;</li> <li>(k) a person who is exempted from the requirement to hold a capital markets services licence to carry on business in dealing in capital markets products that are futures contracts or over-the-counter derivatives contracts under the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations ("<b>LCB Regulations</b>");</li> <li>(l) a person who is exempted from the requirement to hold a capital markets services licence to carry on business in fund management in the Second Schedule to the (LCB) Regulations, and who has assets under its management of not less than S\$15 million;</li> <li>(m) a headquarters company or Finance and Treasury Centre which carries on a class of business involving fund management but only to the extent that the business in fund management has been approved as a qualifying service in relation to that headquarters company or Finance and Treasury Centre under section 43E(2)(a) or 43G(2)(a) of the Income Tax Act 1947 of Singapore, as the case may be;</li> <li>(n) a company in the Global Trader Programme of Enterprise Singapore;</li> <li>(o) a financial adviser licensed under the Financial Advisers Act 2001 of Singapore who uses AltaX's services solely for the purposes of trading for its own account; or</li> </ul>

	(p) a hedge fund that has assets under management of not less than S\$15 million.
Risk Committee	means the committee as described in Rule 206, comprising of such persons as may be appointed by AltaX.
Regulatory Authority	means any Governmental Authority which exercises a regulatory or supervisory function under the laws of any jurisdiction in relation to financial services, the financial markets, exchanges or clearing houses (including, without limitation, the MAS).
Regulatory Department	means the department of AltaX, and individuals employed by AltaX, responsible for enforcing these Rules.
Regulatory Notice	means a publication issued by AltaX for the attention of all Members and posted on Alta's Website, including notices: (i) directing Members to take corrective or other actions in the interests of a fair, orderly and transparent market or to address investor protection concerns and (ii) issued by AltaX regarding regulatory matters pertaining to the Market.
Regulatory Officer	has the meaning ascribed to it in Rule 402.
related corporation	has the same meaning as in section 4(1) of the Companies Act 1967 of Singapore.
Relevant Regulatory Authority	means: <ul style="list-style-type: none"> <li>(a) the authority(ies) or regulatory body(ies) that regulate(s) the activities of a Member or a Member's Representatives, in the country where it is carrying on such activities; and</li> <li>(b) where the Member or Member's Representatives are carrying on regulated activities under the SFA in Singapore, includes (without limitation) the MAS.</li> </ul>
Resignation Notice	has the meaning ascribed to it in Rule 112.2.
Rules	means the collection of rules and accompanying annexes, schedules, and similar set forth in this rulebook and any trading procedures that may be published by AltaX from time to time, as applied, interpreted, or implemented by Regulatory Notices.
securities	has the meaning given to such term in the SFA.
Security Tokens	means the digitised tokens representing securities (as defined under the SFA), or units in collective investment schemes (as defined under the SFA).
SFA	means the Securities and Futures Act 2001 of Singapore.
Systemic Error	means a widespread error that affects all Members.
Token	means the Security Tokens issued for listing and trading on Alta Exchange, including Issued Tokens;
Trading Day	has the meaning ascribed to it in Rule 309.2.

Trading Representative	means an individual who is employed by or acts for a Member, and registered by a Member with AltaX pursuant to Rule 111, to deal in Listed Products on Alta Exchange on the Member's behalf.
Transaction	means transactions in such securities and/or Tokens as may be permitted by AltaX from time to time, and includes Definitive Transactions and Pending Transactions as set out in Rule 314.
Transaction Failure	has the meaning ascribed to it in Rule 315.
unit	in relation to a collective investment scheme, means a right or interest (however described) in a collective investment scheme (whether or not constituted as an entity), and includes an option to acquire any such right or interest in the collective investment scheme.
U.S.	means the United States of America.
U.S. Person	means any of the following: <ul style="list-style-type: none"> <li>(a) U.S. citizen;</li> <li>(b) U.S. resident, meaning: <ul style="list-style-type: none"> <li>(i) an individual physically present in the U.S. for at least 31 days during the current year and 183 days during the three (3) year period that includes the current year and the two (2) years immediately before that: <ul style="list-style-type: none"> <li>(1) counting all the days such individual was present in the first year before the current year;</li> <li>(2) 1/3 of the days such individual was present in the first year before the current year; and</li> <li>(3) 1/6 of the days such individual was present in the second year before the current year;</li> </ul> </li> <li>(ii) a green card holder;</li> <li>(iii) an individual designated as a resident for U.S. tax purposes;</li> <li>(iv) an individual with a U.S. mailing address or U.S. telephone number;</li> </ul> </li> <li>(c) a corporation, partnership or entity organized or incorporated under the laws of the U.S.;</li> <li>(d) an estate of which any executor or administrator is a U.S. Person;</li> <li>(e) any trust of which any trustee is a U.S. Person;</li> <li>(f) any agency or branch of a foreign entity located in the U.S.;</li> <li>(g) a discretionary or similar account (other than an estate or trust) held by a fiduciary incorporated or organized, or (if an individual) a resident in the U.S.;</li> <li>(h) any non-discretionary or similar account (other than an estate or trust) held by a fiduciary for the benefit or account of a U.S. Person;</li> </ul>



- (i) any partnership, corporation or entity incorporated or organized under the laws of any jurisdiction apart from the U.S. that is more than 25% owned or controlled by a U.S. Person(s); and
- a partnership, corporation or entity with a U.S. mailing address or U.S. telephone number.

## **100. MEMBERSHIP**

### **101. General**

- 101.1 A Member shall at all times satisfy the criteria from time to time set out in or under the Rules, save as may otherwise be provided in or under these Rules. A Member and any Person subject to the Rules (including any Member's Representatives and/or Traders) shall be bound by the Rules and any arrangement, provision, or direction made, authorised, or given thereunder, and shall comply with the same as well as all Applicable Laws at all times. References in the Rules to a Member being prohibited from engaging in a course of action shall, in the case of activities in respect of AltaX, infer a like prohibition upon any Person accessing AltaX by or on behalf of the Member (including any Member's Representatives and/or Traders).
- 101.2 Any failure by a Member or any such other Person (including any Member's Representatives and/or Traders) to observe or comply with the Rules or any such arrangement, provision, or direction, or Applicable Laws may lead to steps including, without limit, disciplinary proceedings being taken by AltaX in respect of the Member or such other Person under the Rules. A dispute concerning the status, rights, or obligations of a Member or any other Person under the Rules, or any question in such connection which is not provided for therein, shall be referred to the Board whose decision shall be final subject to such rights of review and appeal as may be contained in the Rules.

### **102. Membership Eligibility Criteria**

- 102.1 Any Person seeking membership to participate in the Exchange must satisfy the following qualification and eligibility criteria, in addition to other requirements laid out in these Rules. Additional criteria may be imposed where necessary.

#### Requirements for Members

- 102.2 Members must, at all material times, be appropriately licensed, authorised, registered, or exempt (as applicable) for performing their activities in relation to the Exchange.
- 102.3 A Member must have and maintain a relevant license, authorisation, registration or exemption (as applicable) to act as a broker/dealer.

#### Requirements for Foreign Members

- 102.4 A Foreign Member must carry on business in a jurisdiction the relevant regulator of which has an arrangement with the MAS for information exchange and which exercises functions corresponding to the regulatory function of the MAS. A Foreign Member must appoint and maintain an agent to act as its agent to accept service of process issued out of the courts of Singapore or other dispute resolution tribunal in relation to any dispute, arbitration, or other dispute resolution process commenced pursuant to these Rules.

#### Eligibility Requirement for Non-Foreign Member

- 102.5 A Non-Foreign Member must be a Professional Investor.

#### Non-U.S. Persons

- 102.6 Members may not accept and facilitate transactions on or in relation to the Exchange for any U.S. Persons, unless permitted by AltaX.

## Other Requirements

- 102.7 An applicant for membership must demonstrate to the satisfaction of AltaX that it meets all relevant application requirements specified by AltaX at the time of admission before membership status may be conferred. Once membership is conferred, the Member must continue to observe all relevant membership requirements on a continuing basis until the termination of its membership.

### **103. Financial Requirement for Members**

- 103.1 A Member must maintain the Capital, Financial Resources and other financial requirements imposed on such Member under the laws applicable to it in its local jurisdiction.
- 103.2 AltaX may, subject to MAS Requirements, at any time, and at its sole and absolute discretion, add or vary any such Capital, Financial Resources and other financial requirements for any Member or category or group of Members, provided always that the Capital, Financial Resources and other financial requirements for a Member resulting from any such addition or variation shall not be lower than those prescribed under the laws applicable to it in its local jurisdiction. Such requirements may (subject to any limitation arising out of any Applicable Law or MAS Requirements) be imposed with respect to volume, risk exposure of positions carried, risk concentration, margin policies, location of collateral, nature of business conducted or to be conducted, a Member's membership(s) in any exchange or market, and such other matters as deemed fit in the sole determination of AltaX.

### **104. Recordkeeping**

- 104.1 All Members shall keep proper and complete accounting and other records relating to all contracts made on AltaX. Separate records shall be kept in relation to each Client and all orders and accounts shall be given a unique and clearly identifiable reference. AltaX may at any time prescribe any specific details to be included in such records kept.
- 104.2 All orders executed on the Market or otherwise in accordance with the Rules shall be promptly recorded in writing (or such other tangible form, including digital form, as may from time to time be permitted) by the Member in its own records and reported to AltaX in such manner and together with such particulars as AltaX may from time to time require.
- 104.3 Unless otherwise set out in Applicable Law or provided for in these Rules, Members shall maintain such records for a reasonable period of time. Members will make all such records available for inspection by AltaX upon request.
- 104.4 The requirements set forth in this Rule 104 shall be without prejudice to any other record-keeping provisions in these Rules.

### **105. Technical Matters, Systems and Controls**

- 105.1 A Member shall comply with all requirements, restrictions, or specifications reasonably requested by AltaX from time to time regarding technical, operational, information technology, security, or risk management issues, including:
- (a) having adequate security arrangements, systems, and controls in place to ensure that unauthorised persons are denied access to the Market; and
  - (b) ensuring that its systems and connections to the Market operate properly and have adequate and scalable capacity to accommodate trading volume levels.

105.2 A Member shall have and enforce written policies and procedures regarding risk management controls covering all the following areas, and shall demonstrate compliance with such written policies and procedures:

- (a) monitoring credit risks;
- (b) monitoring account activity;
- (c) implementing pre-execution risk management controls;
- (d) having error-prevention alerts;
- (e) defining and managing the Member's sources of liquidity;
- (f) ensuring business continuity;
- (g) limiting the impact of significant market movements; and
- (h) maintaining separation between internal departments to the extent appropriate to prevent or adequately mitigate conflicts of interest as appropriate.

#### Business Continuity

105.3 A Member must assess its business and operational risks and maintain adequate business continuity arrangements. Such business continuity arrangements must be documented in a business continuity plan and must be reviewed and tested regularly.

105.4 Without limiting any of the foregoing, a Member shall have adequate systems and controls to ensure that:

- (a) it has an adequate internal record-keeping system; and
- (b) a Trading Representative and/or Member's Representative does not conduct business (including by placing orders or entering into transactions) on the Market in a manner that would bring AltaX into disrepute or put AltaX in breach of any regulatory obligations to which it might be subject.

#### **106. Client Requirements**

106.1 Every Member that provides or intends to provide any Client with access to trade indirectly on the Exchange, shall satisfy itself the following prior to opening an account for the Client to trade indirectly on the Exchange:

- (a) obtained adequate particulars of each Client;
- (b) verified the identity of each Client, and in the case of a non-individual Client verified that it is validly constituted and that the person opening the account has the requisite authority to do so, and in the case of an agency Client, verified the identity of the principal and the Client's authority to trade for its principal;
- (c) agreed with the Client procedures for the communication of trading instructions to guard against unauthorised trading (if applicable); and
- (d) verified, in accordance with the requirements of AltaX, that the Client meets the following criteria:

- (i) (if a Client is resident in Singapore) qualifies as a:
  - (A) Professional Investor;
  - (B) an expert investor (as defined under the SFA); and
  - (C) an investor who is:
    - (1) an accredited investor (as defined under the SFA) to access the Exchange through the Member that has consented in writing to be treated as such by the Member in accordance with the AI Opt In Requirements, and such consent has not been withdrawn; or
    - (2) an Existing AI Client that is deemed by a Member to have opted to be treated by the Member as an accredited investor in accordance with the AI Opt In Requirements, and such Existing AI Client has not opted out to be treated by the Member as an accredited investor.
- (ii) (if a Client is resident outside of Singapore) satisfies such classification of investor in the relevant jurisdiction in which he is based such that his participation on the Exchange through the Member shall be in compliance with such requirements as may be prescribed by the Relevant Regulatory Authority;
- (iii) (if an individual) is not an undischarged bankrupt;
- (iv) (if an individual) is at least 18 years old;
- (v) is not a U.S. Person; and
- (vi) has passed all relevant checks with respect to anti-money laundering and countering the financing of terrorism, in accordance with applicable know-your-customer laws and regulatory requirements.

106.2 Every Member shall ensure that it has processes in place to ensure that it is able to confirm that each Client meets and is able to continue to meet the foregoing requirements on an ongoing basis. For the avoidance of doubt, no Member shall allow or enable any Client to trade on the Exchange through the Member if the Client is not a Professional Investor, an expert investor (as defined under the SFA) or an accredited investor (as defined under the SFA) as verified in accordance with Rule 106.1(d) above.

106.3 If there is any change to the Client's ability to meet any of the foregoing requirements, the Member shall immediately notify the AltaX.

## 107. **Continuing Notification Obligations**

107.1 Every Member shall notify AltaX forthwith in writing of:

- (a) any change or anticipated change in circumstances of the Member of which the Member is aware and that will or is likely to cause the Member to be unable to satisfy any one or more of the membership criteria applicable to it;
- (b) any change or anticipated change that would result in a Client or the Member no longer meeting the requirements under Rule 106;

- (c) any alteration in other business information which the Member is required to furnish to AltaX under these Rules;
- (d) any information required by AltaX from time to time with respect to trading on or accessing the Market including, without limitation, location of screens used, details and location of user interfaces employed, and order-routing arrangements put, or to be put, in place by or on behalf of the Member;
- (e) any changes or proposed changes regarding the Trading Representatives, or any other Persons as AltaX may from time to time prescribe;
- (f) any of the occurrences described in Rule 111;
- (g) any material change to the information that had been provided in the membership application of that Member, including supplementary information provided in connection with such application; and
- (h) any other information required by AltaX from time to time, which requirement shall be communicated by means of a Regulatory Notice.

107.2 Every Member shall seek the consent of AltaX in relation to:

- (a) any proposed change in the nature of business or legal status of the Member, any proposed change in legal or beneficial ownership of 20% or more of the equity or partnership capital of the Member, or any other circumstance that to the Directors' or partners' belief would or might have the effect of changing the control of the Member;
- (b) any other material change in the way in which the Member accesses and uses the Market; and
- (c) any other item specified in the membership application or as conditioned in the acceptance of membership.

107.3 If AltaX determines that a Member failed to (a) notify it fully in accordance with this Rule 107 or (b) obtain AltaX's consent to any change in its circumstances or arrangements as required under these Rules, AltaX may suspend the Member's membership until AltaX and the Member reach an agreed arrangement or resolution satisfactory to AltaX on the issue(s) in question. For the avoidance of doubt, suspension under this paragraph shall not prejudice the power of AltaX or the Disciplinary Panel to commence disciplinary proceedings in respect of the Member's failure in question.

107.4 Without prejudice to the generality of these Rules, Members shall provide AltaX with any information necessary to enable it to meet its regulatory obligations to any Governmental Authority to the fullest extent allowed of each Member under Applicable Law.

## 108. **Prohibited Conduct**

108.1 No Member, Trading Representative, Member's Representative or other Person subject to the Rules shall knowingly or recklessly permit the use of his, her, or its services, facilities, or membership by any Person in a manner which is in the opinion of AltaX liable to bring AltaX or its Members into disrepute or to otherwise adversely affect the standing, dignity, or reputation of AltaX.

- 108.2 No Member, Trading Representative, Member's Representative or other Person subject to the Rules shall knowingly or recklessly create or maintain or exacerbate manipulations (or attempted manipulations), corners (or attempted corners) or violations (or arrangements, provisions or directions made or given thereunder), or otherwise act or omit to act in a manner that would likely be substantially detrimental to the interests or welfare of AltaX.
- 108.3 No Member, Trading Representative, Member's Representative or other Person subject to the Rules, in relation to contracts entered into, or orders placed, on the Market or otherwise in accordance with the Rules, shall:
- (a) commit, perpetrate or facilitate any act of fraud or bad faith;
  - (b) act dishonestly;
  - (c) engage or attempt to engage in extortion or any other illegal or illicit activity;
  - (d) engage in any conduct that is prohibited under Division 1 (Prohibited Conduct - Capital Markets Products) of Part XII of the SFA and Division 3 (Insider Trading) of Part XII of the SFA;
  - (e) continue (otherwise than to liquidate existing positions) to trade or enter into such contracts or provide margin to or accept margin from AltaX when not in compliance with the minimum financial requirement pursuant to Rule 102;
  - (f) knowingly or recklessly disseminate false, misleading, or inaccurate reports concerning any Capital Markets Products, product or market information, or conditions that affect or tend to affect prices on the Market;
  - (g) manipulate or attempt to manipulate the Market, market rigging or create or attempt to create a disorderly Market, or assist its Clients or any Person to do so;
  - (h) make or report a false or fictitious transaction;
  - (i) knowingly front-run a Client's order, unless the Client has prescribed that the order be executed under specified conditions and the order cannot otherwise be executed by reason of those conditions;
  - (j) enter into any transaction or fail to close out the same either intending to default in performance of the same or having no reasonable grounds for thinking that it would be able to avoid such default; or
  - (k) use or reveal any information, records, materials, or documents provided to or obtained by another Person by reason of the Member participating in any investigation or disciplinary proceedings or otherwise disclosing any confidential information.
- 108.4 No Member, Trading Representative, Member's Representative or other Person subject to the Rules shall:
- (a) participate in conduct by a third party which would be a violation or attempted violation of these Rules if that third party were subject to these Rules;
  - (b) fail to pay a fine or order for costs imposed by a Disciplinary Panel;

- (c) engage in any event or practice that has developed or is developing on AltaX and is objectively capable of impairing the orderly conduct of business on AltaX or affecting the due performance of contracts;
- (d) provide to AltaX information (including information for the purpose of obtaining membership) which is false, misleading, or inaccurate;
- (e) cease to meet any of the admission, eligibility criteria and financial requirements for membership set out in these Rules;
- (f) engage in any event, practice, or conduct that violates these Rules; or
- (g) any other matter of which AltaX may, from time to time, notify Members through Regulatory Notices.

108.5 For the avoidance of doubt, the Rules (including but not limited to this Rule 108) are interpreted, administered and enforced by AltaX. Any determination by AltaX as to whether this Rule 108 and/or any other provision of these Rules are breached shall be conclusive and binding on the Member, Trading Representative, Member's Representative, Client and/or other Person subject to the Rules. Such Person(s) shall not challenge or dispute the validity of such decision and AltaX shall not be obliged to give any reasons whatsoever for its determination.

#### **109. Membership Dues**

AltaX may, from time to time, impose fees, levies and charges to be paid by Members on such terms as AltaX may prescribe including, but not limited to, the Annual Fee. AltaX shall give notice of any changes to fees, levies and charges by means of a Circular or by posting a schedule of the updated fees, levies and charges on Alta's Website.

#### **110. Application for Membership and Approval**

110.1 AltaX may, in its absolute discretion, approve or reject an application to be a Member, having due regard to, among other things, the appropriateness, financial condition, and fitness and propriety of the applicant, its substantial shareholders and executives.

110.2 The factors that AltaX may consider when approving an application to be a Member include but are not limited to the following:

- (a) whether the applicant or its substantial shareholders, is in the course of being wound up, or a resolution to do so is passed by shareholders, or a court order is made, to wind it up, whether in or out of Singapore;
- (b) whether execution against the applicant or its substantial shareholders, in respect of a judgment debt has been returned unsatisfied in whole or in part, whether in or out of Singapore;
- (c) whether the applicant or its substantial shareholders, has entered into an arrangement or composition with its creditors that is still in operation, whether in or out of Singapore;
- (d) whether a receiver, a receiver and manager, judicial manager or such other person having similar powers and duties, has been appointed, whether in or out of Singapore, in relation to any property of the applicant or its substantial shareholders;



- (e) whether AltaX is satisfied with the financial standing of the applicant or its substantial shareholders;
- (f) whether AltaX is satisfied with the manner in which the applicant's business is to be conducted;
- (g) whether the applicant, or any of its substantial shareholders or executives is convicted of an offence involving fraud or dishonesty or is found by a court of law to have acted fraudulently or dishonestly, whether in or out of Singapore;
- (h) whether the applicant, or any of its substantial shareholders or executives has been convicted of an offence under the Securities and Futures Act or any other relevant applicable laws and regulatory requirements relating to the regulation of markets and licenced entities;
- (i) whether the applicant, or any of its substantial shareholders or executives is the subject of an investigation involving an allegation of fraud or dishonesty, whether in or out of Singapore;
- (j) whether AltaX is satisfied as to the educational or other qualification or experience of the executives of the applicant;
- (k) whether AltaX is satisfied with the applicant's record of past performance;
- (l) whether AltaX is satisfied that the applicant, any of its executives are able to satisfy such experience and competency requirements as AltaX may prescribe;
- (m) whether AltaX has reason to believe that the applicant or any of its executives may not perform their functions efficiently, honestly and fairly; and
- (n) whether AltaX has reason to believe that the applicant may not act in the best interests of its customers.

110.3 AltaX shall have absolute discretion to approve or deny an application for membership, subject to the applicant's rights in respect of reconsideration and appeal under these Rules. If AltaX refuses an application, it shall give the applicant a written statement of its reasons.

#### Conditional Approvals

110.4 AltaX may approve an application subject to such conditions or restrictions as it may in its absolute discretion deem appropriate (the "**Approval Conditions**") including but not limited to restrictions on the applicant's scope of business and operations. AltaX shall inform the applicant of the imposition or withdrawal of any Approval Condition in writing. A breach of the Approval Conditions shall constitute a breach of this Rule.

110.5 AltaX may, in its absolute discretion at any time, by notice in writing, vary or lift any Approval Condition or impose such further Approval Conditions as it may think fit.

#### Appeals

110.6 If an applicant is rejected by AltaX, the applicant may appeal the decision to AltaX. The Board shall decide, by majority vote, whether the applicant's appeal case qualifies it for membership. The Board may request the applicant provide it with further information to facilitate it reaching a decision on the applicant's appeal. The decision of the Board shall be final. An applicant

rejected on appeal by AltaX may nevertheless be reconsidered for membership if new or additional information is brought to the attention of AltaX subsequent to the Board reaching its decision on the appeal. If an applicant is rejected for membership, or if for any reason his application is withdrawn, AltaX may seek or retain from the applicant any processing fee applicable or incurred. The applicant accepts the risk of incurring losses, including monetary loss, in connection with its application.

- 110.7 AltaX may require any information it deems appropriate from the applicant and may institute such investigation to verify information submitted by the applicant as it deems fit. AltaX may require one (1) or more representatives of the applicant to attend an interview by AltaX. In granting an approval for a membership application, AltaX may, at its absolute discretion, impose such additional condition(s) as it deems necessary, and the applicant shall accept and ensure compliance with the condition(s). Upon grant of the approval for a membership application, the successful applicant shall enter into a membership agreement with AltaX. Such successful applicants shall become Members upon conclusion of such membership agreement with AltaX.

#### Register of Members

- 110.8 AltaX shall publish the names of new Members from time to time by Circular or such other means as AltaX may determine.

#### **111. Appointment, Registration and Change of Trading Representatives**

- 111.1 Members are required to furnish to AltaX a list of persons who are authorised to trade on behalf of the Member as a Trading Representative. Wherever possible, the Member should also disclose if the trading representative is a trader on any other exchanges. The Member is also required to notify AltaX immediately of any changes to the authorised trader list or the information of any Trading Representative.
- 111.2 If a Trading Representative is not notified to AltaX, no instructions or confirmations from that Person will be accepted by AltaX. The ability to issue instructions or confirmation may be delegated by a Member to other staff. However, it must be overseen by a responsible Member Trader and, at all times, remains the responsibility of the Member to ensure that all staff members (including traders and non-traders) faithfully and correctly execute their responsibilities.
- 111.3 All Trading Representatives who deal in Listed Products on Alta Exchange are to be registered with AltaX by the respective Members, unless exempted by AltaX.
- 111.4 To be eligible for registration as a Trading Representative, an applicant must:
- (a) be at least 21 years old;
  - (b) be a fit and proper person, in accordance with the MAS's Guidelines on Fit and Proper Criteria;
  - (c) possess a good track record of business conduct (if applicable);
  - (d) comply with the requirements of his Relevant Regulatory Authority for acting as a representative of his Member in respect of the relevant regulated activities;

- (e) not be a person who has previously been disallowed by an exchange or a regulatory body, whether in or out of Singapore, from acting as a representative in respect of the relevant regulated activities; and
- (f) not be an undischarged bankrupt, whether in or out of Singapore.

111.5 A Trading Representative may be entered into the Register of Trading Representatives only if his Member has confirmed in writing to AltaX that the Trading Representative satisfies the registration criteria prescribed in Rule 111.4. The Member shall maintain records evidencing the Trading Representative's satisfaction of the registration criteria Rule 111.4 and shall provide all information that AltaX may require in the registration process.

111.6 AltaX may in its discretion refuse the registration of a Trading Representative.

111.7 Only Trading Representatives who have been registered by AltaX and entered into the Register of Trading Representatives may deal in Listed Products on AltaX. A Trading Representative may begin to do so only upon his Member being notified by AltaX that he or she has been entered into the Register of Trading Representatives.

111.8 A Trading Representative must act for only one Member, unless exempted by AltaX.

111.9 A Trading Representative will be deemed to be de-registered, and the Member shall immediately notify AltaX, if the Trading Representative:

- (a) becomes of unsound mind;
- (b) is made bankrupt, whether in or out of Singapore;
- (c) is subject to a compromise or scheme of arrangement with his creditors, whether in or out of Singapore;
- (d) has execution in respect of a judgment debt returned unsatisfied in whole or in part;
- (e) is convicted of an offence involving fraud or dishonesty or is found by a court of law to have acted fraudulently or dishonestly, whether in or out of Singapore;
- (f) ceases to comply with the requirements of his Relevant Regulatory Authority for acting as a representative of his Member in respect of the relevant regulated activities or is disallowed by the Relevant Regulatory Authority from so acting; or
- (g) ceases to act as a Trading Representative for the Member, or gives or is given notice that he will cease to be a Trading Representative of the Member (whichever is the earlier).

111.10 A Trading Representative who is deemed de-registered will have his name deleted from the Register of Trading Representatives upon the date of deemed de-registration.

## 112. **Resignation of a Member**

112.1 A Member may request AltaX to temporarily suspend its membership, provided that such Member shall provide reasons for its request for voluntary suspension. AltaX may grant to the requesting Member a temporary suspension of up to twenty-four (24) months, subject to such terms and conditions as AltaX deems fit.

- 112.2 A Member may resign from being a Member by giving AltaX written notice of its wish to resign from membership (a "**Resignation Notice**"). A Member which gives a Resignation Notice must provide AltaX with such information concerning the circumstances of the resignation as, in the opinion of AltaX, is necessary for AltaX to determine whether:
- (a) to accept the resignation;
  - (b) to delay the effective date of the resignation; or
  - (c) without prejudice to the courses of action available to AltaX under these Rules, to take any other measures before or after the resignation takes effect.
- 112.3 Notwithstanding anything to the contrary herein, AltaX may, in its absolute discretion, refuse to accept a Resignation Notice given by a Member or postpone the effective date if it considers it necessary for the protection of Clients or otherwise in the interests of the Market. AltaX is not obliged to provide a Member with its reasons for rejecting a Resignation Notice. If AltaX does so, AltaX may waive the Member's liability for some or all Exchange fees, levies, and charges arising in respect of the period following the date on which its Resignation Notice would otherwise have taken effect.

### **113. Trading Rights**

- 113.1 A Member has access to organised markets established or operated by AltaX and/or such organised markets as AltaX specifies, unless such access is restricted under the Rules or by AltaX in writing.

### **114. Defaulting Member**

- 114.1 AltaX reserves the right to (but is not obliged to) declare a Member to be a defaulter if in its opinion and sole discretion, the Member:
- (a) has failed, is unable or is unwilling, to fulfil its obligations to AltaX or its customers; or
  - (b) is apparently insolvent, is or is presumed or deemed insolvent or unable to pay its debts.
- 114.2 Any Member that commits an act that may result in it being declared a defaulter, or whom any such act is committed against under Rule 114.1 must inform AltaX immediately.
- 114.3 A Member's access to organised markets established or operated by AltaX will cease pursuant to Rule 114.1 if it is declared a defaulter. Such access may be reinstated by AltaX in its absolute discretion.
- 114.4 AltaX will notify all Members of the declaration of default and the reinstatement (if applicable).
- 114.5 AltaX may allow an open transaction with a defaulter to be closed as AltaX directs.
- 114.6 Any action taken under this Rule 114 is in addition to any other action that AltaX is entitled to take against the Member.

### **115. Suspension and Termination of Membership**

- 115.1 Notwithstanding and without prejudice to the powers of the Disciplinary Panel, AltaX may suspend a Member's privileges in whole or in part (including the trading in any or all Listed

Products by the relevant Member), for such period as AltaX may determine in its discretion, where:

- (a) a Member fails to pay any fees, levies, or charges as contemplated under Rule 109;
- (b) a Member's application for membership contains material errors or omissions or is misleading in a material respect;
- (c) a Member fails to satisfy AltaX that it meets any material obligations required by AltaX (whether under the Rules or otherwise), including admission / eligibility criteria, financial, licensing, or risk management requirements or other material obligations; or
- (d) doing so is necessary or desirable, in AltaX's opinion, to protect the financial integrity, reputation, or interest of the Market or to promote the operation of a fair, orderly, and transparent market.

115.2 Unless otherwise determined by the committee with jurisdiction over such matters, a suspended or terminated Member shall not be entitled to any of the privileges of membership during the period of such suspension or termination including, but not limited to, the right to:

- (a) direct and indirect access to AltaX;
- (b) obtain member rates; and
- (c) any applicable cross-exchange trading privileges.

115.3 A suspension or termination does not in any way affect the liabilities of the Member to AltaX and other Members and all such liabilities shall subsist until satisfied or discharged. A Member which ceases to be a Member shall remain subject to the Rules and to the jurisdiction of AltaX in respect of acts and omissions while it was a Member and in respect of any investigation or disciplinary proceedings relating thereto (including the application of any sanction imposed) as if it was a Member.

115.4 AltaX may terminate the membership of any Member if the Member's trading rights has ceased by reason of any of the grounds set out in Rule 115.1, or if:

- (a) a Member becomes insolvent, bankrupt, or calls a meeting of its creditors, or enters into an arrangement or composition under insolvency or bankruptcy laws or suffers winding up, dissolution, or other similar event;
- (b) a Member's licence with respect to the Member's engagement in any regulated activity is revoked by the Relevant Regulatory Authority;
- (c) a Member fails to satisfy AltaX that it meets any material obligations required by AltaX (whether under the Rules or otherwise), including admission / eligibility criteria, financial, licensing, or risk management requirements or other material obligations; and/or
- (d) a Member, Trading Representative, Member's Representative or other Person is or has been involved in any prohibited conduct under Rule 108 or committed offences under Rule 403, and/or AltaX has reasonable suspicion of the same.

115.5 When a Member's right to access organised markets established or operated by AltaX has ceased, AltaX will notify all Members of the effective date of cessation and the date of reinstatement of access rights (if applicable).

115.6 A Member whose right to access organised markets established or operated by AltaX has ceased must continue to comply with the relevant Rules. The Member remains liable for all obligations incurred in connection with its activities on AltaX before its access right ceased.

115.7 The Member's name will be deleted from the Register of Members upon the effective date of termination.

#### **116. Notice of Discipline**

Notice shall be provided to any Member or non-member who is suspended within thirty (30) days after the decision on suspension is made. The notice shall include the Member's or non-member's name, the Rule(s) violated, the reason for the Exchange's action, and the action taken or penalty imposed.

#### **117. Claims by Members**

A Member that commences a legal action against AltaX, its directors, officers, employees, or agents, or another Member without first resorting to and exhausting the procedures established by the arbitration provisions of Section 500, or any other Rules relating to settlement of disputes arising out of transactions or matters pertaining to the Exchange shall be deemed to have committed an act detrimental to the interest or welfare of the Exchange.

#### **118. Notice of Significant Events**

118.1 Each Member shall provide immediate notice to the Regulatory Department in writing upon becoming aware of any of the following events relating to such Member:

- (a) any suspension, termination, revocation, or restriction of such Member's trading privileges, licenses and/or approvals from any Regulatory Authority, or any fine in excess of S\$25,000, through an adverse determination, voluntary settlement, or otherwise, by any court; commodity or securities exchange or related clearing organisation; MAS or the securities commission or equivalent authority of any state, territory or foreign country; or any self-regulatory or regulatory organisation;
- (b) any indictment of the Member or any of its officers for, any conviction of the Member or any of its officers of, or any confession of guilt or plea of guilty or *nolo contendere* by the Member or any of its officers to any felony or any misdemeanour involving, arising from, or related to the purchase or sale of any commodity, security, futures contract, option, or other financial instrument or involving or arising from fraud or moral turpitude; and/or
- (c) any filing of a bankruptcy petition or insolvency, receivership, or equivalent proceeding of which the Member is a subject. In the case of a voluntary bankruptcy, insolvency, receivership, or equivalent proceeding, the Member also shall notify the Exchange when such Member forms a definite intention to file such proceeding.

118.2 Nothing in this Rule shall limit or negate any other reporting obligations that any Member may have to AltaX or any other regulator or Person.

#### **119. Fines and Restitution**

- 119.1 The Regulatory Officer may summarily impose a fine for minor violations of the Rules. The Regulatory Officer will give notice of any summary fine imposed pursuant to this Rule 119 to each Member or Person subject to the summary fine. Such notice shall include the:
- (a) violation(s) of the Rules for which the fine is being imposed;
  - (b) date of the violation(s) for which the fine is being imposed; and
  - (c) amount of the fine.
- 119.2 AltaX will set the amount of any fines imposed pursuant to this Rule 119. The maximum fine for each violation will not exceed S\$3,000. For the avoidance of doubt, fines may be imposed cumulatively such that the total amount of fines exceeds S\$3,000.
- 119.3 Summary imposition of fines pursuant to this Rule 119 will not preclude AltaX from bringing any other action against the Member or Person subject to the summary fine. In lieu of a summary fine, the Regulatory Officer may issue a warning letter.
- 119.4 Disciplinary fines, disgorgement, and restitution amounts ordered by an Exchange disciplinary committee must be submitted to no later than the date specified in the notice of decision. An individual or entity who fails to provide proof of payment within the time prescribed will forfeit the access to the Exchange platform. Any Member that fails to make the required payment within the time prescribed will automatically forfeit preferred fee treatment for its proprietary trading until the payment has been received. Any party that fails to make the required payment shall immediately forfeit eligibility for any Exchange incentive or rebate program until the amount is paid in full.
- 119.5 Any Person subject to a summary fine may challenge such summary fine by denying the charges and filing a request for a hearing. A Person challenging a summary fine shall have the right to representation by an advocate and solicitor of the Supreme Court of Singapore in such hearing. Filing of a notice of intent to challenge a summary fine pursuant to Rule 119 shall stay, but not in itself negate, the requirement to pay a summary fine.

## **120. Payment Date of Fines, and Consequences on Failure to Do So**

- 120.1 All Member fines must be paid within fourteen (14) days from the date of notice, or such longer time as the Exchange permits. If a fine remains unpaid seven (7) days after the due date, the Member access to AltaX will be suspended. The suspension shall end upon full payment of the fine.
- 120.2 Where a fine has been imposed against an AP, and the AP does not make payment within the specified period, the outstanding sum shall be a debt payable to AltaX. AltaX may commence legal action to recover that debt, subject to any subsequent payments made by the AP to offset the same. AltaX shall be entitled to claim reasonable interest, a month after the payment is due, based on the sum outstanding.

## **200. GOVERNANCE**

### **200. General**

- 200.1 AltaX understands the importance of good corporate governance and is committed to maintaining it. To this end, AltaX has implemented various rules, structures, policies, and processes. The resulting framework ensures the accountability of AltaX to its stakeholders and transparency in its management of the Exchange.

- 200.2 To implement the above standards, the Board has adopted these Rules, which govern the Members of the Exchange, trading on the exchange, and the enforcement of the Rules. Where there is no express provision in the Rules, the Directors (or any committee or officer with appropriate powers) may, from time to time, implement such procedures as they deem fit in relation to any aspect of the management of the Exchange and the conduct of business on the Exchange.
- 200.3 To the extent permissible under Applicable Law, the Exchange may issue Regulatory Notices and Circulars to supplement the Rules at any time at its discretion.

## **201. Board**

- 201.1 The Board is responsible for general oversight of AltaX's performance and providing guidance to AltaX's management on the strategic development and operations of AltaX. The Board reviews and recommends changes as necessary to guide AltaX's development and operations, including AltaX's policies on regulatory compliance, its internal controls, appointment of members of senior management, financial matters, risk management, and succession planning.
- 201.2 All directors on the Board are required to ensure that they remain independent and strive as far as possible to avoid or appropriately manage (including by disclosing fully) actual and potential conflicts of interest. In disclosing actual and potential conflicts of interest, Directors are expected to provide details on the nature and extent of each such conflict and the action(s) to be taken in order to resolve or mitigate such conflict. External advice may be sought on how to handle specific instances of conflicts of interests as and when they arise.

## **202. Officers**

- 202.1 The Board will appoint officers to manage the day-to-day operations of AltaX. As employees of AltaX, officers are viewed by extension as representatives of AltaX. Officers are, therefore, expected to adhere to high standards of professional and ethical conduct and to maintain AltaX's reputation and interests through their conduct. They must comply fully with these Rules and such of AltaX's internal policies and processes as may be applicable to them in the course of their employment.
- 202.2 Where there is a provision to the effect that an action may be taken or power exercised by the Directors (or a committee or officer appointed by them for this purpose), the appointment by the Directors of, and any action taken or power exercised by, an officer shall be without prejudice to the right of the Directors themselves to exercise such powers and take such steps (or not, as the case may be) as they may think fit upon that or any other occasion.

## **203. Committees**

- 203.1 The Board may form standing and ad hoc committees from time to time to examine or discuss specific issues. Committees may be Board or non-Board-level committees. In appointing a committee, the Board will take into account factors such as the independence and relevant experience and expertise of the proposed members of a committee when coming to a decision on forming a committee and the composition of each committee to be formed.
- 203.2 Findings and recommendations of committees will be taken seriously and may, depending on the nature of the issue at hand, be tabled before the Board for further discussion and a vote on follow-up action to be taken. However, the delegation of authority and powers to the committees in no way limits the authority of the Board with respect to the Exchange and the enforcement of the Rules and standards in this rulebook over the Members.



## **204. Board-Level Committees**

Board-level committees may be formed to assist the Board with a variety of matters, including examining specific issues; carrying out responsibilities delegated by the Board; monitoring particular aspects of AltaX's management or operations; and succession planning. Executive functions may also be delegated to Board-level committees. Such functions include reviewing and approving the appointment of any person to another AltaX committee or to any external regulatory body or any external panel as the representative of AltaX. Board-level committees are authorized to receive updates on and approve changes to AltaX's annual budget. Board-level committees are also responsible for advising the Board on matters relating to AltaX's constitution with a view to ensuring full compliance with the same.

## **205. Non-Board-Level Committees**

Non-Board-level committees may comprise of AltaX officers, employees, and external advisers. Non-Board-level committees may take on functions delegated from AltaX's board or senior management including, for instance, disclosure review and applications for listing on the platform. Such committees may also undertake an advisory role to senior management, particularly where specific expertise or experience is required. Non-Board-level committees will not be overseen by the Board or senior management on a day-to-day basis, but will nevertheless still be required to report to senior management or the Board at periodic intervals.

## **206. Risk Committee**

- 206.1 The Risk Committee is generally tasked with assessing and making recommendations concerning AltaX's risk profile and risk management framework and capabilities, and has oversight of audit-related matters. To this end, it will review AltaX's risk management framework for identifying and mitigating risks relevant to AltaX. These risks include financial, operational, legal and regulatory (including money laundering and terrorist financing and bribery and corruption risks), technology, and security risks. It will oversee AltaX's compliance with its own policies on such risks and may review and recommend amendments to any of these policies from time to time to ensure their continuing accuracy, relevance, and adequacy. It is expected to take into account best practices, applicable standards, and current and emerging trends in relevant areas when conducting such reviews.
- 206.2 To perform its functions, the Risk Committee is authorized to seek information from AltaX's board, other committees, and employees as it considers necessary and to obtain external professional advice on any matter within its remit.

## **300. TRADING CONDUCT AND PRACTICES**

### **301. Acting as Principal**

- 301.1 If a Member acts and contracts as principal in a transaction on the Exchange, it is bound by, and shall honour the terms of, such contract entered by or through it on Alta Exchange.
- 301.2 A Member agrees that each such contract entered by or through it on Alta Exchange is subject to the Rules.

### **302. Acting as Principal to an End-customer**

- 302.1 If a Member or its Trading Representative wants to trade as principal (as defined under Regulation 47B of the SFR (Licensing and Conduct of Business) with a customer who is not a holder of a Capital Markets Services Licence, the Member (where the Member is the one so

trading) or the Trading Representative (where the Trading Representative is the one so trading) must inform the customer that the Member or the Trading Representative is acting in the transaction as principal and not as agent.

302.2 Any contract note relating to the above transaction must show that the Member or Trading Representative acted as principal.

302.3 This Rule 302 does not apply to trades that are matched on the Trading System without the Member's or Trading Representative's knowledge.

### **303. Acting as Agent to End-customer**

303.1 When acting as agent, a Market Participant must:

- (a) carry out the customer's instructions;
- (b) exercise skill, care and diligence;
- (c) act in good faith;
- (d) act in the best interests of customers, and comply with any obligation for best execution as set out in applicable laws and regulations;
- (e) if asked, disclose all circumstances and risks that could reasonably be expected to affect a customer's decision;
- (f) if asked, inform the customer of the current best bid and offer prices on the Trading System;
- (g) disclose the commission and any benefit directly or indirectly receivable on the transaction;
- (h) not enter into a transaction that may conflict with a duty owed to the customer, unless the customer is informed of the conflict and consents to the transaction; and
- (i) not disclose a customer's order unless:
  - (i) prior written consent of the customer for the disclosure of the information is obtained;
  - (ii) the disclosure is for the effective execution of the customer's order;
  - (iii) the disclosure is necessary for the risk management or operations of the Member if these functions have been outsourced by the Member; or
  - (iv) the disclosure is required or permitted under applicable law or under the Rules; and
- (j) ensure that the person to whom it discloses the customer's order under (i)(ii) and (i)(iii) above maintains confidentiality of such information.

### **304. Separation of Client and Proprietary Trading Activities, Precedent of Client Orders**

304.1 A Member must have procedures to effectively prevent any conflict of interest between its customer trading activities and proprietary trading activities.

304.2 Neither a Member nor a Trading Representative shall deal in securities or futures contracts for its own account or for a Prescribed Person's account if the Trading Representative has an unexecuted order on the same terms from a customer. However, this 304.2 does not apply if:

- (a) the Member or the Trading Representative does not have access to customer's order flow information while executing for its own account or for the Prescribed Person's account;
- (b) the customer has prescribed that the order be executed under specified conditions and the Member or Trading Representative is unable to execute the customer's order by reason of those conditions; or
- (c) the transaction is entered into in circumstances prescribed by AltaX.

### **305. No Arrangement with Clients**

305.1 A Member or its Trading Representative must not:

- (a) accept a share in the profits of a customer's account carried on the books of the Member or have any arrangement with a customer to share in the profits of that account;
- (b) have any arrangement with a third party to allocate profits or losses to a customer's account carried on the books of the Member; or
- (c) lead a customer to believe that the customer will not suffer loss as a result of opening an account or dealings.

305.2 A Member or a Trading Representative shall not

- (a) accept a share in the profits of a Client's account carried on the books of the Member or have any arrangement with a Client to share in the profits of that account;
- (b) have any arrangement with a third party to allocate profits or losses to a Client's account carried on the books of the Member; or
- (c) lead a Client to believe that the Client will not suffer loss as a result of opening an account or dealings.

### **306. Unauthorised Trading**

306.1 A Member or its Trading Representative must not (i) execute his personal trades using the Customer's account; (ii) execute a Customer's trades using his personal account; and (iii) execute any third party's trades using a customer's account without the customer's prior written authorisation.

### **307. Prohibited Trading Conduct**

307.1 A Member or a Trading Representative must not engage in any conduct likely to create a false or misleading appearance of (i) active trading in any Listed Product; or (ii) with respect to the market for, or the price of any Listed Product.

307.2 A Member or a Trading Representative must not

- (a) participate in any prohibited market conduct, including any insider trading, in securities or futures contracts under these Rules or any applicable law or regulations or knowingly assist a person in such conduct;

- (b) disseminate information that is false or misleading if the Member or Trading Representative knows or ought reasonably to have known that the information was false or misleading in a material particular, or does not care whether the information is true or false.

307.3 A Member or a Trading Representative must not deal in a Listed Product in a manner that will or may have the effect of raising, lowering, maintaining or stabilising the price of the Listed Product, with intent to induce other persons to subscribe for, purchase or sell the Listed Product.

307.4 A Member must have in place processes to review orders and trades to detect suspicious trading behaviour, and must immediately inform AltaX if it reasonably suspects, or knows of, any attempted market manipulation, insider trading, or any other prohibited trading conduct.

### **308. Trading**

308.1 A Listed Product quoted on the Exchange must be traded and matched through the Exchange or as otherwise allowed under these Rules.

308.2 By entering an order onto the Exchange, each Member shall be deemed to have consented to the disclosure of its identity in any trade confirmation message generated by the Trading System to the relevant counterparty Member, and to the provision of such information to any of AltaX's related corporations or to any other party for the purposes of facilitating the orderly clearing and settlement of any matched trade.

### **309. Trading Hours**

309.1 Market Participants may only submit, amend, accept or delete orders during the hours in which Alta Exchange is open for trading.

309.2 Alta Exchange's trading hours are 24 hours a day in Singapore, subject to scheduled downtimes or other events where the platform is down (and each, a "**Trading Day**").

309.3 Alta Exchange shall have the market phase set out below.

1	Market Open	A Market Participant may perform Order entry and Order cancellation in this phase (i.e., Limit Orders, Market Orders and Cancellation Orders).  All unmatched, valid and unexpired Orders remain in the orderbook and are carried over to the next Trading Day.
2	Market Close	A Market Participant may perform Order cancellation in this phase (i.e., Cancellation Orders).  No Orders shall be executed, and no Transactions settled, in this phase.

309.4 During the Market Open phase as set out in Rule 309.3, all Orders are continuously matched by Alta Exchange in accordance with Rule 313.

309.5 AltaX, in its sole discretion, may extend or reduce trading hours generally, or in relation to any Listed Product during the course of any Trading Day.

### **310. Quoted Price of Listed Product**

- 310.1 The quoted price of a Listed Product shall be determined by the last traded price and applicable procedures determined by AltaX. Notwithstanding the foregoing, AltaX shall reserve the right to amend the closing price of any Listed Product at any time as it deems necessary.
- 310.2 In the event that AltaX amends the closing price of any Listed Product due to a Localised Error, it will communicate the error to the specific Member(s). In the event that AltaX amends the closing price of any Listed Product due to a Systemic Error, it will issue a Circular on the platform and communicate the error to all Members.
- 310.3 AltaX (including AltaX's subsidiaries, related companies and holding company), its Directors, officers, employees, and agents make no warranty, express or implied, and shall have no liability to any Person in respect of, or in connection with, the quoted price of a Listed Product, including without limitation:
- (a) the accuracy, reliability, or timeliness of the quoted price of a Listed Product;
  - (b) any direct, special, punitive, indirect, or consequential damages (including lost profits) in relation to use of or reliance on the quoted price of a Listed Product, even when notified of the possibility of such damages; and/or
  - (c) any errors, omissions, or delays in calculating, determining, or disseminating the quoted price of a Listed Product where AltaX had acted in good faith in its role concerning any of the foregoing as may be applicable.

### **311. Order Types and Validity**

#### Order Types

311.1 The Exchange accepts both Limit and Market Orders.

1	Limit orders	A limit order represents an intent to buy or sell at a specific price or better. A buy limit order can only be executed at the limit price or lower. A sell limit order can only be executed at the limit price or higher.
2	Market Orders	A market order can be executed to buy or sell immediately at the best available current market price (as set out in Rule 305).
3	Cancellation Orders	A cancellation order cancels a limit order that has not been matched in accordance with Rule 313.

#### Validity for Non-Digital Listed Products

311.2 All Orders for Non-Digital Listed Products shall be valid for seven (7) business days, including any trading halts imposed, from the time they are submitted to the Exchange. If an Order is not matched within seven (7) business days, the offer shall be deemed to have expired, and will no longer be available for matching on the Exchange.

#### Validity for Digital Listed Products

311.3 All Orders for Digital Listed Products shall be valid for three (3) business days, including any trading halts imposed, from the time they are submitted to the Exchange. If an Order is not

matched within three (3) business days, the offer shall be deemed to have expired, and will no longer be available for matching on the Exchange.

### 312. Orders

- 312.1 Any buy or sell order to be made by a Client of a Member must be verified by said Member before being submitted to the Exchange. All such orders will be taken as indicative and must be fixed as to (i) price and (ii) quantity, subject to finalization in an agreed form (each, an "**Indicative Order**"). The Members consider all Indicative Orders for Digital Listed Products as firm offers. For Non-Digital Listed Products, it is the responsibility of the Members to determine if the Indicative Order is an expression of that Member Trader's firm offer and can be completed by that Trader.
- 312.2 A verified Indicative Order will be quoted on the Exchange, along with information on the Member representing the potential buyer or seller. Once the Exchange has transmitted the Indicative Order, and subject to a Matched Trade, the Members involved will each be responsible for ensuring that the Transaction is completed.
- 312.3 For the avoidance of doubt, all Market Orders for Digital Listed Products are firm offers (each, a "**Firm Order**"). A Firm Order may not be cancelled or revoked. Members and their relevant Client(s) acknowledge the irrevocable nature of their instructions and confirm that they have exercised due diligence and caution when submitting such Firm Orders.

### 313. Matching Rules

- 313.1 All Orders will be matched based on price-time priority as outlined below.

1	Buy orders	Buy orders are sorted in descending order by their bid price and ascending order by timestamp for orders that have the same price.  Orders with the highest bid (buy) price are kept at the top of the queue and will be matched first.  For equal priced bids, the order that arrives first is matched first.
2	Sell orders	Sell orders are sorted in ascending order by their ask price and, like buy orders, by ascending order by timestamp for orders with the same price.  Orders with the lowest sell (ask) price will be sold first.  For orders with the same ask price, the order that arrives first will be matched first.

- 313.2 The Exchange's order book will be updated constantly with the Limit Orders at the heads of the buy and sell queues. These orders represent the current best prices for bids and asks and the highest bid order and lowest offer order at any given time will collectively determine the best available current market price for any given Product. A Limit Order will be removed if it is cancelled by a Cancellation Order.
- 313.3 When an Order completes (because it is matched, cancelled, or expires), a status message is returned to the Member that submitted the order.
- 313.4 The order types, order queues, and matching rules will operate in the same way for all Listed Products.

### **314. Matched Trades and Definitive Transactions**

314.1 When an Indicative Order is received by the Exchange and matched for Non-Digital Listed Products:

- (a) AltaX will transmit a notification of a matched trade ("**Matched Trade**") to the relevant Members representing the buying and selling Clients. A Matched Trade means that an indicative sell order and an indicative buy order have been matched, but no definitive transaction ("**Definitive Transaction**") has been formed.
- (b) Where no Definitive Transaction has been formed by the Clients of the Members, and one or both parties have indicated that they are no longer interested in entering into a Definitive Transaction, any Member that knows such information must transmit it to the Exchange as soon as reasonably possible. Once such information has been transmitted to the Exchange, the Exchange will communicate with the relevant Members and determine if the Matched Trade should be removed from the system so that the relevant Indicative Orders may be re-posted on the Exchange.
- (c) When a Definitive Transaction has been formed, it is the responsibility of the Members representing the buying and the selling Clients to notify the Exchange. Once such a notification has been received by AltaX, it will attempt to confirm the occurrence of a Definitive Transaction by asking for the verification of the Members representing the buying and the selling Clients. Once such verification is received by AltaX, the Matched Trade concerned is considered a pending transaction ("**Pending Transaction**") The Exchange will then inform all other Members that previously submitted Indicative Orders of the Pending Transaction, so that they can inform their Clients. For the avoidance of doubt, the execution of any formalities or documentation by the Clients in relation to the Matched Trade shall, at all times, be the sole and exclusive responsibility of the respective Members representing each the buying and selling Clients and not AltaX.

314.2 When an Indicative Order is received by the Exchange and matched for Digital Listed Products:

- (a) When there is a Matched Trade for Digital Listed Products, AltaX will inform all other Members that previously submitted Indicative Orders of the Matched Trade, and no more Indicative Orders will be accepted for quotes relating to such Matched Trade.
- (b) The Matched Trade will automatically (and with no further action required on the part of any Members or the Exchange) result in a final and binding transaction on all relevant Members being formed subject to the Exchange's ability to cancel trades pursuant to Rule 316.1. For the avoidance of doubt, no further contractual documentation would be required to conclude such transaction or for such transaction to be effective and binding on Members.
- (c) All relevant Members shall honour such transaction and immediately proceed with delivery and settlement of the Digital Listed Products in accordance with Rule 318.

### **315. Transaction Failure**

315.1 It is the responsibility of all Members to the Matched Trade to ensure that all trades and transactions are honoured and carried out, and for Members to ensure delivery and settlement of the Listed Products in accordance with Rule 318, as applicable. For the avoidance of doubt, AltaX and/or the Exchange will not be involved in or responsible for any execution of contractual documentation or completion (if any) in relation to Matched Trades.

- 315.2 In the event of a transaction failure, both Members should notify the Exchange as soon as possible.
- 315.3 In the event that the transaction failure is a result of (i) delivery failure, (ii) payment failure, failure of the relevant registrar refusal to register the transfer, or (iv) for any other reason, the relevant Members must promptly and completely provide such background as is necessary for the Exchange to understand the reason for such transaction failure. Failure by any Member to promptly provide such background information upon request can harm the perceived transparency of the Exchange and may subject that Member to the enforcement provisions under these Rules.

### **316. Trade Cancellation**

- 316.1 The Exchange may cancel a transaction if:
- (a) all Members representing sellers or buyers in the transaction agree to the cancellation;
  - (b) a mistake unbeknownst to any party (including the Exchange) has led to an erroneous transaction, and AltaX is satisfied that it is in the best interest of the Exchange to cancel the transaction;
  - (c) there is prima facie evidence of fraud or wilful misrepresentation by any party in relation to the transaction;
  - (d) in AltaX's sole opinion it is necessary for the proper maintenances of a fair and orderly market;
  - (e) there has been a technical system failure and/or error leading to the trade or transaction; or
  - (f) in AltaX's sole opinion it is desirable to cancel the transaction to protect the financial integrity, reputation, or interests of the Exchange (including where a Member, Issuer or any other Person has engaged or attempted to engage in any prohibited trading conduct).
- 316.2 Where such cancellation of the transaction by the Exchange occurs, AltaX may reprimand or impose a fine not exceeding S\$2,000 on a Member or Member(s) who caused such cancellation. For the avoidance of doubt, any action under this Rule is in addition to other actions which AltaX is entitled to take against the Member.

### **317. Erroneous Trades**

- 317.1 A Market Participant must notify AltaX of a potential erroneous trade as soon as practicable after the execution of the Transaction in question. Erroneous trades include but are not limited to orders submitted on Alta Exchange which have errors in relation to price, quantity, currency, side or symbol or without proper authorisation.

### **318. Settlement**

- 318.1 Save as set out in the Rules, each Market Participant, and not AltaX or Alta Exchange, is responsible for the settlement of transactions through the Exchange and must ensure that it has the ability, including legal and regulatory capacity to settle such transactions accordingly. The relevant Market Participant shall be responsible for the payment of fiat currency for the transaction and delivery of the underlying Listed Products, respectively, while the settlement



of the underlying securities (and transfer of digital tokens in respect of a transaction involving Digital Listed Products) will be carried out through the Exchange.

318.2 For Non-Digital Listed Products, all delivery and settlement of transactions are by (i) book entry, or (ii) conducted off the Exchange, as agreed between Members, at the per unit price of the Matched Trade (as applicable). The Exchange will reflect the quoted price submitted by Members as long as it is the last reported price.

318.3 For Digital Listed Products, a digital token recorded on the digital ledger will serve as a digital representation of the underlying Listed Products. For the avoidance of doubt, such digital token bears no separate or distinct features to the underlying Listed Products, but merely serves as an internal record tracking the movement of the underlying Listed Products.

Upon the occurrence of a Matched Trade, AltaX, will transcribe the Transaction to the digital ledger, maintained by AltaX and/or the relevant custodian.

AltaX, as custodian, will effect the transfer of the relevant digital token(s) to the relevant buying Client's custody account (with AltaX or the relevant sub-custodian, where applicable).

318.4 The Exchange shall reflect the per unit price of the Matched Trade after its settlement.

318.5 AltaX may, at its sole discretion, settle a nett figure for the same currency's day's trade of the Exchange from time to time.

### **319. Suspension and Restriction of Trading**

319.1 AltaX may suspend or restrict trading in any or all Listed Products. It may do so where:

- (a) in AltaX's opinion, the market is not orderly, informed or fair or circumstances are about to occur that may result in there not being an orderly, informed or fair market;
- (b) AltaX releases an announcement in relation to an Issuer that, in AltaX's opinion, is market-sensitive;
- (c) access to the trading system is generally restricted, is restricted to conducted schedule system maintenance or there has been a technical system failure;
- (d) in AltaX's opinion, doing so may reduce risk, such as compelling positions that are too large to be reduced or reversing or cancelling transactions; or
- (e) in AltaX's opinion, it is in the public interest to do so.

319.2 A suspension or a trading restriction may be lifted by AltaX at any time.

319.3 AltaX may restrict trading by such means as it considers appropriate.

319.4 Listed Products which have been suspended from trading will promptly cease to be quoted on AltaX until such time as AltaX lifts such suspension or permits trading in such Listed Products such conditions as it may choose to impose. A Member must not execute any transactions in a suspended Listed Product except with AltaX's approval.

## **400. INVESTIGATIONS AND ENFORCEMENT**

### **401. General**

401.1 The Board has created committees to which it has delegated responsibility for the investigation and hearing of, and imposition of penalties for, violations of the Rules. The Board has also delegated responsibility for the investigation and imposition of penalties for violations of the Rules to the staff of the Exchange as set forth in the Rules. The delegation of such responsibility and authority shall in no way limit the authority of the Board with respect to violations of the Rules.

401.2 For purposes of this Section 400, the term "Relevant Person" shall mean:

- (a) Members of the Exchange, including retired Members with access privileges;
- (b) associated persons ("APs") and member firms of the Exchange;
- (c) guaranteed introducing brokers of member firms of the Exchange and their APs;
- (d) employees, authorised representatives, contractors, and agents of a Member in regard to the Exchange-related activities of such individuals or entities; and
- (e) individuals and entities that have agreed in writing or via electronic signature to comply with the Rules.

#### **402. Regulatory Officer**

402.1 AltaX will appoint an officer (a "**Regulatory Officer**") to enforce these Rules. The Regulatory Officer will at all times have access to the resources of the Exchange as may be necessary to conduct investigations of potential or alleged violations of these Rules and Applicable Law.

402.2 In order to ensure compliance with these Rules and Applicable Law, the Regulatory Officer may exercise in his or her discretion and in full confidentiality the power to:

- (a) inspect and request an audit of the accounts, books, contracts trading information, and any other documents or records of a Member that the Regulatory Officer considers to be relevant or related to the Member's activities on AltaX;
- (b) immediately, and at any time, access and/or take copies (hard copies, soft copies or otherwise) of the relevant accounts, books, contracts, trading information, and any other documents or records of a Member;
- (c) immediately, and at any time, request a Member to produce, such accounts, books, contracts, trading information, and any other documents or records of a Member that the Regulatory Officer considers to be relevant or related to the Member's activities on AltaX;
- (d) require a Relevant Person to appear before him or her and answer questions regarding the alleged or suspected violation of these Rules or Applicable Law at the time and place, and in the manner, he or she designates; and
- (e) conduct such investigation pursuant to Rule 403 as he or she considers necessary or expedient to investigate an alleged or suspected violation of these Rules or Applicable Law.

The Regulatory Officer may also delegate his or her authority to staff of the Exchange.

#### **403. General Offences**

### Bringing the Exchange into Disrepute

403.1 No Relevant Person shall:

- (a) take any action or be guilty of any omission which in the opinion of AltaX is liable to bring the Exchange or its Members into disrepute or otherwise be substantially detrimental to the interests or welfare of the Exchange; or
- (b) knowingly or recklessly permit the use of its services, facilities or membership by any Person in a manner which is in the opinion of AltaX liable to (i) bring the Exchange or its Members into disrepute; impair the dignity or degrade the good name of the Exchange; create, maintain, or exacerbate manipulations (or attempted manipulations), corners (or attempted corners), or violations (or attempted violations) of these Rules (or arrangements, provisions or directions made or given thereunder); or (iii) otherwise be substantially detrimental to the interests or welfare of the Exchange or AltaX.

### Conduct in relation to Trading

403.2 No Relevant Person shall, in relation to contracts entered into, or orders placed, on the market or otherwise in accordance with the Rules:

- (a) engage (or attempt to engage) in fraud or bad faith, or in conduct or proceedings inconsistent with just and equitable principles of trade;
- (b) act, in the opinion of AltaX, dishonestly;
- (c) engage (or attempt to engage) in extortion and/or any other illegal or illicit activity;
- (d) make or report a false or fictitious transaction;
- (e) engage (or attempt to engage) in the manipulation of prices; to corner or squeeze (or attempt to corner or squeeze) the underlying market; to intentionally or recklessly use or employ (or attempt to use or employ) any manipulative device, scheme, or artifice to defraud; or to purchase or sell, or offer to purchase any underlying Listed Products for the purpose of upsetting the equilibrium of the Exchange or creating a condition in which prices do not or will not reflect fair market values;
- (f) intentionally or recklessly deliver or cause to be delivered (or attempt to deliver or cause to be delivered) false, misleading, or inaccurate information that affect or may affect the price of any Listed Product; or
- (g) continue (otherwise than to liquidate existing positions) to trade, enter into arrangements to trade, or hold itself out as authorised to trade on the Exchange when not in compliance with the minimum financial requirement currently in force in relation to the category of membership to which it belongs.

### Market Abuse

403.3 Any Relevant Person whose behaviour amounts to any behaviour prohibited under Part XII of the SFA shall be deemed to be in breach of these Rules.

### Other Acts of Misconduct

403.4 For the purposes of these Rules, an act of misconduct includes:

- (a) participating in conduct by a third party which would be a violation or attempted violation of these Rules if that third party were subject to these Rules;
- (b) failing to appear before the Board, staff of AltaX, or any investigative or hearing committee at either a duly convened hearing or scheduled staff interview, or in connection with any investigation;
- (c) failing to fully answer all questions or produce all books and records, or making false statements, at such hearing or interview, or in connection with any investigation;
- (d) failing to produce any books or records requested by duly authorised staff of AltaX, in the format and medium specified in the request, within ten (10) days after such request is made or such shorter period of time as determined by the Exchange;
- (e) failing to submit to arbitration any dispute which AltaX staff, an arbitration panel, or the Board decides should be arbitrated pursuant to Section 500 of these Rules; or failing to comply with a final arbitration award;
- (f) failing, after hearing, to comply with an order of the Board, staff of AltaX, or any hearing committee;
- (g) using or disclosing (for any purpose other than the performance of an individual's official duties as a member of any committee or the Board) any non-public information obtained by reason of participating in any Board or committee meeting or hearing;
- (h) participating in any other event or practice which has developed or is developing on the Exchange and is thought to be capable of impairing the orderly conduct of business on the Exchange or affecting the due performance of Capital Markets Products traded on the Exchange;
- (i) providing to AltaX information (including information for the purpose of obtaining membership) which is false, misleading, or inaccurate in any respect that AltaX considers to be material;
- (j) being or having been expelled from a Singapore or foreign commodities or securities exchange;
- (k) improperly using or disclosing confidential information;
- (l) failing to diligently supervise its employees and agents in the conduct of their business relating to the Exchange;
- (m) aiding or abetting the commission of any offense on or in relation to the Exchange or any violation of a Rule or Applicable Law;
- (n) ceasing to meet eligibility criteria for membership as set out in the Rules without notifying AltaX;
- (o) failing to ensure that it and its Clients meet the requirements in Rules 105 and 106; or
- (p) failing to disclose to the Exchange that an insolvency petition has been filed against him or her or, in the case of a voluntary winding up, that he or she has filed or has formed a definite intention to wind up.

#### **404. Investigations**

- 404.1 Investigations into potential or alleged violations of the Rules may be authorised by AltaX. The Exchange shall issue a Notice of Investigation ("NoI") notifying the Relevant Person concerned that an investigation has been commenced. The NoI shall be sent to the Relevant Person and copied to the Member's compliance officer or other appropriate Member's Representative (if applicable) and shall contain a brief description of the matter under investigation.
- 404.2 In the course of conducting an investigation, the Exchange may call for the assistance of such professional, legal, or accounting advisers, clearing houses, exchanges, regulatory organisations, and other advisers or Persons as it thinks fit. Any external adviser appointed for such purpose shall be required to treat all information obtained in the course of the investigation as confidential and to disclose it only to AltaX. Any person in a position of conflict shall not be appointed to a position allowing it to oversee, direct, or otherwise influence the relevant investigation.
- 404.3 Relevant Persons shall co-operate fully with all such investigations (whether or not such Relevant Person is the direct subject of such investigation). Without limitation, each Relevant person (and, so far as applicable, each Person subject to these Rules) shall:
- (a) promptly furnish to AltaX such information and documentary and other material as may reasonably be requested;
  - (b) permit those persons appointed to carry out or assist in carrying out the investigation on reasonable notice, such notice being commensurate with the seriousness of the potential or alleged breach of the Rules and to enter any virtual or electronic platform or physical premises in any part of the world where the Relevant Person carries on its business or maintains its records during normal business hours for the purpose of carrying out such investigation. Each Relevant Person hereby irrevocably grants AltaX permission for this purpose and shall procure such permission from any Affiliate Person, agent, or third party under its control that is necessary for this purpose;
  - (c) make available for interview such of the Relevant Person's representatives or its Member's Representatives as may reasonably be requested; and itself answer, and procure that the Relevant Person's representatives or its Member's Representatives answer, truthfully and fully any question put by or on behalf of AltaX. If any of a Relevant Person's representatives or a Member's Representative fails to attend an interview with AltaX, the Relevant Person or its Member may be fined S\$2,000 for each day of non-attendance and may be excluded from the Exchange until it takes reasonable steps to make its Representative available on an alternative date;
  - (d) make available for inspection such documents, records, or other material in its possession, power or control as may reasonably be required and, upon request, provide copies of the same; and/or
  - (e) use its best endeavours to ensure that so far as possible its agents give similar co-operation.
- 404.4 Each Relevant Person and other Person subject to these Rules authorises AltaX to request any clearing house, exchange, or regulatory body or Person to furnish to AltaX such information and documents as AltaX may require in connection with an investigation.
- 404.5 When, in the opinion of AltaX there is sufficient information, AltaX shall make a written report in which it may or may not recommend that disciplinary proceedings should be commenced.

Upon conclusion of an investigation, AltaX may issue a warning letter to any party as a result of the investigation. Such letter shall not constitute either the finding of a Rule violation or a penalty. Any person in a position of conflict will be excluded from participating in the creation of such report.

404.6 AltaX may, without prejudice to any other of its powers:

- (a) decide that no further action should be taken and notify any Relevant Person or other Person concerned in writing accordingly;
- (b) in the event of a minor infringement or misconduct, issue a written warning (which shall be private save as provided for in paragraph (e) below) to the Relevant Person concerned (or, in the case of such an infringement or misconduct by some other Person, that Person with a copy to any Relevant Person with whom he was associated at the time of such infringement or misconduct);
- (c) commence disciplinary proceedings;
- (d) report such of the findings of the investigation to such exchanges, clearing houses, or other regulatory bodies as it thinks fit; or
- (e) publish such findings and in such detail as it deems appropriate where the matter under investigation is considered of relevance to the market in general or in the public interest,

provided that AltaX may, where it considers appropriate, take more than one of the above actions or different actions in relation to different Relevant Persons or other Persons concerned in the same investigation. Any person in a position of conflict will be excluded from participating in any of the above actions.

## **500. ARBITRATION**

### **501. Arbitrable Disputes**

It is contrary to the objectives and policy of the Exchange for Members to litigate certain Exchange-related disputes. All: (i) disputes between and among Members; (ii) claims against the Exchange; and (iii) claims of a non-Member against a Member concerning issues relating to or affecting the Exchange shall be arbitrated under these Rules unless:

- (a) the parties, by valid and binding agreement, have committed themselves to the resolution of such dispute in a forum other than the Exchange;
- (b) all the parties to such dispute are required by the rules of another self-regulatory organisation binding upon each of them to submit the controversy to the jurisdiction of that self-regulatory organisation;
- (c) one of the parties to the dispute is a party to a dispute pending in another forum and files a cross-claim or third-party claim in that forum. The cross-claim or third-party claim must arise out of an act or transaction that is the subject of the claim pending in that forum; or
- (d) otherwise provided for in these Rules.

### **502. Initiation of Arbitration**

- 502.1 A claimant may initiate a claim by submitting a written description of the dispute and depositing the appropriate arbitration fee within the period of eligibility for arbitration claims. The written claim must include a clear description of the facts and circumstances of the dispute, including every transaction(s) or agreement(s) complained of, the name(s) of the Person(s) and firm(s) alleged to be responsible for any loss to the claimant, the dates of all acts or omissions relevant to the claim, a detailed calculation of the amount claimed, and any other information necessary to fully describe the dispute.
- 502.2 AltaX has the discretion to return for amendment or to reject any claim that: (i) does not fully describe the dispute; (ii) is filed after the period of eligibility for filing arbitration claims has expired; or (iii) is clearly not arbitrable at the Exchange. Such a claim will be promptly returned to the filing party with a notice describing the deficiency. A claimant seeking to correct the deficiency and file an amended claim may do so within thirty (30) days of receiving notice describing the deficiency despite any expiration of the period of eligibility prescribed by Rule 508 during that thirty (30) day period. The acceptance for filing by AltaX does not preclude a challenge to the arbitrability of the claim or create a presumption that the claim is arbitrable.

**503. Notice to Respondent**

AltaX shall promptly serve a notice of the arbitration claim to each Person named therein as a respondent.

**504. Answer to an Arbitration Claim**

Each respondent shall file a written response within twenty-one (21) days after receipt of the written claim. However, if a party has filed a challenge to the arbitrability of the dispute within time, its response shall be due twenty-one (21) days after receipt of the written decision confirming the arbitrability of the dispute. The written answer must admit the claim or describe the respondent's basis for denying liability to the claimant(s). The answer may include an admission or denial of each specific allegation contained in the claim and/or the respondent's narrative description of the facts and circumstances involved in the dispute. A respondent may assert in an answer any defence that would be available in a court of law or equity.

**505. Failure to Answer**

A respondent's unexcused failure to file a timely answer shall constitute an admission of the facts alleged in a claim.

**506. Counterclaims, Cross-Claims, and Third-Party Claims**

- 506.1 A respondent may assert any counterclaim, cross-claim, and/or third-party claim to the extent that such claim would be allowable as an original claim under these Rules. In response to claims by a Client against a Member, the Member may assert any counterclaim, cross-claim, and/or third-party claim arising out of the same transaction or incident that is the subject of the Client's claim. Each respondent must file any counterclaim, cross-claim, or third-party claim at the same time an answer to a claim is due. Initiating counterclaims, cross-claims, third-party claims, and answers thereto shall conform to the requirements for initiating and answering original claims.
- 506.2 A respondent who believes that another Member may have a claim to any money or property which is the subject of a dispute in arbitration and that the failure of that other Member to assert a claim in the pending arbitration could prejudice the interests of the respondent may submit a request to the chairman to compel the participation of the other Member. If a Member fails to file such claim after being ordered to assert that claim in the pending arbitration then,

notwithstanding any other rule, that Member shall be barred from asserting in the future any claim against the respondent that is based on the same transaction, occurrence, or subject.

**507. Review of Arbitrability**

Any party may file a challenge to the arbitrability of a dispute submitted for arbitration at the Exchange. A party's failure to file a timely challenge to arbitrability shall waive any right to object thereafter to the arbitrability of the dispute. A challenge to arbitrability by a claimant must be filed no later than five (5) days after the claim is submitted for arbitration. A challenge to arbitrability by a respondent must be filed no later than ten (10) days after the respondent has received notice of the claim. The request must be in writing and state the reasons why the dispute is not arbitrable at the Exchange. Any other party may file a written response in support of or opposition to the challenge no later than ten (10) days after receiving notice of the challenge to arbitrability. The chairman may decide the arbitrability of a dispute based on his consideration of the written submissions of the parties. The chairman's decision shall be final and is not appealable.

**508. Withdrawal of Claims**

- 508.1 A party may voluntarily withdraw its claim, counterclaim, cross-claim, or third-party claim without prejudice at any time before an answer thereto has been filed by notifying the Exchange in writing of such withdrawal.
- 508.2 After an answer to any claim, counterclaim, cross-claim, or third-party claim has been filed, the claimant seeking to withdraw the claim, counterclaim, cross-claim, or third-party claim must submit to the chairman a written request to withdraw with prejudice or upon such terms and conditions as may be imposed by the chairman.
- 508.3 A withdrawal with prejudice under this rule shall bar the claimant from re-filing any claim based on the same acts, transactions, or omissions as the dismissed claim.

**509. Period of Eligibility for Arbitration**

An arbitration must be initiated within two (2) years of the date the claimant knew or should have known of the dispute on which the claim is based, except that claims filed pursuant to Rule 500(ii) must be submitted within ten (10) days of receiving notice that the Exchange has refused to compensate the claimant for the claimed loss. Counterclaims, cross-claims, and third-party claims must be submitted no later than the date on which the answer is due.

**510. Parallel Proceedings**

No claim will be accepted for arbitration at the Exchange if AltaX receives notice that another arbitration, reparations action, or civil court proceeding based on the same act, transaction, or omission as the arbitration claim is pending at the time of filing. No claim, counterclaim, cross-claim, or third party-claim will be accepted for arbitration against a respondent if AltaX has received notice that a stay exists due to the pendency of any bankruptcy proceeding against that respondent. If such a stay arises after a claim is accepted for arbitration or if AltaX subsequently learns that such a stay is pending, the claim shall be dismissed without prejudice as to each respondent who is the subject of the stay. Nothing in this rule shall prevent a claim in arbitration from proceeding against any remaining respondent.

**511. Requests for Documents, Information, or Testimony**



- 511.1 The initial schedule for document requests by parties and responses will be set by AltaX. The chairman may require any Member, or any Person employed by or associated with a Member, to produce relevant documents in his possession or control at any time after a claim has been filed. Upon the failure of a party or Member to voluntarily produce relevant documents in its possession or control upon request by a party, the party seeking the documents may submit a written request to the chairman for an order compelling the production of such documents.
- 511.2 Any request for an order compelling production of documents must:
- (a) identify each document or type of document sought with as much specificity as possible;
  - (b) explain the relevance of each document or type of document sought; and
  - (c) include a representation that the requesting party has attempted to obtain the documents from the responding party before resorting to a request to the chairman.
- 511.3 The party or Member against whom an order compelling production is sought shall:
- (a) produce copies of the requested documents to the requesting party and the Exchange;
  - (b) represent in writing that the documents are not in his possession or control and explain the basis for such representation, and, if applicable, identify who is in possession or control of the requested documents; or
  - (c) object in writing to a request and provide the basis for each objection.
- 511.4 In connection with any claim, counterclaim, cross-claim, or third-party claim that seeks relief in excess of S\$50,000, any party may seek leave from the chairman to serve written requests for information on any other party. The chairman shall have discretion to determine whether and under what circumstances such requests may be permitted.
- 511.5 The chairman may require any Member, or any Person employed by or associated with a Member, to appear and to testify at a hearing.
- 511.6 Whenever such production or appearance results from the request of a party, all reasonable costs and expenses incurred shall be borne by the party making the request unless directed otherwise by the panel. A party who incurs costs and expenses recoverable under this rule may, no later than the close of the last hearing date in the matter, submit an application to the panel for such costs and expenses. Such application shall contain a detailed explanation of amounts claimed. The panel may grant or deny all or any portion of the application.

## **512. Documents and Witnesses to be Presented at Hearing**

No later than ten (10) Business Days prior to the first scheduled hearing, each party must provide every other party and AltaX with copies of all documents that the party intends to offer into evidence and a list of the names of all witnesses, including party-witnesses, whom the party intends to call at the hearing in support of a claim or defence. Parties are not required under this rule to provide copies of those documents that they may use, or to identify any witnesses whom they may call only in cross-examination or rebuttal.

## **513. Additional Procedures**

The chairman may establish any procedures not otherwise contemplated by these Rules necessary to establish a just, equitable, and efficient method of resolving a particular dispute.

#### **514. Arbitration Panel**

AltaX shall select a panel of arbitrators from the Exchange's Arbitration Committee to hear and decide a dispute. The panel shall consist of two (2) to four (4) arbitrators and one (1) chairman. The final decision will be arrived at by participation of the full panel, including the chairman. Any person in a position of conflict may not participate in this panel.

#### **515. Hearing Procedures**

##### Chairman

- 515.1 The panel chairman shall preside over the proceeding and shall make such determinations on relevancy and procedure as will promote a fair and expeditious adjudication of any claim. The chairman may administer oaths or affirmations by witnesses. Upon request of the panel chairman, AltaX shall submit any documents in its possession that are relevant and readily available to the panel and parties.

##### Arbitrators

- 515.2 The arbitration panel shall consider all relevant, probative testimony and documents submitted by the parties. The panel shall be the sole judge of the law and the facts, but if the panel is in doubt as to any questions of law, it may refer the question to the Exchange's legal counsel for an opinion. The final decision of the panel shall be by majority vote of the arbitrators, and the chairman shall vote only to resolve a tie.

##### Parties and their representatives

- 515.3 Each party and its representative has the right to examine all relevant documents prior to and during the hearing, to present all relevant evidence in support of a claim or defence or as rebuttal to a claim or defence, and to question during the hearing witnesses presented in connection with a claim or defence. An entity may have one representative of the entity, in addition to any counsel of record, attend the arbitration hearing. Such representative will not be precluded from testifying in the matter.

##### Witnesses

- 515.4 All testimony offered to the panel will be under oath or affirmation. Witnesses will be permitted in the hearing room only while providing testimony to the panel. Witnesses shall testify in person at the hearing. However, where good cause is shown and the chairman consents in its discretion, a witness may be allowed to testify by telephone, video conference, or other appropriate means.

##### Hearing record

- 515.5 An audio recording of the proceeding shall be made by AltaX. Unless otherwise ordered by a chairman of the Arbitration Committee, a copy of the audio recording will be released to a party only for the purpose of perfecting an appeal of a decision rendered by a panel or upon application to confirm, vacate, modify, or correct an award in a court of law. The requesting party shall bear the cost of copying the recording.

#### **516. Awards**

##### Decision by panel

- 516.1 After a hearing, or, on Client claims that do not exceed S\$5,000, upon consideration of the pleadings and other relevant information, the arbitration panel shall issue a written decision signed by the panel chairman and at least a majority of the panel. The panel may decide any matter in controversy and issue any order the panel deems necessary to fully resolve the dispute. AltaX shall promptly serve copies on all parties. A monetary award made by the panel may include (a) actual damages; (b) interest thereon; (c) punitive damages of no more than two (2) times the amount of actual damages; (d) the arbitration fee incurred by a prevailing party, or a portion thereof; and (e) all or any portion of the administrative costs of the proceeding and any other reasonable and necessary expenses, including, but not limited to, attorneys' fees (i) incurred by a party by reason of another party's frivolous or bad faith claim, defence, or conduct during the arbitration or (ii) where a statutory or contractual basis exists for awarding such fees. Requests for attorneys' fees and costs incurred in the arbitration proceeding must be raised in the proceeding or they are waived.

#### Decision on costs

- 516.2 The chairman may order a party who fails to prosecute or defend a claim to pay to AltaX all or a portion of its administrative costs incurred in connection with the arbitration claim.

#### **517. Correction of Award**

Any party may, within three (3) days after receipt of the notice of decision, request the arbitration panel to modify or correct its decision where there has been an obvious material miscalculation or misdescription or where the notice is imperfect in a matter of form not affecting the merits of the dispute or decision.

#### **518. Satisfaction of Award**

- 518.1 A party directed to pay an award shall submit payment of the amount due directly to the party receiving the award. An arbitration award must be satisfied within fifteen (15) days of receipt of the notice of decision. If a request is made to correct an award pursuant to Rule 516, the award must be satisfied within fifteen (15) days of receipt of the corrected notice of decision.
- 518.2 A party making payment must submit proof of payment to AltaX no later than the Business Day following payment. An individual Member who fails to provide proof of payment within the time prescribed will forfeit such privileges of membership as AltaX may decide in each case (including access to the Exchange) until proof of payment has been provided.

#### **519. Appeals**

- 519.1 Any decision rendered in a dispute among Members resulting in a non-cash award or involving a claim, counterclaim, cross-claim, or third-party claim that sought a recovery over S\$10,000 may be appealed to an appellate panel of the Board ("Appellate Panel"). All other decisions rendered by an arbitration panel are final and may not be appealed. In order to appeal a decision, a party must, within ten (10) days of receipt of the notice of decision, file with AltaX a written request stating the grounds for the appeal and the specific error or impropriety of the original decision based upon the standards set forth in Rule 519 and deposit the applicable fee established by AltaX. Within fifteen (15) days of receipt of the notice of decision, the appellant must deposit with AltaX a cashier's or certified check payable to AltaX Pte. Ltd. in the amount of any monetary award against such appellant.
- 519.2 Failure to comply with these requirements for appeal in a timely manner as applicable shall constitute a waiver of any right to appeal and render the arbitrators' decision final and binding.

- 519.3 Within fifteen (15) days after filing a request for an appeal, the appellant shall file with AltaX any argument and any documents or information that the appellant intends to use in support of the appeal. The appellee shall have fifteen (15) days thereafter to file whatever documents or information he intends to rely upon in opposition to the appeal. In the case of a non-cash award, the filing of the notice of appeal shall not stay the decision appealed unless the panel from which the appeal is taken directs that the decision be stayed.
- 519.4 The appeal will be determined by an Appellate Panel consisting of three Directors appointed by the chairman of the Board. One of these Directors shall be designated by the chairman of the Board as chairman of the Appellate Panel. No Director may serve on an Appellate Panel if he has a personal or financial interest in the matter under consideration. A party may request the recusal or removal of any member of the Appellate Panel for good cause shown as determined by the Regulatory Officer, in which event that Director shall be excused and the chairman of the Board shall then select an alternate Director from the Board. Any meeting of the Appellate Panel shall require the presence, either in person or by other appropriate means, of each Director appointed to the Appellate Panel and shall be conducted by the chairman of the Appellate Panel.
- 519.5 The Appellate Panel may, by unanimous vote, determine that the appeal will be decided based solely upon the parties' written submissions, the record from the arbitration proceeding, and any other relevant information provided by the parties to the Appellate Panel. Any information provided by one party must be provided to all parties to the appeal. Additionally, the parties may, upon unanimous consent, request that the Appellate Panel consider the matter based solely on the parties' written submissions, subject to the approval of the Appellate Panel.

## **520. Standards and Procedures for Review Upon Appeal**

- 520.1 In the following cases, the hearing committee of the Board may enter an order amending or vacating the award of the arbitration panel:
- (a) where the award was procured by corruption, fraud, or undue means;
  - (b) where there is evident partiality or corruption on the part of any of the arbitrators or the chairman;
  - (c) where the arbitrators were guilty of misconduct in refusing to hear relevant evidence or of any other behaviour by which the rights of any party have been prejudiced;
  - (d) where the arbitrators exceeded their powers, or so imperfectly executed them, that a mutual, final, and definite award upon the dispute submitted was not made; or
  - (e) where the arbitrators acted in manifest disregard of Applicable Laws or these Rules.
- 520.2 The hearing committee of the Board shall consider only the record made before the panel and any other evidence submitted by the parties relevant to events (a) through (e) above. In the event that the hearing committee of the Board determines to vacate the award, the matter shall be resubmitted to a new panel of arbitrators for a rehearing. In the event that the hearing committee of the Board amends the award or denies the appeal, such decision shall be final and binding.

## **521. Right to Counsel**

Every Person is entitled to represent his own interests, be represented by an attorney at law of his choosing and at his own expense who is admitted to practice before the Singapore Bar or be represented by any other non-compensated representative at any stage of an arbitration

proceeding at the Exchange. An entity must be represented by an officer or owner of the entity or by an attorney at law. Notwithstanding the above, no Person may be represented by a member of the Arbitration Committee, a member of the Board, or any person related to the arbitration.

**522. Computation of Time**

For the purposes of this Section 500, when a period of time is prescribed by a number of days, and not a specific date, the first day counted for the time prescribed is the day after notice is received or other event giving rise to the period of time occurs. Any submission is due or the time to take action shall lapse by the close of business on the last day counted unless the last day is a weekend or Exchange holiday, in which case the due date shall be the next following day the Exchange is open for business. For time periods of five (5) days or fewer, only days the Exchange is open for business will be counted. For all other time periods, calendar days will be counted.

**523. Submissions to, or Communications with, the Panel**

Any submission for consideration by a chairman or panel must be submitted to the Exchange with copies simultaneously served on each other party or designated representative of a party. After a dispute has been submitted for arbitration, a Person filing the claim or required to respond to the claim and any Person asked to provide documents, information or testimony in connection with such claim shall not contact any Member of a panel appointed to hear the claim for any purpose related to the dispute described by the claim.

**524. Arbitration Fees**

Any Person submitting an arbitration claim or appealing a decision of an arbitration panel shall remit the applicable fees as may be determined by the Exchange at the time of submission or appeal, in order for such action to be effective.

**525. Arbitration Committee**

Each member of the arbitration committee ("**Arbitration Committee**") shall:

- (a) be appointed by the chairman of the Board on an annual basis;
- (b) pledge to the Exchange that he will not publish, divulge, or make known in any manner any facts or information which may come to his attention while performing his duties as a member of the Arbitration Committee, except when reporting to the Board or to a committee concerned with such information, or when called upon to respond in any judicial or administrative proceeding;
- (c) comply with the standards of the Singapore International Arbitration Centre's "Code of Ethics for an Arbitrator" which the Exchange hereby adopts as its own code of ethics for arbitrators;
- (d) pledge to immediately disclose any matter, relationship, or interest with any party or the subject of a dispute which may affect the arbitrator's ability to be, or create the appearance that the arbitrator is not, impartial in deliberating and deciding a dispute; and
- (e) promptly give notice to the Exchange of any *ex parte* communication directed to such Arbitration Committee Member which is prohibited by Rule 523.