

RULES OF BURSA MALAYSIA SECURITIES BHD
RULE AMENDMENTS IN RELATION TO THE ERROR TRADE POLICY

EXISTING PROVISIONS		AMENDED PROVISIONS	
Rule 8.08	<p>8.08 Order matching</p> <p>(1) An order will be matched based on the matching algorithm prescribed by the Exchange.</p> <p>(2) An order entered into the ATS and matched in accordance with Rule 8.08(1) is deemed executed except if:</p> <p style="padding-left: 20px;">(a) the matching of the order results in a breach of the price limits referred to in Rules 8.13 and 8.13A; and</p> <p style="padding-left: 20px;">(b) in such circumstances as may be stipulated in these Rules or Directives.</p> <p>(3) A Participating Organisation is deemed to have entered into a firm and binding contract once the order is matched and executed in the ATS in accordance with Rule 8.08(1). The Contract cannot be amended except as provided under Rule 8.09, and cannot be cancelled except in the circumstances provided under Rule 8.10.</p>	8.08 Order matching	<p>(1) An order will be matched based on the matching algorithm prescribed by the Exchange.</p> <p>(2) An order entered into the ATS and matched in accordance with Rule 8.08(1) is deemed executed except if:</p> <p style="padding-left: 20px;">(a) the matching of the order results in a breach of the price limits referred to in Rules 8.13 and 8.13A; and</p> <p style="padding-left: 20px;">(b) in such circumstances as may be stipulated in these Rules or Directives.</p> <p>(3) A Participating Organisation is deemed to have entered into a firm and binding contract once the order is matched and executed in the ATS in accordance with Rule 8.08(1). The Contract cannot be amended except as provided under Rule 8.09, and cannot be cancelled except in the circumstances provided under Rule 8.10. The Contract cannot be -</p> <p style="padding-left: 20px;">(a) amended except as provided under Rule 8.09;</p> <p style="padding-left: 20px;">(b) price adjusted except as provided under Rule</p>

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		<p><u>8.12A; or</u></p> <p><u>(c) cancelled except in the circumstances provided under Rule 8.10.</u></p>
Rule 8.10	<p>8.10 Cancellation of Contract</p> <p>(1) The Exchange may cancel a Contract in the following circumstances:</p> <p>(a) if in the opinion of the Exchange, the Contract executed in the ATS is in violation of these Rules or the Securities Laws;</p> <p>(b) upon a request made by a Participating Organisation to the Exchange to cancel such a Contract where:</p> <p style="padding-left: 40px;">(i) the buying and selling Participating Organisations and their respective Clients agree to the cancellation; and</p> <p style="padding-left: 40px;">(ii) both the delivery and settlement of such Contract have not been effected;</p> <p>(c) erroneous execution of Contracts in the ATS arising from:</p> <p style="padding-left: 40px;">(i) a system failure or malfunction in the ATS;</p>	<p>8.10 Cancellation of Contract</p> <p>(1) The Exchange may cancel a Contract <u>or part of a Contract in any of</u> the following circumstances:</p> <p>(a) if in the opinion of the Exchange, the Contract executed in the ATS is in violation of these Rules or the Securities Laws;</p> <p><u>(ba) erroneous execution of a Contract, where the buying and selling Participating Organisations and their respective Clients, where applicable agree to the cancellation of such Contract and upon the Exchange has received a request for such cancellation made by a both the buying and selling Participating Organisations; to the Exchange to cancel such a Contract where:</u></p> <p>(i) the buying and selling Participating Organisations and their respective Clients agree to the cancellation; and</p> <p>(ii) both the delivery and settlement of such Contract have not been effected;</p>

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<p style="text-align: center;">or</p> <p style="text-align: center;">(ii) a mistake by the Exchange as provided in Rule 8.11;</p> <p>(d) erroneous execution of Contracts in the ATS arising from a mistake by a Participating Organisation in entering orders in the ATS as provided in Rule 8.12.</p> <p>(2) Any cancellation of a Contract in accordance with Rule 8.10(1) is irrevocable.</p> <p>(3) If a Participating Organisation is not satisfied with the cancellation made pursuant to Rule 8.10(1), the Participating Organisation may apply to the Exchange for a review of the cancellation. The application for review must be made on the same Market Day of the cancellation of the Contract.</p> <p>(4) Without prejudice to the rights of the Exchange under these Rules and the law, the Exchange may take any action it deems fit arising from the review in Rule 8.10(3) except an action to revoke the cancellation of the Contract done in accordance with Rule 8.10(1).</p>	<p>(eb) erroneous execution of <u>a Contracts in the ATS</u> arising from:</p> <p>(i) a system failure or malfunction in the ATS <u>or in any other system, service or facility of the Exchange</u>; or</p> <p>(ii) a mistake <u>in the entries made</u> by the Exchange <u>in the ATS</u>;</p> <p>as provided in Rule 8.11;</p> <p>(ec) erroneous execution of <u>a Contracts in the ATS</u> arising from:</p> <p>a mistake by a Participating Organisation in entering orders in the ATS as provided in Rule 8.12.</p> <p>(i) <u>a system failure or malfunction in the trading system, service or facility of the Participating Organisation</u>; or</p> <p>(ii) <u>the unauthorised entry of an order</u>; and</p> <p>(d) <u>if in the opinion of the Exchange, there is an erroneous execution of a Contract which may pose a systemic risk to the Clearing House if the Contract is not cancelled by the Exchange.</u></p> <p>(2) <u>Upon the occurrence of any of the circumstances set out in</u></p>

EXISTING PROVISIONS		AMENDED PROVISIONS
		<p><u>Rule 8.10(1), the Exchange may suspend trading on the ATS or take any other action the Exchange deems fit or both.</u></p> <p>(23) Any cancellation of a Contract <u>or part of the Contract</u> in accordance with Rule 8.10(1) <u>is will be effected on the day on which the Contract is executed and will be</u> irrevocable.</p> <p>(34) If a Participating Organisation is not satisfied with the cancellation made pursuant to Rule 8.10(1), the Participating Organisation may apply to the Exchange for a review of the cancellation. The application for review must be made on the same Market Day of the cancellation of the Contract.</p> <p>(45) Without prejudice to the rights of the Exchange under these Rules and the law, the Exchange may take any action it deems fit arising from the review in Rule 8.10(34) except an action to revoke the cancellation of the Contract done in accordance with Rule 8.10(1).</p> <p><u>(6) For the purposes of Rules 8.10(1)(b) and (d) and Rule 8.11 below, a "Contract" may include any other Contracts that may have been executed arising from the Contract that was erroneously executed.</u></p> <p><u>(7) For the purposes of Rule 8.10(1)(c) and Rule 8.12 below, the following phrases have the following meanings –</u></p> <p style="padding-left: 40px;"><u>(a) "system failure or malfunction in the trading system, service or facility of the Participating Organisation" refers to any one or more of the following</u></p>

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		<p><u>circumstances:</u></p> <p>(i) <u>power outage that caused the order management system to be down;</u></p> <p>(ii) <u>hardware failure of the order management system (including application server, database server and network equipment);</u></p> <p>(iii) <u>computer virus or malware being introduced to the order management system that incapacitates the order management system or a denial of service attack (DDOS) that floods the network traffic; and</u></p> <p>(iv) <u>such other circumstances as the Exchange may prescribe; and</u></p> <p>(b) <u>“unauthorised entry of an order” refers to an order entered or caused to be entered into the Participating Organisation’s order management system by a person who had secured unauthorised access to that system through compromising its security features, or such other circumstances as the Exchange may prescribe.</u></p>
	<p>8.11 System failure or malfunction or mistakes by the Exchange</p> <p>(1) For the purpose of this Rule 8.11, a mistake by the Exchange refers to a mistake in the entries made by the Exchange in the ATS.</p>	<p>8.11 System failure or malfunction or mistakes by the Exchange<u>Procedure in respect of a cancellation of Contract under Rule 8.10(1)(b) or (d)</u></p> <p>(1) For the purpose of this Rule 8.11, a mistake by the Exchange refers to a mistake in the entries made by the</p>

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<p>(2) The Exchange may exercise any of the following powers if a system failure or malfunction in the ATS or a mistake by the Exchange results in erroneous execution of Contracts in the ATS:</p> <p>(a) immediately notify the market of the system failure or malfunction in the ATS or the mistake by the Exchange;</p> <p>(b) suspend trading on the ATS or take any other action the Exchange deems fit; or</p> <p>(c) cancel the Contracts erroneously executed if the Exchange is satisfied that it is in the interest of an orderly and fair market to do so.</p> <p>(3) The cancellation of the Contracts pursuant to Rule 8.11(2)(c) will be effected on the same day that the system failure or malfunction in the ATS or the mistake by the Exchange occurred.</p> <p>(4) The Exchange will immediately notify the market of the details of the Contracts cancelled, if any, and the reasons for the cancellation.</p> <p>(5) Where trading has been suspended, trading will resume after the system failure or malfunction in the ATS or the mistake by the Exchange has been rectified.</p>	<p style="color: red;">Exchange in the ATS.</p> <p>(21) The Exchange may exercise any <u>one or more</u> of the following powers if a system failure or malfunction in the ATS or a mistake by the Exchange results in erroneous execution of Contracts in the ATS;<u>upon the occurrence of any of the circumstances set out in Rule 8.10(1)(b) or (d):</u></p> <p>(a) immediately notify the market of the system failure or malfunction in the ATS or the mistake by the Exchange <u>Contract or part of the Contract which may be cancelled;</u></p> <p>(b) suspend trading on the ATS or take any other action the Exchange deems fit; or</p> <p>(c) <u>cancel the Contracts erroneously executed</u> if the Exchange is satisfied that it is in the interest of an orderly and fair market to do so.; <u>and</u></p> <p>(c) <u>in respect of the occurrence of the circumstance set out in Rule 8.10(1)(d),</u></p> <p>(i) <u>cancel the Contract or part of the Contract;</u> <u>and</u></p> <p>(ii) <u>require the counterparty Participating Organisation to pay to the Participating Organisation any net gains arising from the sale of such securities in order to facilitate the settlement of the Contract, if the counterparty Participating Organisation had</u></p>

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		<p style="text-align: right;"><u>onward sold any of the securities purchased under the Contract and the Exchange decides not to cancel the Contract or any part of the Contract.</u></p> <p>(3) The cancellation of the Contracts pursuant to Rule 8.11(2)(c) will be effected on the same day that the system failure or malfunction in the ATS or the mistake by the Exchange occurred</p> <p>(42) The Exchange will immediately notify the market of the details of the Contracts <u>or part of the Contract</u> cancelled, if any, and the reasons for the cancellation.</p> <p>(5) Where trading has been suspended, trading will resume after the system failure or malfunction in the ATS or the mistake by the Exchange has been rectified.</p>
Rule 8.12	<p>8.12 Mistakes by a Participating Organisation</p> <p>(1) A Participating Organisation may only request the Exchange to cancel a Contract executed arising from a mistake by the Participating Organisation in entering an order into the ATS if:</p> <p style="margin-left: 40px;">(a) the order is for Board Lot(s) and is of a type specified by the Exchange;</p> <p style="margin-left: 40px;">(b) the order relates to a Contract executed during the trading phase(s) specified by the Exchange;</p> <p style="margin-left: 40px;">(c) the price at which the Contract was executed falls</p>	<p>8.12 Mistakes by a Participating Organisation<u>Procedure in respect of a cancellation of Contract under Rule 8.10(1)(c)</u></p> <p>(1) A Participating Organisation may only request the Exchange to cancel a Contract executed arising from a mistake by the Participating Organisation in entering an order into the ATS<u>upon the occurrence of any of the circumstances set out in Rule 8.10(1)(c) (such Contract is referred to as “the PO’s Erroneous Contract”)</u> if:</p> <p style="margin-left: 40px;">(a) the order <u>entered for the PO’s Erroneous Contract</u> is for Board Lot(s) and is of a type specified<u>prescribed</u> by the Exchange;</p>

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<p style="text-align: right;">outside the range prescribed in Rule 8.12(2) below (“No Cancellation Range”);</p> <p>(d) the Participating Organisation makes the request to the Exchange to cancel the Contract within 15 minutes of the execution of the Contract;</p> <p>(e) the potential trading loss if the trade is not cancelled is at least RM10,000.00; and</p> <p>(f) the Contract fulfils such other terms as the Exchange may stipulate.</p> <p>(2) The No Cancellation Range is as set out in the table below. In relation to securities denominated in foreign currency, the range of prices stated below will equally apply but denominated in the foreign currency in which the securities are quoted and traded in.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 20%;">Prevailing Price (RM)</th> <th>No Cancellation Range</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Below 0.50</td> <td>Between RM0.075 below the Prevailing Price and RM0.075 above the Prevailing Price.</td> </tr> <tr> <td style="text-align: center;">Between</td> <td>Between RM0.15 below the</td> </tr> </tbody> </table>	Prevailing Price (RM)	No Cancellation Range	Below 0.50	Between RM0.075 below the Prevailing Price and RM0.075 above the Prevailing Price.	Between	Between RM0.15 below the	<p>(b) the order relates to a <u>entered for the PO’s Erroneous Contract</u> is <u>executed</u> during the trading phase(s) specified <u>prescribed</u> by the Exchange;</p> <p>(c) the price at which the Contract was executed falls outside the range prescribed in Rule 8.12(2) below (“No Cancellation Range”);</p> <p>(c) <u>(d)</u> the Participating Organisation makes the request to the Exchange to cancel the Contract within 15 minutes of the execution of the Contract <u>such timeframe as prescribed by the Exchange</u>;</p> <p>(e) <u>(ed)</u> the potential trading loss if the trade <u>PO’s Erroneous Contract</u> is not cancelled is at least RM10,000.00 <u>not less than such amount as prescribed by the Exchange</u>; and</p> <p>(f) <u>(fe)</u> the <u>PO’s Erroneous Contract</u> or the Participating Organisation fulfils such other terms as the Exchange may stipulate.</p> <p>(2) The No Cancellation Range is as set out in the table below. In relation to securities denominated in foreign currency, the range of prices stated below will equally apply but denominated in the foreign currency in which the securities are quoted and traded in.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 20%;">Prevailing Price (RM)</th> <th>No Cancellation Range</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Between</td> <td></td> </tr> </tbody> </table>	Prevailing Price (RM)	No Cancellation Range	Between	
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Below 0.50	Between RM0.075 below the Prevailing Price and RM0.075 above the Prevailing Price.										
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	0,50 and 1.00	Prevailing Price and RM0.15 above the Prevailing Price.	Below 0.50
	Above 1.00	Between the price 15% below the Prevailing Price and the price 15% above the Prevailing Price.	Between RM0.075 below the Prevailing Price and RM0.075 above the Prevailing Price.
			Between 0,50 and 1,00
			Between RM0.15 below the Prevailing Price and RM0.15 above the Prevailing Price.
			Above 1.00
			Between the price 15% below the Prevailing Price and the price 15% above the Prevailing Price.
	(3) The Exchange may exercise any of the following powers, upon receipt of a request to cancel a Contract:		(3 2) The Exchange may exercise any <u>one or more</u> of the following powers, upon receipt of a request to cancel a <u>PO's Erroneous</u> Contract:
	(a) immediately notify the counterparty Participating Organisation of the Contract of the request;		(a) immediately notify the counterparty Participating Organisation of the <u>PO's Erroneous</u> Contract of the request;
	(b) immediately notify the market of the request and the details of the Contract in relation to which the request for cancellation has been made;		(b) immediately notify the market of the request and the details of the Contract in relation to which the
	(c) cancel the Contract specifically requested by the Participating Organisation for cancellation and any other Contracts that may have been executed arising from the erroneous Contract executed by the Participating Organisation if:		
	(i) the Exchange is satisfied that it is in the interest of an orderly and fair market for the Contracts to be cancelled; and		

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<p style="text-align: center;">(ii) the relevant Participating Organisation complies with all other requirements that may be imposed by the Exchange for the cancellation of the Contracts.</p> <p>(4) The cancellation of Contracts pursuant to Rule 8.12(3)(c) will be effected on the day on which the Contract is executed.</p> <p>(5) The Exchange will immediately notify the counterparty Participating Organisation and the market of its decision and the details of the Contract which will be cancelled.</p> <p>(6) The Exchange is not precluded from taking action against the Participating Organisation or the ATS Operator for a breach of Rule 8.05(2) even if the Contract has been cancelled under this Rule.</p> <p>(7) The Exchange may instead of cancelling the Contract upon a request being made under Rule 8.12(1), take any other action it deems fit.</p> <p>(8) “Trading loss” in Rule 8.12(1)(e) refers to the difference between the value of the trade if executed based on the Prevailing Price and the value of the trade executed arising from the mistake made by a Participating Organisation under Rule 8.12.</p> <p>(9) “Prevailing Price” in Rules 8.12(2) and 8.12(8) refers to the Last Done Price or any other price the Exchange deems fit, prior to and on the same trading session that a mistake as described in Rule 8.12(1) is made by a Participating</p>	<p style="text-align: center;">request for cancellation has been made;</p> <p><u>(eb) cancel the PO's Erroneous Contract or part of the PO's Erroneous Contract;</u></p> <p>specifically requested by the Participating Organisation for cancellation and any other Contracts that may have been executed arising from the erroneous Contract executed by the Participating Organisation if:</p> <p>(i) the Exchange is satisfied that it is in the interest of an orderly and fair market for the Contracts to be cancelled; and</p> <p>(ii) the relevant Participating Organisation complies with all other requirements that may be imposed by the Exchange for the cancellation of the Contracts.</p> <p><u>(c) require the counterparty Participating Organisation to pay to the Participating Organisation any net gains arising from the sale of such securities in order to facilitate the settlement of the PO's Erroneous Contract, if the counterparty Participating Organisation had onward sold any of the securities purchased under the PO's Erroneous Contract and the Exchange decides not to cancel the Erroneous Contract or any part of the PO's Erroneous Contract; and</u></p> <p><u>(d) take any other action it deems fit in lieu of cancellation.</u></p>

EXISTING PROVISIONS		AMENDED PROVISIONS
	<p>Organisation.</p>	<p>(4) The cancellation of Contracts pursuant to Rule 8.12(3)(c) will be effected on the day on which the Contract is executed.</p> <p>(5) The Exchange will immediately notify the <u>Participating Organisation and the</u> counterparty <u>Participating Organisation and the market</u> of its decision and the details of the Contract <u>or part of the Contract</u> which will be cancelled, <u>if applicable</u>.</p> <p>(4) If the Exchange decides to cancel the Contract or part of the Contract, the Exchange may notify the market of such decision.</p> <p>(6) The Exchange is not precluded from taking action against the Participating Organisation or the ATS Operator for a breach of Rule 8.05(2) even if the Contract has been cancelled under this Rule.</p> <p>(7) The Exchange may instead of cancelling the Contract upon a request being made under Rule 8.12(1), take any other action it deems fit.</p> <p>(8) “Trading loss” in Rule 8.12(1)(e) refers to the difference between the value of the trade if executed based on the Prevailing Price and the value of the trade executed arising from the mistake made by a Participating Organisation under Rule 8.12.</p> <p>(9) “Prevailing Price” in Rules 8.12(2) and 8.12(8) refers to the Last Done Price or any other price the Exchange deems fit, prior to and on the same trading session that a mistake as</p>

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		described in Rule 8.12(1) is made by a Participating Organisation.
Rule 8.12A	New provision	<p><u>8.12A Price Adjustment of a Contract</u></p> <p><u>(1) A Participating Organisation may request the Exchange to adjust the price of a Contract in the event of an erroneous execution of the Contract if:</u></p> <ul style="list-style-type: none"> <u>(a) the order entered for such Contract is for Board Lot(s) and is of a type prescribed by the Exchange;</u> <u>(b) the order entered for such Contract is executed during the trading phase(s) prescribed by the Exchange;</u> <u>(c) the price at which the Contract is executed falls outside the range prescribed by the Exchange as the No Adjustment Range;</u> <u>(d) the Participating Organisation makes the request to the Exchange within such timeframe as prescribed by the Exchange;</u> <u>(e) the potential trading loss if the price of the Contract is not adjusted is not less than such amount as prescribed by the Exchange; and</u> <u>(f) the Contract or the Participating Organisation fulfils such other terms as the Exchange may stipulate.</u> <p><u>(2) The Exchange may exercise any one or more of the</u></p>

EXISTING PROVISIONS		AMENDED PROVISIONS
		<p><u>following powers, upon receipt of a request to adjust the price of a Contract:</u></p> <p><u>(a) notify the counterparty Participating Organisation of the Contract of such request;</u></p> <p><u>(b) notify the Clearing House of such request; and</u></p> <p><u>(c) adjust the price of the Contract to the nearest price within the No Adjustment Range or take any other action it deems fit in lieu of adjusting the price of the Contract.</u></p> <p><u>(3) For the avoidance of doubt, any price adjustment of the erroneous Contract made under this Rule 8.12A will not be performed in relation to any other Contracts that may have been executed arising from such erroneous Contract executed by the Participating Organisation.</u></p> <p><u>(4) A decision by the Exchange on whether to adjust the price of a Contract will be made on the day on which the Contract is executed.</u></p> <p><u>(5) The Exchange will immediately notify the Participating Organisation, the counterparty Participating Organisation of the Contract and the Clearing House of its decision and the details of the Contract which will be price adjusted, if applicable.</u></p> <p><u>(6) If the Exchange decides to adjust the price of a Contract, the Exchange may notify the market of such decision.</u></p>

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Rule 8.12B	New Provision	<p><u>8.12B Action against the Participating Organisation</u></p> <p><u>The Exchange may take any action against the Participating Organisation or the ATS Operator for any breaches of these Rules, even if the Contract or part of the Contract has been cancelled under Rule 8.10 or price adjusted under Rule 8.12A respectively.</u></p>
Rule 8.12C	New Provision	<p><u>8.12C Indemnity</u></p> <p><u>The Participating Organisation shall indemnify and hold indemnified the Exchange for or against any loss, damage, cost, expense, liability or claim suffered or incurred by the Exchange, whether directly or otherwise arising from or in connection with a request for cancellation or price adjustment made under Rule 8.12 and Rule 8.12A respectively.</u></p>
Chapter 9, Part H	New Provision	<p><u>PART H BUYING-IN OF SECURITIES OTHER THAN PURSUANT TO RULES 9.05 AND 9.06</u></p> <p><u>9.17 Buying-In Upon Request</u></p> <p><u>In addition to the buying-in referred to in Rules 9.05 and 9.06, the Exchange may, upon a request made by a Participating Organisation or the Clearing House, conduct buying-in in respect of any security under circumstances as may be prescribed by the Exchange or the Clearing House.</u></p>

[End of Rule Amendments]