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## SCHEDULE 2 – EXPLANATION OF EFFECT OF BEING TREATED AS AN ACCREDITED INVESTOR UNDER THE CONSENT PROVISIONS

*The following sets out the effect under the consent provisions of you being treated by us as an accredited investor. Where we deal with you as an accredited investor, we would be exempt from complying with certain requirements under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) and certain regulations and notices issued thereunder.*

*Please note that the regulatory requirements that we are exempted from when dealing with you as an accredited investor may be amended and updated from time to time due to regulatory changes or otherwise. Any amendments and updates would be set out on our website. Whilst we have set out the consent provisions under the Securities and Futures (Licensing and Conduct of Business) Regulations, some of these provisions may not be in force yet and may only come into force vis-à-vis us at a later date.*

*Under the SFA and the regulations and notices issued thereunder:*

- 1. Prospectus Exemptions under Sections 275 and 305 of the SFA.** Under Part XIII of the SFA, all offers of securities and securities-based derivatives contracts, and units of collective investment schemes are required to be made in or accompanied by a prospectus in respect of the offer that is lodged and registered with the MAS and which complies with the prescribed content requirements, unless exempted. The SFA further provides for criminal liability for false and misleading statements contained in the prospectus, omissions to state any information required to be included in the prospectus or omissions to state new circumstances that have arisen since the prospectus was lodged with the MAS which would have been required to be included in the prospectus if it had arisen before the prospectus was lodged with the MAS. In addition, certain persons, including the person making the offer, the issuer, the issue manager and the underwriter (the “**Persons**”) may be liable to compensate any person who suffers loss or damage as a result of the false or misleading statement in or omission from the prospectus, even if such persons were not involved in the making of the false or misleading statement or the omission.

Sections 275 and 305 of the SFA are exemptions from the prospectus registration requirement under the SFA, and exempt the offeror from registering a prospectus when the offer of securities and securities-based derivatives contracts, and units of collective investment schemes is made to relevant persons. Relevant persons include accredited investors. In addition, secondary sales made to institutional investors and relevant persons, which include accredited investors, remain exempt from the prospectus registration requirement provided that certain requirements are met.

**Subsequent Sales:** Subsequent sales of securities, securities-based derivatives contracts and collective investment schemes are subject to restrictions under Section 276(1) and 276(2) or, as the case may be, Sections 305A(1)(b) such that subsequent sales to relevant persons (including accredited investors) will continue to be exempt from prospectus requirements.

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Where securities, securities-based derivatives contracts and collective investment schemes are subscribed or purchased under Section 275 or 305 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor (the “**Corporation**”); or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor (the “**Trust**”),

*inter alia*, securities of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities, securities-based derivatives contracts and collective investment schemes pursuant to an offer made under Section 275 or 305 of the SFA except, *inter alia*, to an institutional investor or to a relevant person.

If you opt to be treated as an accredited investor, the above restrictions will not apply and you will not be prohibited from being a transferee of the securities of the Corporation or interests in the Trust in the circumstances specified.

***When we deal with you as an accredited investor, the issuer and/or offeror is exempt from the prospectus requirements under Part XIII of the SFA pursuant to the exemptions under Sections 275 and 305 of the SFA. As a result of this, the issuer and/or offeror is not under any statutory obligation to ensure that all offers of the relevant products to you are made in or accompanied by a prospectus that is lodged and registered with the MAS and which complies with the prescribed content requirements. Consequently, the issuer and/or offeror is not subject to the statutory prospectus liability under the SFA and you would not be able to seek compensation from the Persons under the civil liability regime for prospectuses even if you suffer loss or damage as a result of any false or misleading statement in or omissions in the offering document. Subsequent sales of securities, securities-based derivative contracts and collective investment schemes first sold under inter alia Section 275 and 305 can also be made to you, as well as transfers of securities of Corporations and interests in Trusts. You are therefore not protected by the prospectus registration requirements of the SFA.***

2. **Restrictions on Advertisements under Sections 251 and 300 of the SFA.** Sections 251 and 300 of the SFA prohibit any advertisement or publication referring to an offer or intended offer of securities and securities-based derivatives contracts, and units of collective investment schemes from being made, except in certain circumstances. In this regard, where a preliminary document has been lodged with the MAS, certain communications may be made. These include the dissemination of, and presentation of oral or written material on matters contained in, the preliminary document which has been lodged with the MAS to institutional investors and relevant persons under Sections 251(3), 251(4)(a), 300(2A) and 300(2B)(a) of the SFA. Relevant persons include accredited investors.

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***When we deal with you as an accredited investor, you may receive communications relating to a preliminary document which has been lodged with the MAS. You are therefore not protected by the requirements of Sections 251 and 300 of the SFA.***

**3. Part III of the Securities and Futures (Licensing and Conduct of Business) Regulations (“SFR”).**

Part III of the SFR stipulates the requirements imposed on us in relation to the treatment of customers’ assets. While we remain under the statutory obligation to deposit all assets received on your account in a custody account maintained in accordance with Regulation 27 of the SFR or any other account into which you direct the assets be deposited, as an accredited investor, the enhanced safeguards in relation to the assets that we receive on your account will not apply.

We are also exempt from the following statutory obligations: (i) the disclosure requirements pertaining to the manner in which your assets are held (whether locally or in a foreign jurisdiction), as specified under Regulation 27A of the SFR; (ii) the prohibition against transferring title in your assets to us or any other person except in certain prescribed circumstances relating to the borrowing or lending of your specified products and using your assets to meet our own obligations under Regulation 34A and 35 of the SFR; (iii) the obligation to inform you that we may use your assets for a sum not exceeding the amount owed by you to us, disclose the risks of such use to you and obtain your consent before using your assets, including mortgaging, charging, pledging or hypothecating your assets under Regulation 34 of the SFR.

We have summarised the requirements below.

<b>Bank</b>	<b>Retail customer</b>	<b>Accredited investor</b>
<b>Disclosure requirement<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Bank to make certain disclosures (such as whether the assets will be commingled with other customers and the risks of commingling, consequences if the institution which maintains the custody account becomes insolvent) in writing prior to depositing assets in custody account</li> </ul>	<ul style="list-style-type: none"> <li>No such requirement</li> </ul>
<b>Prohibition on transferring</b>	<ul style="list-style-type: none"> <li>Prohibited unless</li> </ul>	<ul style="list-style-type: none"> <li>No such requirement</li> </ul>

<sup>1</sup> Regulation 27A

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<p><b>title of assets received from customer to bank or any other person<sup>2</sup></b></p>	<p>transferred in connection with borrowing or lending of specified products in accordance with Regulation 45 of the SFR</p>	
<p><b>Withdrawals from custody account to transfer the asset to any other person or account in accordance with the written direction of the customer<sup>3</sup></b></p>	<ul style="list-style-type: none"> <li>• Not permitted to transfer retail customer's assets, to meet any obligation of the bank in relation to any transaction entered into by the bank for the benefit of the bank</li> </ul>	<ul style="list-style-type: none"> <li>• No such prohibition</li> </ul>
<p><b>Customer Assets<sup>4</sup></b></p>	<ul style="list-style-type: none"> <li>• Deposit into a custody account maintained in accordance with Regulation 27 of the SFR (requires the custody account to be maintained with certain specified institutions only); or</li> <li>• Deposit into account directed by retail customer to which retail customer has legal and beneficial title and maintained with, <i>inter alia</i>, licensed banks, merchant banks or finance companies or banks established and regulated as banks outside Singapore</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit into a custody account maintained in accordance with Regulation 27 of the SFR (requires the custody account to be maintained with certain specified institutions only); or</li> <li>• Deposit into account directed by accredited investor</li> </ul>
<p><b>Mortgage of customer's assets – bank may mortgage, charge, pledge or hypothecate customer's assets for a sum not exceeding the amount owed by the customer to the bank<sup>5</sup></b></p>	<ul style="list-style-type: none"> <li>• Prior to doing so, bank must inform the retail customer of this right, explain the risks and obtain written consent of the retail customer</li> </ul>	<ul style="list-style-type: none"> <li>• No equivalent requirement to inform, explain risks or obtain written consent of accredited investor</li> </ul>

<sup>2</sup> Regulation 34A

<sup>3</sup> Regulation 35(2)

<sup>4</sup> Regulation 26(1)(a)

<sup>5</sup> Regulation 34(2)

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***When we deal with you as an accredited investor, we are exempt from treating you as a “retail investor” in relation to certain requirements stipulated under Part III of the SFR pertaining to the treatment of a retail customer’s assets. You are therefore not protected by those requirements under Part III of the SFR.***

4. **Regulation 47BA of the SFR.** Regulation 47BA of the SFR provides that a bank must not deal with a retail customer as an agent when dealing in capital markets products that are over-the-counter derivatives contracts and/or spot foreign exchange contracts for the purposes of leveraged foreign exchange trading.

***When we deal with you as an accredited investor, we are exempt from treating you as a “retail investor” and may therefore deal with you as an agent in relation to over-the-counter derivatives contracts and/or spot foreign exchange contracts for the purposes of leveraged foreign exchange trading.***

5. **Regulation 47E of the SFR.** Regulation 47E(1) of the SFR provide for certain risk disclosure requirements that a bank that deals in capital markets products must comply with in relation to trading in futures contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading, and foreign exchange over-the-counter derivatives contracts for retail customers that are not related corporations of the bank.

A bank that deals in capital markets products must not open a trading account for a retail customer who is not its related corporation for the purpose of entering into transactions of sale and purchase of the abovementioned capital markets products unless it has furnished the customer with a written risk disclosure document disclosing the material risks of the specified capital markets products in a prescribed form (Form 13), and receives an acknowledgement signed and dated by the customer that he has received and understood the nature and contents of the Form 13.

Regulation 47E also specifies that copies of Forms 13 are kept in Singapore.

***When we deal with you as an accredited investor, we are not under any statutory obligation to provide you with the risk disclosures in the manner contemplated under Regulation 47E of the SFR. You are therefore not protected by the risk disclosure requirements under Regulation 47E of the SFR.***

6. **Section 99H(1)(c) of the SFA read with Regulations 3A(5)(c), (d), (e) and (7) of the SFR.** Section 99H(1)(c) of the SFA read with Regulations 3A(5)(c), (d) and (e) of the SFR provide that where a principal wishes to appoint an individual as a provisional representative or temporary representative in respect of any SFA regulated activity, the principal is required to lodge with the MAS an undertaking to ensure that (i) the provisional representative or temporary representative is accompanied at all times by an authorised person when meeting any client or member of the public in the course of carrying on business in any SFA regulated activity, (ii) the provisional representative or temporary representative sends concurrently to an authorised person all electronic mail that he sends to any client or member of the public in the course of carrying on business in any SFA regulated activity and (iii) the provisional

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representative or temporary representative does not communicate by telephone with any client or member of the public in the course of carrying on business in any SFA regulated activity, other than by telephone conference in the presence of an authorised person. An “authorised person” for these purposes refers to an appointed representative or a director of the principal, an officer of the principal whose primary function is to ensure that the carrying on of business in the SFA regulated activity in question complies with the applicable laws and requirements of the MAS or an officer of the principal appointed to supervise the representative in carrying on of business in the SFA regulated activity.

***When we deal with you as an accredited investor, we are not under any statutory obligation to restrict the interactions with you that may be undertaken by our provisional representatives or temporary representatives in the course of carrying on business in any SFA regulated activity in the manner set out in Regulations 3A(5)(c), (d) and (e) of the SFR. You are therefore not protected by the requirements of Section 99H(1)(c) of the SFA read with Regulations 3A(5)(c), (d) and (e) of the SFR.***

- 7. Regulation 33 of the SFR.** Regulation 33(2) of the SFR provides that a bank shall not lend or arrange for a custodian to lend the specified products of the customer unless it has explained the risks involved to the customer (Regulation 33(2)(a)) and obtained the customer’s written consent to do so (Regulation 33(2)(b)). The requirement to explain the risks involved to the customer does not apply where the customer is an accredited investor, expert investor or institutional investor. However, regardless of whether the customer is a retail investor or an accredited investor, the bank shall nevertheless enter into an agreement with the customer to set out the terms and conditions for such lending, or as the case may be, enter into an agreement with the custodian setting out the terms and conditions for the lending and disclose these terms and conditions to the customer.

***When we deal with you as an accredited investor, we are not under any statutory obligation to explain the risks involved to you prior to us lending or arranging for a custodian to lend your specified products. You are therefore not protected by the requirements of Regulation 33(2)(a) of the SFR.***

- 8. Regulation 40 of the SFR.** Regulation 40(1) of the SFR provides that a bank is required to furnish to each customer on a monthly basis a statement of account containing certain particulars prescribed under Regulation 40(2) of the SFR. In addition, Regulation 40(3) of the SFR provides that the bank is required to furnish to each customer, at the end of every quarter of a calendar year, a statement of account containing, where applicable, the assets, derivatives contracts of the customer and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading of the customer that are outstanding and have not been liquidated and cash balances (if any) of the customer at the end of that quarter.

***When we deal with you as an accredited investor and provided we have made available to you (on a real-time basis) the prescribed particulars in the form of electronic records stored on an electronic facility and you have consented to those particulars being made available in this manner or you have requested in writing not to receive the statement of account, we are not under any statutory obligation to furnish a monthly or quarterly***

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***statement of account to you. You are therefore not protected by the requirements of Regulations 40(1) and (3) of the SFR.***

9. **Regulation 45 of the SFR.** Regulation 45 of the SFR provides that borrowing and lending of specified products by a bank (i) must be recorded in a prior written agreement between the bank and the lender or borrower or their duly authorised agent where such agreement includes certain prescribed details; and (ii) must be collateralised. In particular, the bank is required to ensure that the collateral provided must, throughout the period that the specified products are borrowed or lent, have a value of not less than 100% of the market value of the specified products borrowed or lent. Regulation 45 of the SFR further sets out the acceptable forms of collateral for these purposes.

***When we deal with you as an accredited investor, we are not under any statutory obligation to provide collateral to you under Regulation 45 of the SFR when we borrow specified products from you. Where we provide assets to you as collateral for the borrowing, the agreement shall specify whether the specified products borrowed and the assets provided comprising specified products (if any) are marked to market and if so, the procedures for calculating the margin. However (unlike for retail investors), the agreement does not have to include the requirement to mark-to-market on every business day the specified products that are borrowed nor the minimum collateral comprising specified products nor procedures for calculating the margins.***

10. **Regulation 47DA of the SFR.** Regulation 47DA(1) and (2) of the SFR provide for certain general risk disclosure requirements that a bank dealing in specified capital markets products must comply with. For this purpose, “specified capital markets products” means capital markets products other than futures contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading and foreign exchange over-the-counter derivatives contracts. In particular, the bank must not open a trading account for a customer for the purpose of entering into transactions of sale and purchase of any specified capital markets products unless it has furnished the customer with a written risk disclosure document disclosing the material risks of the specified capital markets products, and receives an acknowledgement signed and dated by the customer that he has received and understood the nature and contents of the risk disclosure document. Further, the bank must not enter any transaction of sale or purchase of any specified capital markets products unless it has informed the customer whether it is acting in that transaction as a principal or agent and/or its intention to do so.

***When we deal with you as an accredited investor, we are not under any statutory obligation to provide you with the risk disclosures, and the capacity in which we act, in the manner contemplated under Regulation 47DA of the SFR. You are therefore not protected by the requirements under Regulation 47DA of the SFR.***