

ANNEXURE 1

RULES OF BURSA MALAYSIA SECURITIES CLEARING SDN BHD

RULE AMENDMENTS PURSUANT TO THE REMOVAL OF BANK GUARANTEE AS AN ACCEPTABLE FORM OF CONTRIBUTION TO THE CLEARING GUARANTEE FUND

RULE	PROVISION	AMENDED PROVISION
Interpretation	<p>“Clearing Guarantee Fund”</p> <p>The fund referred to in Rule 6.1.1.</p>	<p>“Clearing Guarantee Fund <u>or ‘CGF’</u>”</p> <p>The fund referred to in Rule 6.1.1.</p>
Interpretation	<p>“Contribution”</p> <p>The contribution made or required to be made pursuant to Rule 6.2.1 by a Trading Clearing Participant to the Clearing Guarantee Fund established under Rule 6.1.1.</p>	<p>“Contribution”</p> <p>The <u>amount paid by a Trading Clearing Participant as contribution</u> made or required to be made pursuant to Rule 6.2.1 by a Trading Clearing Participant to the Clearing Guarantee Fund <u>pursuant to Rule 6.2.1</u> established under Rule 6.1.1.</p>
4.1	EVENTS OF DEFAULT	EVENTS OF DEFAULT
4.1	(a) The Clearing House may institute any action under Rule 4.2 in the event a Trading Clearing Participant has failed, or appears to be unable, or likely to become unable, to meet its obligations in respect of all or any unsettled Novated Contracts to which the Trading Clearing Participant is a party.	(a) No change.
4.1	(b) For the purposes of sub-rule (a) but without limiting the generality of the same, a Trading Clearing Participant is deemed to have failed, or appear to be unable, or likely to become unable, to meet its obligations in respect of all or any unsettled Novated Contracts to which the Trading Clearing Participant is a party in the event, inter alia, that:-	(b) No change.

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	<p>(i) the Trading Clearing Participant's licence is suspended or revoked by the Commission or has expired and is not renewed by the Commission;</p> <p>(ii) the Trading Clearing Participant fails to comply with or settle any of its financial obligations in relation to the following:</p> <p>(aa) a Novated Contract, Contribution or Margin in accordance with or under these Rules or the Exchange Rules; or</p> <p>(bb) similar financial obligations under the rules and regulations of any other exchange or clearing house in which the Trading Clearing Participant is a participant or member;</p>	<p>(i) No change.</p> <p>(ii) the Trading Clearing Participant fails to comply with or settle any of its financial obligations in relation to the following:</p> <p>(aa) a Novated Contract, Ccontribution <u>to the CGF</u> or Margin in accordance with or under these Rules or the Exchange Rules; or</p> <p>(bb) similar financial obligations under the rules and regulations of any other exchange or clearing house in which the Trading Clearing Participant is a participant or member;</p>
	<p>(iii) the Trading Clearing Participant fails to pay when due any sum due and payable, or is otherwise in default under the terms of any loan or other agreement relating to the Trading Clearing Participant's indebtedness, or threatens or proposes to suspend, stop, defer or reschedule payment or to default under the terms of such loan or agreement;</p> <p>(iv) a Trading Clearing Participant is insolvent, or unable to pay its debts when they fall due, or a bankruptcy or winding-up petition is presented, or a notice of a proposal for a resolution for the Trading Clearing Participant's winding-up is given, or a voluntary arrangement is approved by a Court of Law for the benefit of its creditors, or an assignment or composition is made by the Trading Clearing Participant for the benefit of its creditors or any of them, or the Clearing House considers in its absolute discretion that the</p>	<p>(iii) No change.</p> <p>(iv) No change.</p>

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	<p>occurrence of any such events or their equivalent is imminent or likely in any jurisdiction;</p> <p>(v) a liquidator, receiver, manager, trustee, an administrative receiver or a similar officer is appointed, or a composition or scheme of arrangement is approved by a Court of Law against the Trading Clearing Participant or an assignment or composition is made by the Trading Clearing Participant for the benefits of its creditors or any of them, or the Clearing House considers in its absolute discretion that the occurrence of any such events or their equivalent is imminent or likely in any jurisdiction;</p> <p>(vi) a resolution to wind-up the Trading Clearing Participant (save for the purpose of amalgamation or reconstruction) is passed or a bankruptcy or winding-up order is made; or</p> <p>(vii) any distress, execution or other process is levied or enforced or served upon or against any property or assets of a Trading Clearing Participant.</p>	<p>(v) No change.</p> <p>(vi) No change.</p> <p>(vii) No change.</p>
4.1	(c) Upon the occurrence of any of the circumstances set out in Rule 4.1(b), the Clearing House shall be entitled, at its discretion, at any time to declare that an Event of Default has occurred and to give notice thereof to all Trading Clearing Participants.	(c) No change.
6.2	CONTRIBUTIONS BY TRADING CLEARING PARTICIPANTS	CONTRIBUTIONS BY TRADING CLEARING PARTICIPANTS
6.2.1	Each Trading Clearing Participant shall pay to the Clearing House its Contributions that shall be comprised of a fixed contribution and a variable contribution. The Clearing House shall credit the Contributions by Trading Clearing Participant to the Clearing Guarantee Fund.	Each Trading Clearing Participant shall pay <u>an amount</u> to the Clearing House <u>as its Contributions to the CGF</u> that shall be <u>will</u> comprised of a fixed contribution and a variable contribution. The Clearing House shall credit the Contributions by Trading Clearing Participant to the Clearing Guarantee Fund.

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6.2.2	Where applicable, a Trading Clearing Participant providing Contributions shall be deemed to represent and warrant in favour of the Clearing House that it has title to and authority over such Contributions, free from all liens, charges, encumbrances, equities and other third party rights of any nature whatsoever.	Where applicable, a Trading Clearing Participant providing Contributions shall be deemed to represent and warrant in favour of the Clearing House that it has title to and authority over such its Contributions, free from all liens, charges, encumbrances, equities and other third party rights of any nature whatsoever.
6.2.3	Subject to Rule 6.13 and Rule 6.14, the amount of Contribution from time to time assessed by the Clearing House and required to be made by each Trading Clearing Participant shall be determined by reference to the criteria specified in the Operational Procedures as may be considered appropriate by the Clearing House from time to time.	Subject to Rule 6.13 and Rule 6.14, the amount of € contribution from time to time assessed by the Clearing House and required to be made by each Trading Clearing Participant <u>to the CGF</u> shall be determined by reference to the criteria specified in the Operational Procedures as may be considered appropriate by the Clearing House from time to time.
6.4	VARIABLE CONTRIBUTIONS	VARIABLE CONTRIBUTIONS
6.4.1	The variable contribution to be made by each Trading Clearing Participant in addition to the fixed contribution required to be made under Rule 6.3 shall be in such amount and in any one or more of the following forms of Contribution as may be specified by the Clearing House from time to time :- (a) cash; (b) bank guarantees; or (c) such other forms of Contribution as may be acceptable to the Clearing House.	The variable contribution to be made by each Trading Clearing Participant in addition to the fixed contribution required to be made under Rule 6.3 shall be in such amount and in any one or more of the following forms of Contribution as may be specified by the Clearing House from time to time :- <u>and in</u> (a) cash <u>only</u> ; (b) bank guarantees; or (c) such other forms of Contribution as may be acceptable to the Clearing House.
6.5	REVIEW OF CONTRIBUTIONS	REVIEW OF CONTRIBUTIONS
6.5.1	The Contribution required from each Trading Clearing Participant shall be reviewed on a quarterly basis.	The € contribution required from each Trading Clearing Participant <u>for the CGF</u> shall be reviewed on a quarterly basis.
6.5.2	At the beginning of each quarter, each Trading Clearing Participant will be advised of the amount of Contribution required from that Trading Clearing Participant, for that quarter.	At the beginning of each quarter, each Trading Clearing Participant will be advised of the amount of € contribution required from that Trading Clearing Participant <u>for the CGF</u> , for that quarter.

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6.6	COLLECTION AND RETURN OF CONTRIBUTIONS FOLLOWING REVIEWS	COLLECTION AND RETURN OF CONTRIBUTIONS FOLLOWING REVIEWS
6.6.1	The Clearing House will notify Trading Clearing Participants of any additional amount required from Trading Clearing Participants as Contributions as a result of a review described in Rule 6.5 and the Trading Clearing Participant shall pay such amount to the Clearing House immediately, in the form specified in Rule 6.4.	The Clearing House will notify Trading Clearing Participants of any additional amount required from Trading Clearing Participants as Contributions to the CGF as a result of a review described in Rule 6.5 and the Trading Clearing Participant shall pay such amount to the Clearing House immediately, in the form specified in Rule 6.4.
6.6.2	Similarly, following a review pursuant to Rule 6.5, should a Trading Clearing Participant's required Contribution be less than its existing Contribution, the Clearing House may in respect of any cash Contribution in excess of the fixed contribution (the variable contribution) return to the Trading Clearing Participant an amount that is the lesser of : (a) the surplus of the Trading Clearing Participant's existing Contribution over its required Contribution; and (b) the surplus of the Trading Clearing Participant's cash Contribution over its fixed contribution.	Similarly, following a review pursuant to Rule 6.5, should a Trading Clearing Participant's required Contribution to the CGF be less than its existing Contribution, the Clearing House may in respect of any cash Contribution in excess of the fixed contribution (or the variable contribution) , <u>upon an application by the Trading Clearing Participant</u> , return to the Trading Clearing Participant <u>the surplus</u> an amount that is the lesser of : (a) the surplus of the Trading Clearing Participant's existing Contribution over its required Contribution; and (b) the surplus of the Trading Clearing Participant's cash Contribution over its fixed contribution.
6.6.3	Similarly, following a review pursuant to Rule 6.5, should a Trading Clearing Participant's required Contribution be less than its existing Contribution, any bank guarantee or such other forms of Contribution as may be acceptable to the Clearing House provided by a Trading Clearing Participant in satisfaction of its existing Contribution, in excess of the fixed contribution (the variable contribution) may, upon application by the Trading Clearing Participant be released by the Clearing House in its absolute discretion, subject to the Trading Clearing Participant simultaneously replacing the same with a bank guarantee or such other forms of Contribution as may be acceptable to the Clearing House in an amount equal to its required Contribution.	Similarly, following a review pursuant to Rule 6.5, should a Trading Clearing Participant's required Contribution be less than its existing Contribution, any bank guarantee or such other forms of Contribution as may be acceptable to the Clearing House provided by a Trading Clearing Participant in satisfaction of its existing Contribution, in excess of the fixed contribution (the variable contribution) may, upon application by the Trading Clearing Participant be released by the Clearing House in its absolute discretion, subject to the Trading Clearing Participant simultaneously replacing the same with a bank guarantee or such other forms of Contribution as may be acceptable to the Clearing House in an amount equal to its required Contribution. [Deleted]

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6.7	INTEREST ACCRUING TO CONTRIBUTION	INTEREST ACCRUING TO CONTRIBUTION
6.7.1	Interest on or other sums accruing to the fixed contribution will be appropriated by the Clearing House to the Clearing Guarantee Fund. Interest on or other sums accruing to Contributions made in cash in excess of the fixed contribution may be paid to the appropriate Trading Clearing Participant as determined by the Clearing House.	No change.
6.7.2	No interest shall accrue or be allowed on any amount of Contribution provided by a Trading Clearing Participant in the form of a bank guarantee or in any other form.	No interest shall accrue or be allowed on any amount of Contribution provided by a Trading Clearing Participant in the form of a bank guarantee or in any other form. [Deleted]
6.14	REPLENISHMENT OF CONTRIBUTIONS	REPLENISHMENT OF CONTRIBUTIONS
6.14.1	Whenever the Contribution of a Trading Clearing Participant is applied in accordance with Rule 6.13, the Clearing House shall pursuant to a notice given under Rule 6.13.2 require the Trading Clearing Participant to promptly replenish the deficiency of its Contribution as a result of such application. A Trading Clearing Participant's liability to replenish the deficiency of its Contribution will not be affected by the issue of any prior notice of termination of participation in the services provided by the Clearing House, whether voluntary or involuntary.	No change.
6.14.2	For the avoidance of doubt, the Clearing House may require Trading Clearing Participants to provide additional amounts as its Contribution in respect of any pending applications thereof pursuant to Rule 6.13.	For the avoidance of doubt, the Clearing House may require Trading Clearing Participants to provide additional amounts as its C contribution <u>to the CGF</u> in respect of any pending applications thereof pursuant to Rule 6.13.
6.15	OPTING OUT OF CONTRIBUTIONS EXCEEDING LIMIT	OPTING OUT OF CONTRIBUTIONS EXCEEDING LIMIT
6.15.1	Notwithstanding Rule 6.14, and subject to Rule 2.12(c), a Trading Clearing Participant may, immediately upon receiving notice under Rule 6.14.1 from the Clearing House (in any event within two (2) Market Days) of an application of the Contributions	No change.

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	pursuant to paragraph (b) of Rule 6.13.1, give notice in writing to the Clearing House pursuant to Rule 2.12(b) of its election to terminate its participation in the services provided by the Clearing House.	
6.15.2	Without prejudice to Rule 2.13 (and for the avoidance of doubt, without prejudice to the Clearing House’s right to immediately cease to act for a Trading Clearing Participant) and in relation to a Trading Clearing Participant who gives notice in writing to the Clearing House pursuant to Rule 2.12(b) to terminate its participation in the services provided by the Clearing House or in relation to a Trading Clearing Participant who receives notice in writing from the Clearing House pursuant to Rule 2.12(a) or Rule 2.13 on the termination of its participation in the services provided by the Clearing House, as the case may be, after such Trading Clearing Participant has received notice from the Clearing House of an application of the Contributions pursuant to Rule 6.13.1(b), such Trading Clearing Participant’s aggregate liability to the Clearing House to replenish its Contribution, in respect of such application and all other applications of the Contributions made under Rule 6.13.1(b) thereafter by reason of events occurring before the termination of its participation in the services provided by the Clearing House, shall not exceed an amount equal to its required Contribution at the date of receipt by the Clearing House of such notice from the Trading Clearing Participant in accordance with Rule 2.12(b) or at the date of receipt by the Trading Clearing Participant of such notice from the Clearing House in accordance with Rule 2.12(a) or Rule 2.13.	Without prejudice to Rule 2.13 (and for the avoidance of doubt, without prejudice to the Clearing House’s right to immediately cease to act for a Trading Clearing Participant) and in relation to a Trading Clearing Participant who gives notice in writing to the Clearing House pursuant to Rule 2.12(b) to terminate its participation in the services provided by the Clearing House or in relation to a Trading Clearing Participant who receives notice in writing from the Clearing House pursuant to Rule 2.12(a) or Rule 2.13 on the termination of its participation in the services provided by the Clearing House, as the case may be, after such Trading Clearing Participant has received notice from the Clearing House of an application of the Contributions pursuant to Rule 6.13.1(b), such Trading Clearing Participant’s aggregate liability to the Clearing House to replenish its C contribution to the CGF, in respect of such application and all other applications of the Contributions made under Rule 6.13.1(b) thereafter by reason of events occurring before the termination of its participation in the services provided by the Clearing House, shall not exceed an amount equal to its required C contribution to the CGF at the date of receipt by the Clearing House of such notice from the Trading Clearing Participant in accordance with Rule 2.12(b) or at the date of receipt by the Trading Clearing Participant of such notice from the Clearing House in accordance with Rule 2.12(a) or Rule 2.13.
6.15.3	If at the time of notice from the Clearing House of an application of the Contributions under Rule 6.13.1(b), a Trading Clearing Participant shall have already given notice to terminate its participation in the services provided by the Clearing House pursuant to Rule 2.12(b) or a Trading Clearing Participant shall have already been given notice by the Clearing House on the	If at the time of notice from the Clearing House of an application of the Contributions under Rule 6.13.1(b), a Trading Clearing Participant shall have already given notice to terminate its participation in the services provided by the Clearing House pursuant to Rule 2.12(b) or a Trading Clearing Participant shall have already been given notice by the Clearing House on the

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	<p>termination of its participation in the services provided by the Clearing House pursuant to Rule 2.12(a), such Trading Clearing Participant's aggregate liability to the Clearing House to replenish its Contribution in respect of such application and all applications of the Contributions under Rule 6.13.1(b) by reason of events occurring before the termination of its participation in the services provided by the Clearing House, shall not exceed an amount equal to its required Contribution at the date of the notice by the Clearing House of an application of the Contributions.</p>	<p>termination of its participation in the services provided by the Clearing House pursuant to Rule 2.12(a), such Trading Clearing Participant's aggregate liability to the Clearing House to replenish its Contribution <u>to the CGF</u> in respect of such application and all applications of the Contributions under Rule 6.13.1(b) by reason of events occurring before the termination of its participation in the services provided by the Clearing House, shall not exceed an amount equal to its required Contribution <u>to the CGF</u> at the date of the notice by the Clearing House of an application of the Contributions.</p>
<p>6.18</p>	<p>RETURN OF CONTRIBUTIONS</p>	<p>RETURN OF CONTRIBUTIONS</p>
<p>6.18.1</p>	<p>For the avoidance of doubt, once the Contributions made by Trading Clearing Participants are credited to the Clearing Guarantee Fund, the Contributions shall be dealt with in accordance with the Rules and will not be returned to Trading Clearing Participants except in accordance with the Rules.</p>	<p>No change.</p>
<p>6.18.2</p>	<p>Three (3) months after the termination of a Trading Clearing Participant in the participation in the services provided by the Clearing House, provided that all liabilities of such Trading Clearing Participant to the Clearing House at the time of termination, actual and contingent, shall have been satisfied or provided for in full, the Clearing House may, in its absolute discretion return to the Trading Clearing Participant the balance of its Contribution made in cash or release any bank guarantee provided by the Trading Clearing Participant or such other forms of Contributions accepted by the Clearing House from the Trading Clearing Participant (taking into account any pending and previous application of the Clearing Guarantee Fund at the time of such termination).</p>	<p>Three (3) months after the termination of a Trading Clearing Participant in the participation in the services provided by the Clearing House, provided that all liabilities of such Trading Clearing Participant to the Clearing House at the time of termination, actual and contingent, shall have been satisfied or provided for in full, the Clearing House may, in its absolute discretion return to the Trading Clearing Participant the balance of its Contribution made in cash or release any bank guarantee provided by the Trading Clearing Participant or such other forms of Contributions accepted by the Clearing House from the Trading Clearing Participant (taking into account any pending and previous application of the Clearing Guarantee Fund <u>CGF</u> at the time of such termination).</p>

[End of Rule Amendments]