

VP Bank Ltd Singapore Branch · Valid from September 2018

# Account agreement





# Contents

## **Account agreement**

<b>Part I</b>	General Terms and Conditions	4
<b>Part II</b>	Terms and conditions for general banking services	17
<b>Part III</b>	Terms and conditions for investment advisory and management services	26
<b>Part IV</b>	Terms and conditions for oral, facsimile and e-mail instructions	34
<b>Part V</b>	Terms and conditions for hold mail service	38
<b>Part VI</b>	Terms and conditions for fiduciary placement services	41
<b>Part VII</b>	Special conditions	44
<b>Part VIII</b>	Power of attorney in favour of the Bank	49
<b>Part IX</b>	Risk Disclosure Statement	52

# Part I

## General Terms and Conditions

The General Terms and Conditions set out below are not intended to be exhaustive and must be read together with the other provisions of the Agreement. In the case of any inconsistency between the terms and conditions of this Part I and any other terms and conditions of the Agreement, such other terms and conditions shall prevail.

## 1. Interpretation/definition

**1.1.** In this Agreement, where the context so admits, the following words and expressions shall have the following meanings:

**"Accounts"** means any one or more accounts opened by the Client with the Bank and/or its affiliates and/or a Third Party Service Provider in each case in connection with the Services or the Agreement under which a sub-account or sub-accounts is or are specially designated for the Client for the purpose of holding the assets;

**"Agreement"** means the Application Form and Part I to Part IX of the terms and conditions contained herein or any other documents entered into or to be entered into by the Client in relation to his relationship with the Bank;

**"Alternative Investments"** for the purposes of Part IX of the Agreement has the meaning ascribed to it in Clause 15 of Part IX of the Agreement;

**"Assets"** means Securities, cash, currencies, forward exchange contracts, currency and equity options, structured finance products, financial derivatives and any other assets owned by the Client, as may be managed by the Bank on behalf of the Client or delivered and transferred by the Client to or to the order of the Bank for safe custody, in accordance with the terms of the Agreement;

**"Assets in Custody"** has the meaning ascribed to it in Clause 1.1. of Part VII of the Agreement;

**"Authorised Person(s)"** means the Person(s) authorised by the Client to give Instructions to the Bank in connection with the Services provided under the Agreement as notified to the Bank from time to time in such manner as the Client stipulates in writing;

**"Bank"** means VP Bank Ltd Singapore Branch, (Business Registration No. T18FC0095B), including its successors and assigns;

**"Business Day"** means a day (other than a Saturday, Sunday or a public holiday in Singapore) on which banks are open for business generally in: a) the place where any relevant Services are to be performed; b) the place where any relevant payment is to be received; and c) the place where any notice given hereunder is received, as the case may be;

**"Cash Balances"** has the meaning ascribed to it in Clause 1.1. of Part VI of the Agreement;

**"Charged Assets"** means the security or collateral provided by, or on behalf of, the Client in respect of all liabilities and obligations to the Bank;

**"Charged Assets Value"** means the value of the Charged Assets as determined by the Bank at its sole discretion;

**"Client"** means the Person or Persons named in the Application Form and, where the context so admits, his trustee in bankruptcy, legal personal representative, executor, administrator, liquidator, judicial manager or the like. If there is more than one Person, "Client" means each of them;

**"Collateralised Debt Obligations / CDOs"** has the meaning ascribed to it in Clause 15.16(b) of Part IX of the Agreement;

**"Compensating LD Transaction"** means the conversion of the LD Deposit into the LD Reference Currency and the setting off of the resulting amount against the relevant LD Advance;

**"Compensating FX Transaction"** means a transaction which will offset an outstanding FX Transaction in its entirety;

**"Credit Linked Notes / CLNs"** has the meaning ascribed to it in Clause 15.16(a) of Part IX of the Agreement;

**"Discretionary Investment Services"** has the meaning ascribed to it in Clause 1.1.(a) of Part III of the Agreement;

**"Emerging Markets Financial Instruments"** has the meaning ascribed to it in Clause 25 of Part IX of the Agreement;

**"Facility"** has the meaning ascribed to it in Clause 2.1. of Part VII of the Agreement;

**"Facility Letter"** has the meaning ascribed to it in Clause 2.1. of Part VII of the Agreement;

**"Forward Transaction"** has the meaning ascribed to it in Clause 3.1. of Part VII of the Agreement;

**"Futures Contract"** has the meaning ascribed to it in the Securities and Futures Act;

**"FX Call Margin"** means such margin as may be specified by the Bank from time to time at its sole discretion for the purposes of Clause 3 of Part VII of the Agreement;

**"FX Close-Out Margin"** means such margin as may be specified by the Bank from time to time at its sole discretion for the purpose of Clause 3 of Part VII of the Agreement;

**"FX Facility"** has the meaning ascribed to it in Clause 3.1. of Part VII of the Agreement;

**"FX Letter"** has the meaning ascribed to it in Clause 3.1. of Part VII of the Agreement;

**"FX Minimum Margin"** means such margin as may be specified by the Bank from time to time at its sole discretion for the purposes of Clause 3 of Part VII of the Agreement;

**"FX Minimum Margin Value"** means such margin as may be specified from time to time at its sole discretion for the purposes of Clause 3 of Part VII of the Agreement;

**"FX Option Transaction"** has the meaning ascribed to it in Clause 3.1. of Part VII of the Agreement;

**"FX Reference Currency"** means the currency specified as such in the FX Letter or the Facility Letter (as the case may be);

**"FX Transaction"** has the meaning ascribed to it in Clause 3.1. of Part VII of the Agreement;

**"FX Transaction Balance"** means, in respect of each FX Transaction, the profit or loss due to or owed by the Client as determined by the Bank as a result of the closing out of such FX Transaction;

**"General Terms and Conditions"** means the general terms and conditions set out in this Part I of the Agreement;

**"Instructions"** means Instructions in connection with the Account or the Services given or purported to be given by the Client or the Authorised Person(s) in accordance with the Client Agreement, and which may be in writing and delivered by hand or post or facsimile or communicated in person or orally (including by telephone), or via e-mail where specifically authorised by the Client in writing and agreed to by the Bank;

**"Investments"** has the meaning ascribed to it in Clause 1.1. of Part VI of the Agreement;

**"Investment Objectives"** means the investment objectives of the Client specified by the Client and agreed to by the Bank, which shall be set out in a separate form which the Bank shall provide to the Client;

**"Investment Recommendations"** has the meaning ascribed to it in Clause 1.1.(d) of Part III of the Agreement;

**"Investment Services"** has the meaning ascribed to it in Clause 1.1. of Part III of the Agreement;

**"LD Advance"** has the meaning ascribed to it in Clause 4.1. of Part VII of the Agreement;

**"LD Call Margin"** means such margin as may be specified by the Bank from time to time at its sole discretion for the purposes of Clause 4 of Part VII of the Agreement;

**"LD Charged Assets Value"** means the value of the security provided by or on behalf of the Client in respect of the LD Facility as determined by the Bank at its sole discretion;

**"LD Close-Out Margin"** means such margin as may be specified by the Bank from time to time at its sole discretion for the purposes of Clause 4 of Part VII of the Agreement;

**"LD Deposit"** has the meaning ascribed to it in Clause 4.1. of Part VII of the Agreement;

**"LD Facility"** has the meaning ascribed to it in Clause 4.1. of Part VII of the Agreement;

**"LD Letter"** has the meaning ascribed to it in Clause 4.1. of Part VII of the Agreement;

**"LD Reference Currency"** means the currency specified as such in the LD Letter or Facility Letter (as the case may be);

**"LD Transaction"** has the meaning ascribed to it in Clause 4.1. of Part VII of the Agreement;

**"LD Transaction Balance"** means, in respect of each LD Transaction, the profit or loss due to or owed by the Client as determined by the Bank as a result of the closing out of such LD Transaction;

**"LDC Financial Instruments"** has the meaning ascribed to it in Clause 12 of Part IX of the Agreement;

**"Leveraged Foreign Exchange"** has the meaning ascribed to it in the Securities and Futures Act;

**"Margin"** has the meaning ascribed to it in Clause 2.3. of Part VII of the Agreement;

**"Mail"** has the meaning ascribed to it in Clause 1 of Part V of the Agreement;

**"Maturity Date"** means the date agreed as such between the parties in relation to each LD Transaction, as specified in the confirmation relating to such LD Transaction;

**"Memorandum of Charge"** means a memorandum of charge entered into between the Bank and a borrower in consideration of a credit facility or banking accommodation, facilities or services, provided or made available or continued to be provided or made available by the Bank to the borrower, from time to time, on such terms and conditions as may be specified by the Bank from time to time;

**"Nominee"** has the meaning ascribed to it in Clause 1.1. of Part VII of the Agreement;

**"Non-Discretionary Investment Services"** has the meaning ascribed to it in Clause 1.1.(a) of Part III of the Agreement;

**"Outstanding FX Transaction Value"** means the aggregate of a percentage (as set by the Bank from time to time) of the notional amount of each outstanding FX Transaction plus the marked-to-market loss of the Client as determined by the Bank (if any) in respect of each such FX Transaction (other than an FX Option Transaction in which the Client is the holder of the right of exercise thereunder) plus the marked-to-market profit of the Client as determined by the Bank (if any) in respect of each such FX Transaction;

**"Outstanding LD Transaction Value"** means the aggregate of a percentage of the notional amount of all outstanding LD Advances plus the marked-to-market losses of the Client as determined by the Bank (if any) in respect of such LD Transactions (but without setting off the marked-to-market profits of the Client (if any) in respect of the LD Transaction);

**"Parts"** means the different parts into which the Agreement has been divided, including any additional parts that may from time to time be incorporated as Part of the Agreement, in each case, as varied or amended from time to time and "Part" shall be construed accordingly;

**"PDPA"** means the Personal Data Protection Act 2012;

**"Person"** includes an individual, a firm, a company, a corporation and an unincorporated body of persons;

**"Personal Data"** means data, whether true or not, about the Client, who can be identified

- a) from that data; or
- b) from that data and other information to which the Bank has or is likely to have access;

Such data may include, but is not limited to, the Client's name, NRIC, passport or other identification number, telephone numbers, address, e-mail address and other information relating to the Client;

**"Related Corporation"** has the meaning ascribed to it in the Securities and Futures Act;

**"Securities"** means stocks, shares, marketable securities, warrants, options, interests in mutual funds, unit trusts, bonds, notes, certificates of deposit, financial and debt instruments, fiduciary deposits and commercial paper and such other instruments as would normally be referred to as securities;

**"Securities and Futures Act"** means the Securities and Futures Act (Cap 289) of Singapore and includes the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap 289) of Singapore, as may be amended from time to time;

**"Services"** means any or all of the services provided by the Bank pursuant to the Agreement and any other services agreed, from time to time, between the Client and the Bank (provided that the Bank possesses the necessary licence(s) or authorisation(s) under the applicable law to perform such services, if any);

**"Spot Transaction"** has the meaning ascribed to it in Clause 3.1. of Part VII of the Agreement;

**"Stipulated Currency"** has the meaning ascribed to it in Clause 10.4. of Part II of the Agreement;

**"Sub-Custodians"** has the meaning ascribed to it in Clause 1.2. of Part VII of the Agreement;

**"Termination Event"** for the purposes of Clause 3 and Clause 4 of Part VII means any one of the following:

- a) the Client fails to pay any sum outstanding under the Agreement or otherwise to the Bank when due or on demand, or the Client is in breach of any of his obligations under the Agreement, or any representation

or warranty by or on behalf of the Client proves to have been incorrect in any material respect when made or deemed repeated;

- b) any other indebtedness of the Client is or is declared to be or is capable of being declared due and payable before its normal maturity, or not paid when due;
- c) any provision of the Agreement is or becomes or is alleged to be, for any reason, invalid or unenforceable, or it is or will become unlawful for any Part to perform or comply with any of his obligations under such Agreement;
- d) distress, attachment or any form of execution is levied on or affects any of the Client's Assets;
- e) the Client ceases or suspends, or threatens to cease or suspend, all or a substantial part of his business, or transfers or disposes of, or threatens to transfer or dispose of all or a substantial part of his Assets, or any governmental or other authority (whether de jure or de facto) takes any step to expropriate, nationalise or compulsorily acquire all or a substantial part of his business or Assets;
- f) the Client is, or is deemed to be, bankrupt or unable to pay his debts under prevailing applicable bankruptcy laws, or stops or suspends, or threatens to stop or suspend, payment of all or a material part of his indebtedness, or begins negotiations or takes any other step with a view to the deferral, rescheduling or other adjustment of all or a material part of his indebtedness;
- g) a petition is presented, a notice is issued, an order is made or any other step is taken for the bankruptcy of the Client;
- h) any event occurs which, in the Bank's opinion, may affect the solvency of the Client or his ability to perform or comply with any of his obligations;
- i) any security (including under the Memorandum of Charge) provided by the Client to the Bank is, in the Bank's opinion, in jeopardy;
- j) any event occurs which, in the Bank's opinion, makes it unlawful or impossible or impractical for any party to perform or comply with any of its obligations under the Agreement, including, without limitation, a) the introduction, imposition or variation of any applicable law, regulation, directive or guideline (whether or not having the force of law) or any change in the interpretation or application thereof, or any acts by a governmental or other authority (whether de jure or de facto) or body relating to, without limitation, best practices guides, exchange controls, restrictions on availability, convertibility or transferability of the relevant currency, or changes in such country's currency (whether for reasons of monetary union or otherwise), freezes, moratoria, expropriations, requisitions, or other involuntary constraints; b) force majeure, natural or man-made disaster, armed conflict, terrorism, civil unrest, industrial action

or other political, economic or social chaos; or c) any other circumstances beyond the Bank's control; and k) any event occurs which under the laws of any relevant jurisdictions has any analogous or equivalent effect to paragraphs (d), (f) and (g) above;

"Third Party Service Provider" has the meaning ascribed to it in Clause 1 of Part VIII of the Agreement;

"Total Indebtedness" means all indebtedness of the Client to the Bank, and solely for the purposes of determining the collateral or security margin requirements, the indebtedness of the Client in respect of FX Transactions means the Outstanding FX Transactions Value and in respect of LD Transactions means the Outstanding LD Transactions Value;

"Transaction" has the meaning ascribed to it in Clause 2.1. of Part IX of the Agreement; and

"Value Date" means the date agreed as such between the parties in relation to each FX Transaction, as specified in the confirmation relating to such FX Transaction.

**1.2.** References herein to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

**1.3.** Unless the context requires otherwise, words importing the singular shall include the plural and vice versa and words importing a gender include every gender.

**1.4.** References herein to clauses and sections are, unless the context requires otherwise, references to clauses and sections of the Agreement (or, as the context shall require, the relevant Part) respectively. References to Parts are, unless the context requires otherwise, references to the Parts into which the Agreement has been divided. Clauses and section headings are inserted for convenience only and shall not affect the construction of the Agreement.

## 2. Information

**2.1.** The Client confirms that, prior to the Client agreeing to carry out the investments or such other Services, the Bank has informed the Client of all information that is required to be disclosed (including, but not limited to, the risks relating to such investments or Services) to the Client under the prevailing laws and regulations in respect of the investments or such other Services.

## 3. Documentation

**3.1.** The Client agrees that the Bank may document information obtained from the Client in relation to the Client's Investment Objectives for the purpose of carrying out the investments and Services. In the event that the Client does not wish to provide information requested by the Bank for this purpose, the Client shall inform the Bank of his decision and agrees to provide all documents and carry out all such acts as required by the Bank to document this decision and the Client shall thereafter be responsible for ensuring that the investment products selected in relation to the investments and Services are suitable for the Client's purpose. The provision of inaccurate or incomplete information by the Client may affect the suitability of any recommendations made by the Client in relation to the investments and Services.

**3.2.** The Client also undertakes to provide all documents required by the Bank under prevailing laws and regulations in relation to the investments and Services and the Client agrees and acknowledges that he made all necessary enquiries and the Bank has informed him of all risks involved in respect of the investments and Services and that it is the Client's responsibility to ensure that the products selected are suitable for the Client's purpose.

## 4. Set-off and lien

**4.1.** If any of the liabilities of the Client to the Bank remain outstanding after they have become due and payable (whether such liabilities be actual or contingent, joint or several or otherwise):

- a) the Bank may, at any time, without prior notice to the Client, combine or consolidate any or all of the Accounts (whether or not the same reflects a debt or a credit) in any currency to which the Client is entitled (whether beneficially or otherwise) and set off any sum or sums standing from time to time to the credit of any one or more of such Accounts or apply any credit balance (whether or not then due) in any currency to which the Client is entitled on any Account (whether current, savings, time, call or deposit account) with the Bank and/or its affiliates in or towards settlement. For this purpose, the Bank is authorised to convert all or any part of such credit balance to such other currencies at the applicable exchange rate determined by the Bank (which determination shall be conclusive and binding on the Client) as may be necessary to effect such application with such credit balance;
- b) the Bank shall have a lien over all property of the Client coming into possession or control of the Bank and/or its affiliates, for custody or any other reason and whether or not in the ordinary course of banking business, with power to sell any such property in or towards settlement; and



c) all credit balances (whether or not then due) in any currency to which the Client is entitled on any Account (whether current, savings, time, call or deposit account) with any Bank and/or its affiliates shall automatically stand as security to the Bank for settlement of such liabilities.

### 5. Power of disposition

**5.1.** The Bank shall be entitled to rely on Instructions given by the Client's Authorised Person(s), authorised signatories or any other authorised representatives or agents as communicated to the Bank unless and until written notice of revocation of such authority is received by the Bank.

### 6. Instructions, signatures and identity

**6.1.** Although the Bank undertakes to exercise reasonable care in examining the signatures on the documents it receives against those of the Client's Authorised Person(s), authorised signatories or any other authorised representatives or agents, as found in the Bank's records, the Bank shall not be under any obligation to authenticate any such Instructions or to verify the identity of any Person giving such Instructions. The Client confirms that he shall not have any claim against the Bank in respect of any losses or damages suffered by the Client as a result of false, forged, altered or otherwise unauthorised Instructions or documents received by the Bank.

**6.2.** The Bank shall be entitled (but not obliged) to require that any oral (including telephone), facsimile or e-mail instruction must contain such identifying code or test as the Bank may from time to time specify. The Client shall be responsible for any improper or unauthorised use of any such code or test.

**6.3.** Regardless of whether the Client has authorised Instructions to be given orally (including by telephone) or by facsimile, e-mail or other medium, in the event that the Client's Authorised Person(s), authorised signatories or any other authorised representatives or agents proceed to give Instructions in such a manner, the terms and conditions in Part IV of the Agreement shall be applicable.

### 7. Confirmation / records of oral Instructions

**7.1.** The Client shall confirm all oral Instructions to the Bank on the same day that they are given to the Bank by a written confirmation of such Instructions in the form of letter, e-mail or facsimile signed or sent (as the case may be) by the Client or Authorised Person. The Bank may (but shall not be under any obligation to) notify the Client of any discrepancy between the Instructions given to it orally (including by telephone) and the written confirmation from the Client or Authorised Person. Failure by the Client to

give such written confirmation (or procure such written Instructions to be given) in respect of any oral instruction received by the Bank from the Client shall not invalidate any action taken by the Bank pursuant to such oral instruction.

**7.2.** The Bank may, at its absolute discretion, record oral Instructions by writing or tape recording or any other method, or combination thereof, as deemed appropriate by the Bank. Such record(s) shall be conclusive and binding on the Client and may be used as evidence of the oral instruction so recorded. Subject to this, the Client further agrees that a note made by any of the Bank's officers (or officers of the Bank's affiliates) of any oral instruction shall be conclusive and binding evidence of such oral instruction, provided always that the Bank shall not be obliged to cause any of its officers or the officers of its affiliates to make any note of any oral instruction and the failure to make any such note shall not in any way affect the authorisation herein contained or prejudice the rights of the Bank under this Agreement.

### 8. Statements / contract notes

**8.1.** The contract notes, statements, transaction advice and other documents sent will be at the risk and expense of the Client and will be sent to the last mailing address indicated by the Client to the Bank.

**8.2.** In the case of contract notes and transaction advice, such contract notes or advice provided by the Bank to the Client shall be deemed to have been approved by the Client if no written objection is received within forty-eight (48) hours (or such shorter time as maybe specified by the Bank), regardless of whether the Client is required to acknowledge, execute or sign on such contract notes or advice, and the Client shall be deemed to have waived any right to raise objections or pursue any remedies against the Bank in respect thereof.

**8.3.** In the case of statements or other documents (save for contract notes and transaction advice) such statements or documents provided by the Bank to the Client shall be deemed to have been approved by the Client if no written objection is received within thirty (30) days of delivery of such statements to the Client, regardless of whether the Client is required to acknowledge, execute or sign on such statements, and the Client shall be deemed to have waived any right to raise objections or pursue any remedies against the Bank in respect thereof.

## 9. Complaints

**9.1.** Complaints by a Client relating to the execution or non-execution of Instructions of any kind must be lodged forthwith upon the Client receiving notice of the matter for complaint (and at least within the particular period specified by the Bank). If the Bank fails to send a notice to the Client which the Client expects to receive, the Client shall be deemed to have received notice of the matter for complaint as if he had received the notice by ordinary mail. Any damage or loss arising from delay in making a complaint shall be borne by the Client.

## 10. Limitation on authority

**10.1.** The Client agrees that the Bank's agents, employees or servants shall not have any authority to bind the Bank to any obligations or liabilities as otherwise expressly provided in this Agreement.

## 11. Notices and communications

**11.1.** All notices and communication between the Bank and the Client shall be in writing (including e-mail), save where the Client has acknowledged and consented to the giving of Instructions orally in person or by telephone pursuant to section 4 of the Application Form, Part IV of this Agreement, and other relevant provisions thereof regarding oral Instructions.

**11.2.** Unless expressly provided otherwise in the Agreement, any notice to be given under the Agreement shall be delivered by hand or courier, or sent by prepaid post (if to an address within Singapore) or by airmail (if to an address not in Singapore) to the address of the recipient or sent by facsimile transmission in accordance with such facsimile number as specified in the Agreement (or to such other address or number as the addressee may have specified in writing at least five (5) Business Days prior to the sending of such notice). A notice shall be deemed to have been delivered:

- a) if delivered by hand or courier, when delivered;
- b) if served by prepaid post on an addressee, on the fifth (5th) Business Day after posting;
- c) if served by airmail on an addressee, on the tenth (10th) Business Day after posting;
- d) if sent by facsimile transmission, in the absence of proof of earlier receipt, at the time of transmission (save that if the transmission occurs after 6 p.m. on a Business Day or on a day other than a Business Day the notice, demand or other communication will be deemed to have been served at 8.30 a.m. on the next Business Day following transmission); or
- e) if sent by e-mail, on the date it is actually received by the Bank or, where such e-mail is sent by the Bank, at the time the e-mail was sent.

**11.3.** The Client consents to the Bank providing him from time to time with information on any Services and/or products (including research publications) of the Bank and/or the Bank's counterparties which, in the Bank's opinion, may meet the Client's interest and/or Investment Objectives. Such information may be communicated to the Client via post, e-mail, SMS, facsimile, telephone call or any form of electronic communication over any devices, media or channels and in any manner as the Bank may deem appropriate.

**11.4.** The Client acknowledges that the Bank is only a channel of communication in respect of such communications and notices, and the Client agrees that the Bank is not liable to him in relation to any costs, expenses, damages or losses that the Client may suffer or incur, including any direct, indirect, consequential or special loss, as a result of any decision or action that the Client may take upon receipt of such notification.

## 12. Errors in transmission

**12.1.** The Client confirms that he shall not have any claim against the Bank in respect of any losses or damages suffered by the Client arising from the use of postal services, facsimile, telephone, e-mail or any other means of communication, including, but not limited to, loss or delay of the delivery of documents or Instructions, misunderstandings or mutilation of documents.

**12.2.** The Client acknowledges that he is aware of all risks and damages which could result or arise from the use of postal services, facsimile, telephone, e-mail and other acceptable forms of communication with the Bank and hereby agrees to bear all of such risks. Such risks, include, without limitation, those resulting from errors in transmission, technical defect, power failure, fraud, forgery, illegality, misunderstanding, unintended disclosure or unauthorised interception or manipulation by third parties.

**12.3.** The Client acknowledges that e-mail is not secure and any communications or Instructions sent via e-mail may be subject to an event which may include, without limitation, unauthorised computer users seeking to gain access to the computer systems of the Bank or the Client, computer viruses which may infiltrate the system of the Bank or the Client, the distribution of any materials beyond the intended recipients, access to information in transit between the Bank and the Client by Persons other than the Bank or the Client or failure to deliver materials on a timely basis. Unless the Bank has acted with gross negligence, wilful misconduct or fraud, the Client shall bear fully the consequences of any miscommunication, breakdown in communication, unauthorised entry into e-mail or electronic post boxes, delay, forgery, mutilation or duplication in connection with the use of e-mail, internet or other means of communication in relation to communications between the Bank and the Client.

### 13. General exclusion of liability of the Bank

**13.1.** Neither the Bank nor any of the Bank's Related Corporations, affiliates, associates, nominees or agents or any director, officer, employee or agent of any of the foregoing shall be liable for any losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands or for any diminution of the value of or loss or damage to any property or security under the Account or in respect of the Services or for any loss opportunity whereby the value of the same could have been increased or otherwise in connection therewith or for the acts of any broker, custodian, nominee or correspondent appointed by the Bank in good faith, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud. The Bank, its Related Corporations, affiliates, associates, nominees and agents and every director, officer, employee or agent of any of the foregoing shall be entitled to every exemption from liability, every defence and every indemnity to which the Bank is entitled and for the purposes thereof, the Bank is and shall be deemed to be acting as agent on behalf and for the benefit of such entities and Persons. Without limiting the generality of the foregoing, the Bank, its directors, officers, employees or agents shall not have any liability to the Client or any other Person (save for gross negligence, wilful misconduct or fraud on the part of the Bank), in respect of the following situations:

- a) acting upon any signature, Instructions, notice, resolution, request or certificate (whether orally or in writing), believed to have been properly given by the Client's Authorised Person(s), authorised signatories or any other authorised representatives or agents;
- b) in the event of failure or delay in executing the Client's Instructions by the Bank;
- c) any losses, costs, damages or expenses or inconvenience which may result from the exercise or non-exercise of any of the powers, authorities or discretions rested in the Bank; or
- d) any defect or failure in the right or title of the Client to the Assets, any liability to tax or charges payable in connection with the Assets or exercise or non-exercise of any voting or similar rights relating to the Securities.

### 14. Interest, commission and fees

**14.1.** The Bank shall be entitled, at its absolute discretion, to credit and debit interests, commissions, fees, taxes and/or any other charges, as it deems fit, as well as to adjust the rate of interest, commission and fees at any time. The Client shall be informed of such credit, debit and/or adjustment in writing by the Bank. The Bank shall also be entitled to impose special charges on the Client for any extraordinary Services and/or work performed. The Client shall bear all disbursements and expenses of any nature incurred by the Bank on behalf of the Client.

**14.2.** The Client also agrees to pay all costs and expenses (including, but not limited to, legal fees) incurred by the Bank for the enforcement of its rights under the terms and conditions contained in this Part I of the Agreement or any other related agreement/document executed by the Client for the provision of Services by the Bank. The Client shall also bear all taxes and/or duties in respect of such costs and expenses and shall indemnify the Bank in respect of the same.

**14.3.** All payments made by the Client to the Bank shall be made without any set-off or counterclaim and free of withholding of any kind, save for those required under any applicable law, in which case the Client shall make an additional payment so that the Bank will receive the full amount due as if no withholding had been made.

**14.4.** In the event that the Client makes any payment to the Bank in a currency other than those specified by the Bank in respect of the Services, the Client shall indemnify the Bank against all losses as a result of such payment, including, but not limited to, fluctuations in rates of exchange.

### 15. Indemnity

**15.1.** The Client shall fully indemnify and keep indemnified the Bank, its Related Corporations, affiliates, associates, custodians, nominees and agents and every director, officer, employee or agent of any of the foregoing against any and all losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands which may be brought against any of them or which any of them may suffer or incur in connection with the Account, the Services or any Instructions, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud.

**15.2.** The Client acknowledges and confirms that the Bank shall be entitled and is authorised to have recourse to any Assets or funds which it may hold or have under its control for the account of the Client, and, notwithstanding any other provision of the Agreement, to deduct or retain from or out of any such Assets or funds as the Bank at its absolute discretion considers necessary to ensure that it continues to hold or have under its control Assets or funds of which the aggregate value is not less than what it considers to be the amount of all liabilities, obligations, losses, damages, taxes, duties, claims, penalties, costs, expenses and disbursements of any kind or nature whatsoever which have been or may be imposed on or incurred by or asserted against the Bank or any of its directors, officers and employees.

**15.3.** The foregoing indemnities shall be in addition to and without prejudice to any indemnity allowed by law.

## 16. Pledge and hypothecation

**16.1.** As a continuing security for the payment and discharge of all indebtedness and other obligations from time to time owing by the Client to the Bank, the Client hereby agrees that to the extent permitted by law, the Bank shall have a pledge over:

- a) all Assets which are now in or which shall be delivered by the Client (or his Authorised Persons, or his other authorised representatives or agents) or by any Person for the Client's account into the possession of the Bank, its Related Corporations and/or affiliates; and
- b) all drafts, bills of exchange, promissory notes, cheques and negotiation instruments and all other documents evidencing title or otherwise relating to the Assets which are now or which shall be deposited with the Bank, its Related Corporations and/or affiliates by the Client (or his Authorised Persons, or his other authorised representatives or agents) or by any Person for the Client's account into the possession of the Bank, its Related Corporations and/or affiliates.

**16.2.** The Client also agrees that all drafts, bills of exchange, cheques, promissory notes or other negotiable instruments drawn, accepted or endorsed, shipping or transport documents, bills of lading, delivery orders and other documents representing or relating to the Assets which the Bank may make advances or provide other accommodation to the Client shall be held by the Bank as continuing security for payment and discharge of the same (subject to prevailing laws and regulations).

**16.3.** All documents of title and other documents relating to the Assets shall be deposited or transferred by the Client to the Bank or otherwise placed at the Bank's order or at its disposal or under its control.

**16.4.** The Client warrants and undertakes that no Assets or documents pledged or hypothecated to the Bank, its Related Corporations and/or its affiliates are or shall be subject to any lien or charge in favour of any other Person.

**16.5.** For Securities deposited by the Client with the Bank other than as collateral for financial accommodation, the Client authorises the Bank to dispose of such Securities in settlement of the Client's liability to the Bank for the Client's dealings in Securities which remains after the Bank has disposed of all other Assets designated as collateral for securing the settlement of that liability or financial accommodation provided by the Bank to the Client which remains after the disposal of all other Assets designated as collateral for the purpose of securing the settlement of that liability.

**16.6.** For Securities deposited by the Client with the Bank as collateral for financial accommodation, the Client authorises the Bank to dispose of such Securities in settlement of the Client's obligation to maintain his agreed-upon level of margin, the Client's liability to repay

or discharge such financial accommodation, the Client's liability to settle a transaction in Securities against which such collateral was provided for and/or the Client's liability owed to the Bank for dealings in Securities which remain after the Bank has disposed of all other Assets designated as collateral for this purpose.

## 17. Personal Data and disclosure

**17.1.** The Client may, from time to time, be required to provide the Bank with information to establish the true and full identity of the Client and of his financial situation and objectives. The Client may also, from time to time, provide the Bank and/or its affiliates with information in relation to the Agreement, Account or the provision of Services. Failure to supply such information may result in the Bank's ability to carry out the Services being hindered.

**17.2.** The Bank and/or its affiliates agree to keep confidential all information relating to the Client (subject to disclosure permitted or required under the applicable law), the Account and the Services, but the Client agrees that the Bank and/or its affiliates may disclose such information:

- a) to the following:
  - the Bank's Related Corporations (including parent company, other branches or subsidiaries), affiliates, and/or associates for internal use;
  - agents and brokers which the Bank appoints or instructs for and on the Client's behalf and to any exchange, market or clearing house to the extent that the information disclosed is necessary for such agents or brokers or for such exchange, market or clearing house to carry out their duties or for the Bank to effect the Instructions;
  - any agent, contractor or third party that provides Services to the Bank in relation to the Services or the Bank's business and/or any of its affiliates including any Third Party Service Providers;
  - any Person under a similar duty of confidentiality to the Bank and/or its affiliates;
  - any other financial institution or intermediary with which the Client has dealings including any Third Party Service Providers;
  - any assignee or transferee of the Bank or participant or sub-participant of the Bank's rights in relation to the Client;
  - any other Person as may be required in order for the Bank to comply with any applicable laws, regulatory requirements, orders of court or tribunal, codes or guidelines and requests or requirements (whether or not having the force of law) of any competent government, quasi-government or regulatory, fiscal or monetary authority and other authorities, bodies or Persons; and
  - to the auditors and legal and other professional advisers of the Bank; and

b) under the following circumstances:

- if such disclosure is required for the provision of Services to the Client, including the information required to be disclosed for the purpose of Clause 18 below and, if applicable, Clause 16 of the Memorandum of Charge;
- if such disclosure is required or requested by any relevant governmental or regulatory authority, agency, department or body, regardless of jurisdiction; and
- if such disclosure is permitted pursuant to the Banking Regulations (Chapter 19) of Singapore or any other applicable law.

**17.3.** The Client acknowledges that the provision of such information to the Persons set out in Clause 17.2.(a) or under the circumstances set out in Clause 17.2.(b) are authorised by the Client, and neither the Client nor his affiliates shall have any claim against the Bank for the provision of such information.

**17.4.** The Client also undertakes to provide such information as may be requested by the Bank in order for the Bank to meet its disclosure requirements under any applicable law, regulation, request or requirement (whether or not having the force of law) of any competent government or other authority.

**17.5.**

- a) The Client acknowledges that the Bank will collect, use, disclose and/or process the Client's Personal Data, including, without limitation, details about him, his transactions, his financial conditions and his Account/facilities information. The Client agrees to supply the Bank with his Personal Data, including updates from time to time; failure to do so may/would result in the Bank being unable to process and provide the Client with the Bank's Services, and depending on the circumstances and the nature/extent, it may result in the termination of the Bank's relationship with the Client.
- b) The Client confirms that his Personal Data provided to the Bank by him and/or by any Person validly acting on his behalf are and were at all times given voluntarily, accurately and in full.
- c) The Bank shall take reasonable security arrangements to protect the Client's Personal Data in its possession or under its control.
- d) The Bank shall cease to retain its documents containing the Client's Personal Data or remove the means by which the Client's Personal Data can be associated with the Client as soon as the Bank deems reasonable to assume that the Purposes (specified in clause 17.6.) for which the Client's Personal Data was collected are no longer being served by retention of the Client's Personal Data prescribed in the PDPA and where retention is no longer necessary for legal or business purposes.

**17.6.** The Client agrees and consents that the Bank, its employees and agents and such parties deemed necessary by the Bank may collect, use, disclose and/or process the Client's Personal Data for the following purposes, including, without limitation:

- a) processing the Client's enquiries and applications for Account opening, credit, Services and products by the Bank, as well as Services and products by other external providers provided through the Bank;
- b) providing the Client with the Services and products of the Bank;
- c) marketing the Bank's Services;
- d) administering and/or managing the Client's relationship and/or Account(s) with the Bank;
- e) carrying out the Client's Instructions or responding to any enquiry purporting to be given by the Client or on his behalf;
- f) carrying out due diligence or other screening activities (including background checks) in accordance with legal or regulatory obligations or risk management procedures that may be required by law or that may have been put in place by the Bank;
- g) dealing in any matters relating to the Services and/or products which the Client is entitled to (including, without limitation, the printing of credit cards and the printing and mailing of correspondence, statements, invoices, confirmations, advices, information, reports or notices to the Client, which could involve disclosure of the Client's Personal Data to bring about delivery of the same as well as on the external cover of envelopes/mail packages);
- h) recovering any and all amounts owed to the Bank;
- i) processing, reviewing and approving credit (if applicable) and approving the Account(s), and conducting initial and anticipatory credit checks and assessments, relevant checks, ongoing assessment and verification of ongoing creditworthiness and standing;
- j) preventing, detecting and investigating fraud, misconduct, any unlawful action or omission, whether relating to the Client's application or any other matter relating to the Client's Account(s), and whether or not there is any suspicion of the aforementioned;
- k) managing the Bank's infrastructure and business operations, and complying with policies and procedures that may be required by law or that may have been put in place by the Bank, including those relating to auditing, finance and accounting, billing and collections, IT systems, data and website hosting, training, testing, business continuity, and records, document and print management;
- l) assessing the Client's creditworthiness from time to time as the Bank deems fit and obtaining information relating to the Client from any credit bureau;



- m) observing any legal, regulatory or other requirements to which the Client, the Bank or any of the other members of the Bank's Group may be subject;
- n) outsourcing individual areas of business or parts thereof to third parties (including subsidiaries, holding companies, associated companies or affiliates of the Bank); and
- o) all other incidental and associated purposes relating to the above.

(Collectively referred to as "Purposes".)

**17.7.** In carrying out one or more of the Purposes, the Client agrees and consents that the Bank may need to disclose the Client's Personal Data to such third parties enumerated in Clauses 17.2.(a), whether located within or outside Singapore, and that such third parties would then be processing the Client's Personal Data for one or more of the Purposes.

**17.8.** If the Client does not wish for the Bank to use his Personal Data or disclose his Personal Data for any of the above Purposes, the Client may withdraw his consent at any time by written notice to the Bank, pursuant to the PDPA. However, depending on the circumstances and the nature/extent of the Client's withdrawal, his withdrawal of consent may result in the Bank's inability to provide him with the Bank's Services and products and may result in the termination of his relationship and/or Account(s) with the Bank or other consequences of a legal nature which may arise by virtue of his legal relationship with the Bank.

**17.9.**

- a) Subject to Section 21(2-4) of the PDPA, the Bank shall, as soon as reasonably possible, provide the Client with his Personal Data that is in the Bank's possession or under the control of the Bank upon the Client's written request directed to the Bank's Data Protection Officer.
- b) Subject to Section 22(2) of the PDPA, the Client may request in writing the correction of an error or omission in his Personal Data that is in the Bank's possession or under the control of the Bank. The Client shall direct his written request to the Bank's Data Protection Officer. Upon the correction of the Client's Personal Data, the Client consents to the Bank forwarding his corrected Personal Data to the Bank's corporate group and other external providers provided through the Bank.

**17.10.** The Client agrees that where his written permission is required by law or otherwise for any such disclosure by the Bank, the signing of his application form(s), Account opening document(s) and such other modes of consent notification by the Client shall constitute and be deemed to be sufficient written permission for such disclosure by the Bank.

**17.11.** In addition to the rights of the Bank specified in this Clause 17, the Client irrevocably and unconditionally consents for the Bank and any officer (as defined in the Banking Act [Chapter 19]) of the Bank to disclose any client information (as defined in the Banking Act [Chapter 19]) or any other information whatsoever relating to the Client and the Client's Personal Data as the Bank shall consider appropriate to any Person to whom disclosure is permitted or required by any statutory provision or law or other Person, wherever situate, for any purpose whatsoever; and it is hereby agreed that the Bank and any officer of the Bank may disclose the foregoing information to the fullest extent permitted by the Banking Act (Chapter 19), the PDPA and any other statutory provision or law. The rights conferred on the Bank herein shall be in addition to and shall not be in any way prejudiced or affected by any other agreement, expressed or implied, between the Client and the Bank in relation to any information referred to herein, nor shall any such other agreement be in any way prejudiced or affected by any provision herein.

**18. Wire transfers**

**18.1.** For the avoidance of doubt, the Client acknowledges and agrees that, pursuant to its obligations under the Prevention of Money Laundering and Countering the Financing of Terrorism Notice (MAS Notice 1014) and other applicable laws relating to wire transfers, the Bank may disclose all or any of the following information, at its sole discretion, from time to time:

- a) Client's name;
- b) Client's date and place of birth;
- c) Client's mailing address; and
- d) where the Client is a corporation or entity, the corporation's or entity's registered address.

**18.2.** By initiating a wire transfer, the Client acknowledges that he shall be deemed to have consented to the Bank's and/or its affiliates' inclusion of the relevant information referred to in Clause 18.1. in the wire transfer message.

**19. Modifications**

**19.1.** The Bank shall be entitled to amend the terms and conditions in the Agreement at any time and the Bank shall notify the Client in writing of such amendments. The amendments shall take effect upon the expiry of ten (10) Business Days of receipt of such notice by the Client.

**19.2.** You may also be required, and shall agree, to execute additional documents in relation to the Agreement, including, but not limited to, Account opening forms for specific Services, corporate resolutions and other agreements.

## 20. Sale and disposal of Securities

**20.1.** The Client acknowledges and confirms that the Bank, at its absolute discretion, shall be entitled to a) withdraw any of the Securities from an Account, to sell the Securities or settle a sale order, on behalf of the Client in the performance of asset management functions and b) dispose or initiate a disposal by a Related Corporation and/or its affiliates of any Securities in settlement of any liability owed by the Client to the Bank and/or its affiliates and/or to a third party.

## 21. Standing authority

**21.1.** Unless specified otherwise in the Application Form, the Client hereby appoints and authorises the Bank to provide the Discretionary Investment Services as defined in Clause 1.1.(a) of Part III of the Agreement as may be amended from time to time.

**21.2.** The Client acknowledges and agrees that the authority given under this Clause 21 will be effective for a period of up to twelve (12) months and may be renewed in accordance with the applicable laws and regulations unless the Client gives notification to the contrary.

**21.3.** Notwithstanding Clause 22.3., the Client may revoke the authority given under this Clause at any time by giving not less than thirty (30) days' written notice to the Bank.

## 22. Termination

**22.1.** The Bank shall, at its absolute discretion, terminate any agreement or relationship with the Client at any time and, upon such termination, all claims of the Bank against the Client shall fall due immediately for repayment.

**22.2.** The Client may terminate the Agreement by giving not less than thirty (30) days' notice to the Bank.

**22.3.** Any termination of the Agreement shall be without prejudice to the Bank's right to settle any transactions entered into or to settle any liability incurred by the Client under the Agreement or by the Bank on the Client's behalf prior to such termination.

## 23. Conflict of interests

**23.1.** The Bank may (without the prior consent from the Client) effect transactions for or on behalf of the Client through the agency of and/or with a counterparty which is related to the Bank whether directly or indirectly or through or with another Client of the Bank even if a conflict of interest may arise. The Bank may also (without the prior consent from the Client) effect transactions for or on behalf of the Client in which the Bank has a direct or indirect interest (whether material or not).

**23.2.** Subject to the Bank taking reasonable care to ascertain the terms are the best in the market at the relevant time, the Bank, its Related Corporations and/or affiliates may at any time have an interest in a transaction, including, but not limited to, a) acting as agent for another party, b) acting in principal in selling its own property, c) receiving and retaining commission from other parties to a transaction, d) executing a transaction with prior knowledge of other related transactions, e) being a holder, dealer or market-maker in Securities or other investments purchased or sold by the Client or e) otherwise participating or having an interest in an issue or issue of Securities.

## 24. Undertakings

**24.1.** Notwithstanding anything in this Agreement, the Client undertakes:

- a) to pay on demand to the Bank the balance which in any manner whatsoever shall for the time being be owing in respect of money advanced or paid to the Client or for the Client's use or charge incurred on any Account either actually or contingently or in respect of negotiable instruments drawn, accepted or endorsed by or on the Client's behalf and discounted or paid or held by the Bank either at the Client's request or in the course of business or otherwise or in respect of monies which the Client shall become liable to pay to the Bank in any manner whatsoever;
- b) to comply, at the Client's own cost, with all laws and government regulations required for all transactions contemplated under the Agreement whether in Singapore or elsewhere; and
- c) to notify the Bank in writing of any change in the Client's particulars (including, without limitation, the Client's address and telephone and facsimile number and the Client's specified e-mail address) (if any).

## 25. No assignment by the Client

**25.1.** The Agreement and Account(s) and the Client's obligations in respect thereof are Personal to the Client and cannot be assigned or transferred in any way by the Client.

## 26. Legal and tax implications

**26.1.** The Client will inform himself and, if necessary, consult his own professional advisers as to the relevant legal, tax and exchange control regulations in force in the countries of his citizenship or incorporation, residence or domicile.

**26.2.** Where the Bank supplies information prepared by others, or obtained from a source outside the Bank, it may not be complete or accurate and the Bank will not verify the information, nor attest to it unless stated otherwise.

**26.3.** The Bank does not provide any tax or legal advice to the Client but may, in performing the Services, take into account external legal and tax advice it obtains for this purpose and, in providing the Services to the Client, the Bank relies on external tax and legal advice but, to the extent permitted by law, accepts no responsibility for this advice.

**26.4.** The Bank shall be entitled to rely on and act in accordance with all legislation and any guidelines, codes or other information applicable to it, including that published by the Monetary Authority of Singapore to the extent applicable to the Bank and the Bank shall not incur any liability to the Client as a result of so relying or acting.

**26.5.** The Bank agrees that nothing in the Agreement shall exempt, limit or exclude the Bank from acting in compliance with any applicable guidelines in carrying out its obligations under the Agreement. To the extent that any provision of the Agreement is inconsistent with the requirements of any applicable laws, guidelines, codes or other information applicable to it, including that published by the Monetary Authority of Singapore, the requirements of the relevant applicable requirements shall prevail over the Agreement.

### **27. No waiver**

**27.1.** A party does not waive a right, power or remedy if it fails to exercise or delay in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

### **28. Severability / incapacity to act**

**28.1.** Each of the provisions of the Agreement is severable and distinct from the others and, if at any time any one or more of such provisions is or becomes illegal, unenforceable or invalid, the legality, enforceability and validity of the remaining provisions shall not be affected or impaired thereby.

**28.2.** The Bank shall not be liable for any losses or damages suffered by the Client arising from the legal incapacity of the Client or any third party, unless the Bank has received prior written notice of such legal incapacity.

### **29. Governing law**

**29.1.** The Agreement and the relationship between the Client and the Bank shall be governed by the laws of the Republic of Singapore. The Client irrevocably submits to the non-exclusive jurisdiction of the courts of the Republic of Singapore but the Bank shall be entitled to commence legal proceedings against the Client in any court of competent jurisdiction.

### **30. Rights of third parties**

**30.1.** Save for the Bank's employees, agents or sub-delegates, a Person who is not a party to the Agreement shall not be entitled to enforce any of its terms under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore.

### **31. Force majeure**

**31.1.** The Bank will not be responsible or liable for any loss or expense suffered or incurred by the Client arising from any delay, failure or inability of the Bank and to disclose any of its obligations in connection with the Account and/ or the Services as a result of any reasons or causes beyond the Bank's control, including, without limitation, any order, law, regulation, directive, levy, tax, embargo, moratorium, exchange restriction or other set of government or other authority, any breakdown or failure of transmission or communication or incomplete facilities, postal or other strikes, closure or suspension of trading on any exchange, board of trade, market or clearing house, any act of God, fire, flood, frost, typhoon, storm, explosion, terrorist attack or other force majeure.

### **32. Miscellaneous**

**32.1.** All benefits, rights and indemnities set out herein for the Bank shall enure to the benefit of the Bank's successors and assigns. The Agreement shall be binding upon the executors, administrators, liquidators and any of the Client's personal representatives.

**32.2.** Where applicable, each joint Client's obligations are joint and several.



## Part II

### Terms and conditions for general banking services

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.

## 1. Account holder / operation of Account by the Bank

**1.1.** The Client confirms and acknowledges that he shall ratify all acts done by the Bank as agent or attorney for and on behalf of the Client in connection with the Services provided by it under the Agreement. The Client also agrees that the Bank and its directors, officers and employees shall not be responsible to the Client or his legal successors in relation to any such action.

**1.2.** The Bank shall be entitled to:

- a) honour and comply with orders to pay and any other documents whatsoever expressed to be drawn, signed, accepted and endorsed or made or given by the Client or on the Client's behalf and presented for payment against any Account, whether or not such Account is in credit or in debit (but always without prejudice to the Bank's right to refuse any unauthorised overdraft); and
- b) honour and comply with all Instructions given in accordance with this Agreement, whether to withdraw monies from any Account, to deliver, dispose of or deal with any Securities, Assets, deeds or documents or other property whatsoever from time to time in the Bank's possession for the account of the Client whether by way of security or safe custody or otherwise, but in each case, without prejudice to the Bank's right of security therein or set off against the same.

**1.3.** The Client confirms that he has the legal capacity to enter into the Agreement and/or give Instructions to the Bank from time to time and, in the event the Client loses such legal capacity, that the Bank shall be immediately informed upon the occurrence of such an event.

**1.4.** Notwithstanding anything in this Agreement, the Bank shall, at its absolute discretion, have the right to terminate the Agreement forthwith if the Bank is of the view that the Client has not fully complied with the Bank's Account opening criteria and/or met the Bank's Account opening criteria (as the Bank shall set from time to time), including, but not limited to, the Bank's know-your-client requirements.

**1.5.** Unless otherwise agreed by the Bank, the Client may not draw against any deposit made to any Account by way of cheques or any other instrument (whether drawn on the Bank or sent for collection) until the actual proceeds thereof have been received by the Bank.

## 2. Instructions and notices

**2.1.** The Bank is authorised to act on Instructions given by the Client, the Authorised Person(s) or such other authorised agents or representatives of the Client. The Client agrees to ratify all acts done by such Persons in the exercise or purported exercise of their powers, discretion and authority. Until receipt by the Bank from the Client of any written notification of the revocation of appointment of any Authorised Person(s), the Bank shall be entitled to act on the Instructions of such Authorised Person(s).

**2.2.** The Client shall be bound by all Instructions and notices signed or given by, or purporting to be signed or given by, him and by all Instructions given orally (including by telephone), e-mail or facsimile (if applicable) to the Bank quoting the relevant Account number(s).

**2.3.** Although the Bank undertakes to exercise reasonable care in examining the signatures on the documents it receives against those of the Client's Authorised Person(s), authorised signatories or any other authorised representatives or agents, as found in the Bank's records, the Bank shall not be under any obligation to authenticate any such Instructions or to verify the identity of any Person giving such Instructions. The Client confirms that he shall not have any claim against the Bank in respect of any losses or damage suffered by the Client as a result of false, forged, altered or otherwise unauthorised Instructions or documents received by the Bank.

**2.4.** The Bank shall be entitled (but not obliged) to require that any oral (including telephone), facsimile or e-mail Instruction must contain such identifying code or test as the Bank may from time to time specify. The Client shall be responsible for any improper or unauthorised use of any such code or test.

**2.5.** The Bank shall be entitled, at its absolute discretion, to refuse to comply with the Client's Instructions (or such part thereof) as the Bank may deem appropriate. Without prejudice to the generality of the foregoing, the Bank may refuse to act a) if the Instructions are unclear, b) if the Bank receives conflicting Instructions or if compliance would contravene any applicable law or regulation of any jurisdiction, c) if the Bank's internal procedure, guidelines, rules, or policies prohibit or d) if the Bank believes, in good faith, that Instructions are fraudulent, forged or unauthorised. The Client acknowledges that the Bank shall have no liability to the Client whatsoever for such refusal to comply.

**2.6.** If the Bank is of the reasonable opinion that it shall be necessary to carry out or cease any action at a time when the Bank is of the reasonable view that Instructions from the Client would be impossible or impractical to receive, then the Bank shall be entitled to carry out or cease such action at its absolute discretion and the Client acknowledges that the Bank shall have no liability to the Client whatsoever in this regard.

**2.7.** If the Client, the Authorised Person(s) or any other authorised representative or agent gives several Instructions, the total amount of which exceeds the Client's credit balance or the facilities granted by him, the Bank shall be entitled to carry out any of the Instructions, in whole or in part, and in any order, irrespective of the date they bear or the date of their receipt by the Bank.

**2.8.** Any standing Instructions in respect of the operation of any Account or in respect of the provision of any Services shall cease to have any effect upon the Bank receiving actual notice of the death, incapacity or liquidation of the Client.

**2.9.** The Bank may treat all Instructions given as fully authorised and binding on the Client regardless of the circumstances prevailing at the time of the Instructions being given or the nature or amount of the transaction, notwithstanding any error, misunderstanding, lack of clarity, errors in transmission, fraud, forgery, lack of authority in relation to the Instructions, as long as the Bank discharges its obligations in this regard as set out in this Agreement. The Client acknowledges and agrees that the Client is under an express duty to the Bank to prevent any fraudulent, forged or unauthorised Instructions being given.

### 3. Withdrawals and deposits

**3.1.** Deposits and withdrawals can be made by the Client in such manner as the Bank may prescribe from time to time. Notwithstanding the foregoing, the Bank may, at its absolute discretion, at any time, without liability or disclosing any reason to the Client, refuse to accept any deposit for or, as the case may be, allow any withdrawal from any Account, limit the amount that may be deposited or, as the case may be, withdraw or return all or any part of the deposit.

**3.2.** Cash deposits which are not verified immediately are subject to count by the Bank. In the event that the amount on the deposit ticket or receipt ticket differs from that of the Bank's cash count, the Bank's count shall be final and conclusive. Receipts for deposits and deposit slips are not valid receipts unless they are validated by the Bank's machine stamp or computer terminal or signed by the Bank's authorised signatory.

**3.3.** The Client shall only be entitled to draw on any Account with a credit balance or with pre-approved facilities granted by the Bank to the Client (subject to the Bank's pre-approved limit) at the Bank, and shall not be entitled to draw on any other office or branch, Related Corporation and/or affiliate of the Bank. Unless otherwise agreed by the Bank, no deposit in any currency into any Account, howsoever made, shall be available for withdrawal until the Bank has received actual payments of funds into such Account. Where the Client has drawn on any deposit in any

Account when no actual payment has been received by the Bank, the Client authorises the Bank to reverse the credit entries and to take any other necessary steps without further notice to the Client and any such reversal of entries and such other action taken by the Bank shall be binding on the Client.

**3.4.** Withdrawal from any Account shall be made only by the Bank's drafts, cheques or telegraphic transfers in the currency of that Account.

**3.5.** The Bank's assets corresponding to the Client's credits in any foreign currency may be deposited with correspondents established either in the country of origin of the relevant currency or in another country. The Client shall bear, in proportion to his interest, all the economic and legal consequences which may affect all or any of the Bank's assets in the country of origin of the relevant currency or in another country where the funds are invested resulting from measures adopted by these countries or by other countries or from any event beyond the reasonable control of the Bank, including events of force majeure, exchange controls, moratorium, insurrection, war, acts of terrorism or other acts beyond the Bank's control.

**3.6.** The Bank shall validly fulfil its obligations arising from the Account(s) in foreign currencies by crediting or debiting accounts held with the Bank, a correspondent bank or a bank named by the Client. The Client shall bear the risk of insolvency of any such bank named by him.

### 4. All transactions subject to applicable laws

**4.1.** All transactions effected by the Bank pursuant to the Agreement shall be subject to all applicable laws, exchange rules and regulations and custom and usage, as the same may be constituted from time to time, of the place where the transactions are executed. This Clause 4 is solely for the Bank's protection and its failure to comply with any such rules, regulations, custom or usage shall not be a breach of the Agreement and shall not relieve the Client of any of his obligations hereunder or give the Client any claim hereunder. The performance by the Bank of any of its obligations relating to deposits or any other Assets of the Client held by the Bank shall be subject to the laws of the jurisdiction in which the relevant branch or Related Corporation of the Bank holding such deposits or other Assets is situated. Where such local or other applicable laws prohibit or restrict the relevant branch or Related Corporation of the Bank from performing such obligations, the other branches or Related Corporation of the Bank shall not be obliged to perform those obligations and the Client shall have no rights or claims in respect of the Bank, its branches and Related Corporation so being prohibited or restricted in its performance.

**4.2.** The Bank shall be entitled to rely on and act in accordance with all legislations, and any guidelines, codes or other information applicable to it, including, without limitation, that are published by the Monetary Authority of Singapore or the Association of Banks in Singapore, and the Bank shall not incur any liability to the Client as a result of so relying or acting.

**4.3.** To the extent that any provisions of the Agreement are inconsistent with the requirements of the relevant applicable laws, the relevant applicable requirements shall prevail over the Agreement.

### 5. Confirmation from the Bank

**5.1.** Subject to applicable laws and regulations, there shall be no requirement for the Bank to confirm that a transaction has been carried out by the Bank on behalf and for the benefit of the Client, unless the Client has explicitly requested in writing for the Bank to do so in respect of such transaction.

**5.2.** The Bank shall also provide a copy of any particular contract note, advice and/or statement of Account to the Client as soon as reasonably practicable after it receives a request from the Client.

### 6. Authorities and discretions of the Bank

**6.1.** The Client acknowledges and agrees that the Bank shall, as regards all the discretion, power, trust and authority vested in it by the Agreement or by operation of law, have absolute discretion as to the exercise or non-exercise thereof, and the Bank shall not be responsible for any losses, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof, in the absence of any fraud by the Bank.

**6.2.** The Client acknowledges and agrees that the Bank shall be entitled to accept payment of and to receive for its own account any commission, brokerage or discount or rebate of brokerage commission which may be paid in the ordinary course of business of the Bank on or as a result of the sale or purchase of investments or Assets for the account of the Client.

**6.3.** Where it is necessary or desirable for any purpose in connection with the Agreement or the Services or where the Client instructs to convert any sum from one currency to another, it shall (unless otherwise provided) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate(s) of exchange, as may be specified by the Bank at its absolute discretion, and any rate, method and date so specified shall be binding on the Client.

**6.4.** The Client acknowledges and agrees that the Bank may, in the conduct of its functions under the Agreement, instead of acting itself, employ and pay an agent to carry out any transaction or business that is required to be carried out by the Bank (including the receipt and payment of money).

**6.5.** The Client acknowledges and agrees that the Bank may appoint any Person or Persons to be its sub-agent and to delegate to such Person or Persons all or any of the power, authority or discretion vested in it by the Agreement and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Bank may think fit and, provided always that the Bank shall have exercised reasonable care in the selection of such delegate, it shall not be bound to supervise the actions of and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of any such sub-agent or delegate.

**6.6.** The Client acknowledges and agrees that the Bank may, in relation to the Account or in respect of the Services, seek the opinion of any lawyer, valuer, banker, surveyor, broker, auctioneer, accountant or other expert or professional and act on such opinion or other advice or any information obtained from such Persons and shall not be responsible for any loss arising as a result. The Bank may disclose to any such Person such details regarding the Client, his Assets or his Account as may in the opinion of the Bank be necessary for the purpose of obtaining any such opinion, advice or information.

**6.7.** Any Person or company associated with the Bank being a lawyer, broker or other Person engaged in any profession or business, shall be entitled to charge and be paid all usual professional and other charges (including any goods and services tax or similar tax chargeable in respect of such charges) for business transacted and acts done on matters arising in connection with the Account or Assets and also such reasonable charges as may be incurred in addition to disbursements for all other work and business done and all time spent on matters arising in connection with the Agreement and the Bank shall not be responsible for any misconduct on the part of any such Person appointed by it hereunder or be bound to supervise the proceedings or acts of any such Persons.

**6.8.** The Client hereby authorises, acknowledges and agrees that the Bank shall at its absolute discretion have the power and authority to:

- a) open or continue any necessary Accounts in the Client's name and at any time open such further Account(s) of whatever nature in the Client's name as the Client may direct or as the Bank may at its absolute discretion deem fit;

- b) make any documentation in order to comply with any record keeping requirements under any applicable laws, regulations, notices, guidelines or directions and the Client will provide any information or documents necessary for such compliance; and
- c) do any other act required by any applicable laws, regulations, notices, guidelines or directions.

**6.9.** The Client acknowledges and agrees that the Bank shall be entitled to destroy or dispose of all registers, statements and other records and documents relating to the Account or the Agreement at any time after the expiration of any period of retention required by applicable law. The Bank shall not be liable in any way for such destruction or disposal, provided that:

- a) the provisions of this subclause shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant; and
- b) nothing in this subclause shall be construed as imposing upon the Bank any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions in Clause 6.9.(a) above are not fulfilled.

**6.10.** The Client acknowledges and agrees that the Bank shall have the right (but not the obligation) to transfer any Assets held in the Account or by nominees on behalf of the Client whenever in the judgement of the Bank such a transfer is necessary or desirable for the protection of the Bank or the Client or is otherwise expedient.

**6.11.** The Client acknowledges and agrees that the Bank may act as trustee or agent or in any other capacity for any other Person, firm or company whatsoever and may contract or enter into any financial, banking or other transaction with, or be interested in any such contract or transaction with, any other Person, firm or company and shall not be in any way liable to account to the Client for any profit or benefit made or derived thereby or in connection therewith.

**6.12.** The Client acknowledges and agrees that the Bank or its affiliates may act as principal at any time at its absolute discretion when buying or selling for the account of the Client any security or other property, notwithstanding that it may have been purchased or may subsequently be sold by the Bank or the Bank's affiliate (as the case may be) to such other company at a different price, and may retain any difference, provided that the price at which such security or other property is bought or sold for the account of the Client is the full market price of the security or property concerned.

## 7. The Bank's records

**7.1.** The Client acknowledges and confirms that the records kept by the Bank in respect of the Account and any transactions in relation to the Assets shall be conclusive and binding on the Client as to the amount standing to the debit or credit on the Account, save in the event of manifest error.

**7.2.** The Client shall examine all entries appearing in his statement(s) or advice within thirty (30) days of the date of issue of such statement or advice to the Client and notify the Bank in writing of any errors, irregularities, omissions or unauthorised transactions. Upon the expiration of the relevant time period, it shall be finally and conclusively settled and agreed as between the Bank and the Client that the balance shown in such statement or advice is true and correct, that all amounts charged in the Account are true and correct, that the Client is not entitled to be credited with any amount not shown on such statement and that the Bank is released from all claims by the Client in respect of any and every item in the statement or advice. The provisions of this Clause 7.2. shall be effective and binding on all the Persons comprising the Client (in the event that the Client comprises more than one Person).

**7.3.** The Bank shall be entitled to store all information relating to the Account in such form and by means of such devices whatsoever as the Bank may see fit.

**7.4.** The Bank shall be entitled to use the services of any electronic data processing service bureau or organisation in connection with the keeping of any Account, and the Client acknowledges and confirms that the Bank shall not be liable to the Client by reason of any act or omission of such bureau or organisation in the performance of such services.

## 8. Indemnities

**8.1.** The Bank shall not be required to make any payment to the Client or to any other Person for the account of the Client except out of funds held by the Bank for the account of the Client.

**8.2.** The Client shall fully indemnify and keep indemnified the Bank, its Related Corporations, affiliates, associates, custodians, nominees and agents and every director, officer, employee or agent of any of the foregoing against any and all losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands which may be brought against any of them or which any of them may suffer or incur in connection with the Account, the Services or any Instructions, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud.

**8.3.** The Client acknowledges and confirms that the Bank shall be entitled and is authorised to have recourse to any Assets or funds which it may hold or have under its control for the account of the Client, and, notwithstanding any other provision of the Agreement, to deduct or retain from or out of any such Assets or funds as the Bank at its absolute discretion considers necessary to ensure that it continues to hold or have under its control Assets or funds of which the aggregate value is not less than what it considers to be the amount of all liabilities, obligations, losses, damages, taxes, duties, claims, penalties, costs, expenses and disbursements of any kind or nature whatsoever which have been or may be imposed on or incurred by or asserted against the Bank or any of its directors, officers and employees.

**8.4.** The foregoing indemnities shall be in addition to and without prejudice to any indemnity allowed by law.

**8.5.** The Bank shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of any matter arising from the Agreement.

### **9. Corporate partnership and joint Accounts**

**9.1.** In the case of joint Accounts, the obligations of all the joint Clients under the Agreement shall be joint and several. Each joint Client jointly and severally agrees with the Bank to pay to the Bank upon demand any overdraft on the Account or any indebtedness or liability to the Bank in connection with or arising out of the operation of the Account.

**9.2.** In the event of death of any of the joint Clients (being survived by any one or more of the others), the Agreement shall not terminate, and the interest of the deceased in the Agreement, the Assets and the Account shall automatically enure to the benefit of the survivor or survivors of them and the Bank shall be authorised to amend its records accordingly by removing the name of the deceased as one of the joint holders of the Account, but without prejudice to the joint and several liability of the estate of the deceased arising out of or in connection with any matter arising on, prior to or in connection with his death.

**9.3.** In the event of death, bankruptcy or liquidation or mental or other incapacity of one or more such joint Clients, the Bank shall have the right to set off any claims the Bank has or may have against such Person or Persons howsoever incurred against any credit balance in any Account and further, the Bank shall have the right, at its sole discretion, to freeze any or all Accounts and refuse any dealings or refuse to accept any Instructions, whether in respect of the Account, the Services or otherwise.

**9.4.** In the case of corporate Accounts, the Client shall be entitled to operate the Account in accordance with the mandate set out in the corporate resolutions of the Client from time to time given to and accepted by the Bank.

**9.5.** If the Client is a partnership, and an Account is opened in the name of a partnership, any change or changes in the name of the partnership, or any change or changes in the members or the partnership by death, retirement or introduction of a partner or partners or any other change in the constitution of the partnership shall not affect the liabilities of the Client or any partner signing any Application Form, all of which liabilities shall continue and be binding on the Client and all such partners from time to time constituting the partnership which is the Client. The Bank shall be entitled to debit all or any Account at any time in respect of any sum due or owed to the Bank by any of the Persons in whose name the Account is opened or maintained or from time to time constituting the partnership which is the Client. The terms and conditions contained in the Agreement shall bind all partners, jointly and severally, notwithstanding any change in the partnership's constitution or a change in the name or modification or termination of any power of any partner. The Bank shall be promptly notified in writing of any change in the constitution or name of the partnership.

### **10. Presentation of cheques, etc.**

**10.1.** Subject to any specific Instructions given to the Bank in writing by the Client:

- a) the Client hereby waives every presentment, notice of dishonour and protest of all bills of exchange, promissory notes, cheques and other instruments, drawn, made, accepted or endorsed by the Client (if the Client consists of more than one Person, any number or all of them, whichever is applicable), now or hereafter delivered to the Bank or any branch of the Bank for any purpose whatsoever and the Client shall be liable to the Bank in respect thereof as if presentment, notice of dishonour and protest had been duly done or given;
- b) if the Bank should consider it in the best interests of the Client or the Bank that any such instrument should be noted or protested because of any endorsement other than that of the Client or for any other reason then, at the discretion of any employee of the Bank, the same may be noted or protested accordingly, but the Bank shall not be liable to the Client for any failure or omission to note or protest any such instrument; and
- c) the Bank may at its sole and absolute discretion use the services of any bank or other agency in connection with the provision of the Services to the Client by the Bank and in such case the Bank shall not be liable to the Client by reason of any act or omission of such bank or other agency in the performance of the services required of it or by reason of the loss, destruction or delayed delivery of any instrument, security, certificate or document of any kind while in transit to or from such bank or other agency or while in its possession.



**10.2.** The Bank may debit any Account of the Client at the Bank with the amount of any bill of exchange, promissory note, cheque or other instrument: a) which is payable at the Bank or any branch of the Bank or its Related Corporation and has been or may hereafter be drawn, made or accepted by the Client; or b) which, having been previously cashed by the Bank or credited to any such Account, is returned to the Bank unpaid or in respect of which settlement is not received by the Bank, together with any expenses properly incurred by the Bank in connection therewith and the Client shall be liable to the Bank in respect of each amount so debited.

**10.3.** The Client shall pay to the Bank forthwith on demand any overdraft, indebtedness or liability in favour of the Bank in connection with or arising out of the operation of any Account of the Client together with interest thereon as agreed and the Bank may debit any Account of the Client with such overdraft, indebtedness, liability and interest.

**10.4.** The Client's payment obligations shall not be discharged by an amount paid in a currency other than that in which payment is due ("Stipulated Currency") (whether pursuant to a judgement or otherwise) to the extent that the amount so paid, on conversion to the Stipulated Currency, does not yield the amount due in the Stipulated Currency, and the Client shall fully indemnify the Bank against the Stipulated Currency deficiency and in respect of all other losses (including, without limitation, the cost of making any currency purchase or exchange) which the Bank may suffer or incur, provided always that the Bank shall not be obliged to make such purchase or exchange, and that it shall be sufficient for the Bank to show that it would have suffered the Stipulated Currency deficiency had an actual purchase or exchange been made. If the sum paid or recovered is less than the amount then due, the Bank may apply that sum in such manner as the Bank may, at its sole discretion, think fit.

**10.5.** Any discharge of the Client or any security party by the Bank shall be deemed to be made subject to the condition that it will be void to the extent that any security, disposition or payment to the Bank by the Client, such security party, or any other Person is set aside, avoided or reduced pursuant to any provision or enactment relating to the dissolution, deregistration, bankruptcy, liquidation, reorganisation or otherwise of the Client, such security party or such other Person or proves otherwise to have been invalid, in which event, the Client and such security party shall make good to the Bank upon demand, such amount as shall have been set aside, avoided or invalidated as aforesaid.

**10.6.** Any payment from the Bank to the Client shall be payable only in the currency in which it is due, and shall be subject to all applicable laws, regulations, rules, customs and usages (including, without limitation, foreign exchange

controls) and the sovereign risk of the country or such currency. Any payment obligation may be discharged by the Bank procuring credit at a Related Corporation of the Bank or correspondent bank or a bank nominated by the Client in the country or currency, and that Bank shall in no circumstances be required to discharge any such payment obligations by making a delivery of cash.

## 11. Payments

**11.1.** All sums payable to the Bank by the Client shall be paid without set-off, counterclaim or any other restriction or condition and free and clear of any tax or other deductions or withholdings of any nature and in the currency in which it is due (unless otherwise required by the Bank). If the Client or any other Person shall be required by any law or regulation to make any deduction or withholding on account of tax or otherwise from any payment, the Client shall pay such additional amount as will ensure that the Bank receives free and clear of any tax or other deductions or withholdings the full amount which the Bank would have received if no such deduction or withholding had been required.

## 12. Fees and disbursements

**12.1.** The Client shall promptly pay to the Bank all fees, commissions and remuneration in accordance with the Bank's prevailing charges. The Client acknowledges and confirms that the Bank reserves the right to alter its fees, commissions or remuneration at any time.

**12.2.** The Client shall promptly upon request reimburse the Bank in respect of all or any disbursements, costs, charges and expenses which the Bank has reasonably incurred or will reasonably incur in carrying out its functions under the Agreement and shall upon demand pay interest at an annual rate equal to the Bank's cost of funds plus two (2) per cent in respect thereof from the date of payment by the Bank to the date of actual reimbursement by the Client.

**12.3.** The Client acknowledges and confirms that the Bank has highlighted to the Client the various fees and charges levied in respect of the Services, as set out in a separate document, as may be amended from time to time.

**12.4.** If any of the liabilities of the Client to the Bank remain outstanding after they have become due and payable: a) the Bank may, at any time, without prior notice to the Client apply any credit balance (whether or not then due) in any currency to which the Client is entitled on any Account (whether current, savings, time, call or deposit account) with the Bank and/or its affiliates in or towards settlement. For this purpose, the Bank is authorised to convert all or any part of such credit

balance to such other currencies at the applicable exchange rate determined by the Bank (which determination shall be conclusive and binding on the Client) as may be necessary to effect such application with such credit balance;

- b) the Bank shall have a lien over all property of the Client coming into possession or control of the Bank and/or its affiliates, for custody or any other reason and whether or not in the ordinary course of banking business, with power to sell any such property in or towards settlement; and
- c) all credit balances (whether or not then due) in any currency which the Client is entitled on any Account (whether current, savings, time, call or deposit account) with any Bank and/or its affiliates shall automatically stand as security to the Bank for settlement of such liabilities.

### 13. Advances

**13.1.** The Bank may at its absolute discretion grant overdraft, loan or other credit facilities or accommodation to the Client with or without limitation and with or without security and on such terms and conditions as the Bank shall think fit.

**13.2.** The Client shall pay to the Bank on demand or on the relevant due date(s) all sums paid or advanced by the Bank to or for the account of the Client or any other Person at the request of the Client and all other sums of whatever nature for which the Client may be indebted or liable to the Bank on any account or in any manner whatever and whether alone or jointly with any other Person.

### 14. Treasury facilities

**14.1.** The Client agrees that the conditions included or referred to in the relevant confirmations issued by the Bank shall apply to all foreign exchange transactions, currency options, forward rate agreements and interest rate, currency and other swap transactions between the Client and the Bank, as the case may be. Without limiting any other rights which the Bank may have under such conditions or otherwise, in the event of any default by the Client of his obligations under the Agreement, the Bank may treat such event as a repudiation by the Client of all or any contract(s) then outstanding and the Bank shall be entitled to all available remedies including termination of any such contract. Each such contract will be entered into by the Client solely in reliance upon his own judgement and at his risk, and the Bank shall not be responsible for any loss incurred by the Client, whether or not acting on advice received from the Bank. If the Bank provides the Client with Services in relation to any derivative products,

including futures contracts and options, the Bank will upon request provide the Client with product specifications and any prospectus or other offering document covering such products.

### 15. Crediting and debiting payments in foreign currencies

**15.1.** Amounts in foreign currencies are credited and debited in those currencies, unless the Client or his duly authorised agent has given proper Instructions to the contrary, or the Bank does not have facilities for transactions in those currencies (in which case such amounts would be credited and debited in United States dollars). The Bank shall be entitled to credit or debit the Account in any of the currencies in which such Account is maintained.

### 16. Fixed term deposits

**16.1.** If any monies have been placed on deposit in the Account for a fixed term, then the Bank may, unless it has received Instructions from the Client to the contrary at least two (2) Business Days before the maturity date of the deposit, at its sole discretion, extend the deposit for a further term:

- a) not exceeding the original term of the deposit then expiring;
- b) expiring on the maturity date of any other fixed term deposit(s) in the Account and, upon the expiry of that further term, consolidate the deposit with any or all other deposits in the Account in the same currency maturing on that date;
- c) expiring on the settlement date of any transaction effected by the Bank pursuant to this Agreement; or
- d) expiring on the due date of any sum advanced by the Bank to the Client or of any other obligation owing by the Client to the Bank.

### 17. Interest on deposits

**17.1.** A current account is non-interest bearing.

**17.2.** If interest on an Account is payable by the Bank, the Bank shall have no obligation to pay interest on any funds in the Client's Account upon receiving such funds from the Client, interest on funds in the Account will be calculated from (and including) the Business Day the Bank confirms receipt of such funds from the Client, the Bank's correspondence bank or otherwise and credits such funds to the Account.



### **18. Illegality**

**18.1.** If, as a result of any change to any applicable law or regulation, it becomes illegal for the Bank to make or maintain any advances or other banking facilities, the Bank shall notify the Client in writing, whereupon the Bank's outstanding commitment and obligation in respect of the same shall be cancelled and shall cease. The Client shall forthwith after such notification repay any outstanding advance or other banking facilities in full together with interest accrued thereon and any other monies payable by the Client in connection therewith.

## Part III

# Terms and conditions for investment advisory and management services

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.

## 1. Investment advisory and management services

**1.1.** By entering into the Agreement, the Client appoints and authorises the Bank to perform all or any of the following services (hereinafter referred to collectively as the "Investment Services"), but the Bank reserves the right to refuse to do so if, in the Bank's opinion, there are reasonable grounds for such refusal:

- a) to act as the Client's agent on behalf and in the name of the Client to buy, subscribe for, underwrite, exchange, sell and dispose of Assets and to make other investments, either a) if so requested by the Client in the Application Form or otherwise on a non-discretionary basis and, in each case, in accordance with the Client's Instructions ("Non-Discretionary Investment Services"), or b) if so requested by the Client in the Application Form or otherwise and agreed by the Bank on a discretionary basis ("Discretionary Investment Services"), in accordance with the Client's Investment Objectives;
- b) to provide credit facilities and loans to the Client to be used for, and in relation to, investment portfolio(s) recommended by the Bank;
- c) to liaise, on behalf of the Client, with any of the Bank's affiliates or other third parties in connection with the provision by any of such entities of credit facilities and loans to the Client for such purposes;
- d) to provide the Client with advice on investments, and information on investment opportunities, as the Bank deems appropriate ("Investment Recommendations") in accordance with the Client's Investment Objectives;
- e) to arrange for the Assets to be held in safe custody with the Bank or with other third parties;
- f) to select stockbrokers or Securities dealers as the Bank shall, from time to time, think fit to execute the Client's Instructions or in connection with the Investment Services, and to deal with such stockbrokers or Securities dealers;
- g) to give good receipts and discharges for all monies payable or receivable in respect of the Investment Services;
- h) to open any separate trust or custody or any other Accounts whether with the Bank, its Related Corporations or any Third Party Service Providers or otherwise, in the name of or on behalf of the Client, as necessarily required under the laws and regulations for the purposes of performing the Investment Services. The Client authorises and agrees and hereby instructs the Bank to maintain such Accounts and deal with the Assets contained in such Accounts in compliance with the laws and regulations; and
- i) to provide such other Services to the Client as the Client may agree from time to time.

**1.2.** The Client hereby confirms that the Client's Investment Objectives take into account the Client's financial and personal circumstances as well as the Client's willingness and ability to take risks, and the Client:

- a) acknowledges and agrees that the Investment Objectives and the information provided by the Client will be the basis upon which the Bank will make recommendations on investments and, in respect of Discretionary Investment Services, manage the Client's Assets; and
- b) any inaccurate or incomplete information provided by the Client for the purposes of completing the Investment Objectives may affect the suitability of any recommendations made by the Bank and, in respect of Discretionary Investment Services, the management of the Client's Assets.

**1.3.** In providing the Investment Services, the Bank shall in accordance with the Client's instructions:

- a) arrange for the Client to open, maintain or close any Account with the Bank and/or its affiliates (as appropriate); and
- b) arrange for the Account to be credited with all monies received for investment, all proceeds of Securities realised, interests and dividends (net of taxation, if any) and all other payments received.

**1.4.** The Bank is hereby authorised, at its absolute discretion, to carry out such actions as it may consider expedient to enable it to provide the Investment Services and to exercise its powers under the Agreement, including, but not limited to, the following:

- a) to comply with any law, regulation, order, directive, notice or request of any government, government agency or regulatory body (whether or not having the force of law) requiring the Bank to take or refrain from taking action;
- b) on the Client's behalf, to withhold or to make payment of any taxes or duties payable on or in respect of the Assets or the Investment Services;
- c) to arrange for the Account to be debited with all withdrawals and all costs of acquisition of Securities or other Assets, including any deductions for taxation; and
- d) to arrange for the Account to be debited with (or to reimburse itself for payment of) all commissions, fees, stamp or transfer duties, levies and other expenses.

**1.5.** Where the Client has authorised the Bank to take any step in relation to the investment or management of the Assets, the Bank shall be deemed to have full authority to take all further steps that it may consider necessary to give full effect to such authorisation, without prior consultation with the Client. All things done, steps taken and all contracts entered into by the Bank pursuant to such authority shall be treated as having been approved, ratified and confirmed by the Client, who shall be responsible for the discharge of all liabilities and costs arising therefrom.

**1.6.** The Bank may appoint any other Person as its agent or subcontractor to perform any of the Investment Services on its behalf and may delegate any of its powers under the Agreement to any such Person (including, but not limited to, another office, affiliate or related corporation of the Bank). Any such delegation may be made upon such terms and conditions and subject to such regulations (including the power to sub-delegate) as the Bank may think fit and, provided that the Bank shall have exercised reasonable care in the selection of such delegate, it shall not be bound to supervise the actions of any such delegate and shall not in any way, or to any extent, be responsible for any loss incurred as a result of any misconduct or default on the part of any such delegate.

**1.7.** The Bank may, in performing the Investment Services, advise in relation to the sale of newly issued Securities being underwritten, distributed or issued by the Bank and/or any of its affiliates. The Bank and/or its affiliates, whichever is the case, may retain all fees, commissions, concessions or other income which it/they may receive in connection with any such underwriting, distribution or issue, provided only that the terms of sale of such Securities to the Client represent reasonable commercial terms at which a commitment to sell an equal or lower number of those Securities could be obtained from the trading desk of a comparable financial institution.

**1.8.** The Bank will act as the Client's agent when providing the Investment Services under this Agreement. However, the Client agrees and acknowledges that the Bank and/or its affiliates may act as principal or on behalf of an entity associated or connected with or directly or indirectly controlled by the Bank and/or any of its affiliates in the following types of transactions with the Client:

- a) where the Client buys or sells mutual funds / unit trusts managed by the Bank and/or any of its affiliates;
- b) where the Client buys or sells Securities issued, owned or underwritten by the Bank and/or any of its affiliates;
- c) where the Bank and/or any of its affiliates sells Securities, financial products or other investments to the Client or buys Securities, financial products or other investments from the Client, as principal or on behalf of an entity associated or connected with or directly or indirectly controlled by the Bank and/or any of its affiliates, at market price for its own account. In such cases, the Bank shall state, in any relevant contract note issued in respect of such transaction, the fact that the Bank and/or any of its affiliates is dealing in such capacity;
- d) where the Client borrows from, or deposits money with, the Bank and/or any of its affiliates, which possesses the relevant licence(s) to do so; or
- e) in such other transactions or types of transactions as the Bank may, from time to time, notify the Client in advance, including, without limitation to, other transactions or

types of transactions stated in any relevant schedule of fees or other separate document(s) provided to the Client.

**1.9.** At the request of the Bank, the Client shall execute such documents and deeds, and perform such acts as the Bank may consider expedient in connection with the Bank's management of the Client's Assets in accordance with the terms and the exercise of its powers hereunder.

**1.10.** Any Securities transaction to be effected by the Bank hereunder shall be transacted by it through such member of a recognised stock exchange or such authorised dealer in the market in which the Securities are traded, or such other institutions or Persons as the Bank may from time to time, at its absolute discretion, select. In addition, the Bank shall execute transactions, or otherwise contract on behalf of the Client, through any Person that it may from time to time select in connection with the investment of the Assets.

**1.11.** Save as expressly provided by applicable law, no fiduciary or equitable duties arise on the part of the Bank and/or any of its affiliates which would prevent or hinder the Bank and/or any of its affiliates from doing business with or for the Client, acting as both market-maker or broker, whether as principal or agent, with any other of the Bank's affiliates and investors and generally acting as provided in the Agreement, as the case may be. As a result, when the Bank recommends an investment to the Client or deals for the Client, the Bank and/or any of its affiliates may have an interest, relationship or arrangement that is material in relation to the transaction or investment concerned.

**1.12.** The Bank reserves the right, at its sole discretion and without giving any reason therefore, upon notification to the Client, to refuse to provide the Investment Services in accordance with the Agreement and any other terms and conditions governing the management of the Assets or to act for the Client in any particular transaction.

## **2. The Client's Instructions to the Bank**

**2.1.** The Bank may, at its absolute discretion, accept Instructions reasonably believed by it to have emanated from the Authorised Person(s), and such Instructions shall be binding on the Client, and the Bank shall not be liable for accepting such Instructions, and the Bank shall not be under any duty to verify the identity of the Person(s) giving such Instructions.

**2.2.** The Bank reserves the right to refuse to act on the Client's Instructions if, in its opinion, there are reasonable grounds for doing so.

**2.3.** The Bank shall be entitled, but is not required, to take any action, exercise any rights or satisfy any liabilities arising in respect of the Assets as may seem advisable or

expedient if the Client's Instructions cannot be obtained or if the Client has not responded to a request for Instructions within a reasonable period of time. The Client confirms and agrees that the Bank shall not be liable for any loss whatsoever caused to the Client by reason of delay in receiving or non-receipt of the Client's Instructions unless due to gross negligence or wilful default on the part of the Bank.

**2.4.** For the avoidance of doubt, the Bank shall not be liable in respect of any action taken or not taken in respect of such Instructions which it believes to have come from such Authorised Person(s).

**2.5.** Unless otherwise specifically agreed between the Client and the Bank, all Instructions given by the Authorised Person(s) for the sale or purchase of any on-market Securities shall be valid only for the day on which such Instructions are given, and any Instructions which remain unexecuted at the close of business on that Business Day at the location in which the Instructions were to have been executed shall be deemed to have been cancelled automatically.

**2.6.** Notwithstanding anything in this Agreement and unless agreed by the Bank otherwise, the Bank will effect offers for the acquisition of Assets (on behalf of the Client or on Instructions of the Client) only if the Client has sufficient funds in the Account or holds sufficient Assets or has otherwise arranged in advance to make sufficient funds available for such acquisition and for the related costs, expenses and amounts. The Bank will only effect orders for the disposal of Assets if such Assets are in the Client's Account free of all liens and encumbrances whatsoever.

**2.7.** Upon receipt by the Bank of any sale proceeds or other payments (including, without limitation, interest, income or dividend) for the account of the Client, the Bank is hereby authorised and directed to credit such sums to the Account unless the Client has given to the Bank (a) a specific written instruction to do otherwise or (b) any standing Instructions to do otherwise which have not been withdrawn and which remain in force.

### 3. Undertakings

**3.1.** The Client undertakes and warrants to the Bank that:

a) the Client is the owner of the Assets and has the full right and power to deal with the Assets free from any encumbrance, adverse interest or other restriction and that the Assets are and shall remain free from any claims and any lien, pledge, mortgage, charge, security or proprietary interest or other encumbrance whatsoever except any security interest conferred in favour of the Bank;

b) the Client shall maintain in full force, validity and effect all governmental and other approvals, authorities, licences and consents required in connection with the Agreement; and

c) the Client shall pay all calls and make all other payments due in respect of such Assets held by the Bank when due.

### 4. Margin requirements

**4.1.** The Client agrees and acknowledges that, if required by the Bank, the Client will provide and maintain margin requirements as security for the performance by the Client of his obligations to the Bank with respect to the Account in relation to any financial products (including foreign exchange, equities, futures contracts and options) and loan or credit facilities provided by the Bank.

**4.2.** The Bank may (but shall not be obliged to) from time to time at its discretion temporarily advance monies to the Client to enable any transaction relating to the Assets or to any purchase contracts to take place on or as soon as may be practicable after any due settlement date or to meet management or other charges which fall to be debited to the Accounts. Such advances shall be repaid on demand (and may at the Bank's discretion be debited from the Accounts) together with accrued interest, which shall be charged at such rate as may be agreed between the Bank and the Client.

**4.3.** In addition, the Client agrees that any margin or other credit facility which the Bank may, from time to time, at its absolute discretion grant, may be modified or withdrawn by the Bank at any time at the Bank's absolute discretion. In the event that the amount owed by the Client exceeds, for whatever reason, the amount of any such credit facilities, the Client shall on demand pay to the Bank the amount of excess. The Client agrees to pay interests on all amounts owed to the Bank (whether pursuant to a facility or otherwise) after and before judgement, at such rate, not exceeding the maximum permitted by law, as the Bank may, from time to time, at its absolute discretion determine, provided that the Bank shall give the Client notice of any change in the said rate of interest as soon as reasonably practicable after such change becomes effective.

## 5. Mortgage of Assets

**5.1.** If the Bank is owed money by the Client, the Bank may mortgage, charge, pledge or hypothecate the Client's Assets but only for a sum not exceeding the amount owed by the Client. The Bank may mortgage, charge, pledge or hypothecate the Client's Assets together if, and only if:

- a) the sum of the claims to which such Client's Assets are subject as a result of such mortgage, charge, pledge or hypothecation does not exceed the aggregate amounts owed by the Client to the Bank; and
- b) the claim to which each Client's Assets are subject as a result of such mortgage, charge, pledge or hypothecation does not exceed the amount owed by the Client to the Bank.

## 6. Investment Recommendations

**6.1.** The Client acknowledges and agrees that the Bank may make Investment Recommendations that it thinks fit. The Client acknowledges that the Bank, subject to applicable laws, accepts no responsibility to send to the Client any information memorandum or other offering document and that the Bank takes no responsibility for the contents of, any information memorandum or other offering document, subscription agreement or such other similar document or information. The Bank makes no representation as to the performance or future performance of any Asset, and the Client acknowledges that he has not relied on any information, views or advice provided by the Bank or its employees or agents in making any decision to invest in any Asset.

**6.2.** The Bank may, from time to time, provide the Client with reports, analyses or other materials and information in relation to the Assets or generally in relation to investments or markets. The Client understands and agrees that:

- a) any report, analysis or other material information is provided to the Client strictly for his own use and will not constitute an offer or invitation to the Client to acquire any Assets;
- b) the Bank is not obliged to provide the Client with any reports, analyses or other materials and information or any advice or recommendation and that, in respect of the Non-Discretionary Investment Services, all investments are made and transactions are entered into solely upon the Client's judgement and discretion notwithstanding any such materials, information or recommendation the Bank may have provided to the Client; and
- c) the Bank shall be under no liability for the accuracy and completeness of any such report, analysis or other material information nor for the performance or outcome of any investment made or transaction entered into by the Client after receipt thereof nor for any advice or recommendation provided by the Bank or any of its employees or agents.

## 7. Exclusion of liability of the Bank and indemnities

**7.1.** The provision of the Investment Services does not constitute the Bank as a trustee, and the Bank shall not have any trust or other obligation in respect of the Assets.

**7.2.** Neither the Bank nor any of the Bank's Related Corporations, affiliates, associates, nominees or agents or any director, officer, employee or agent of any of the foregoing shall be liable for any losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands or for any diminution of the value of or loss or damage to any property or security under the Account or in respect of the Investment Services or for any lost opportunity whereby the value of the same could have been increased or otherwise in connection therewith or for the acts of any broker, custodian, nominee or correspondent appointed by the Bank in good faith, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud. The Bank, its Related Corporations, affiliates, associates, nominees and agents and every director, officer, employee or agent of any of the foregoing shall be entitled to every exemption from liability, every defence and every indemnity to which the Bank is entitled and for the purposes thereof, the Bank is and shall be deemed to be acting as agent on behalf and for the benefit of such entities and Persons. Without limiting the generality of Clause 7.2., the Bank, its directors, officers, employees or agents shall not have any liability to the Client or any other Person (save for gross negligence, wilful misconduct or fraud on the part of the Bank), in respect of the following situations:

- a) any taxes payable on or in respect of the Client's Assets;
- b) any diminution in the value of such Assets or failure to secure a particular level of income or capital gain;
- c) any call, instalment or other payment relating to such Assets held by the Bank or its agents or in relation to any such Asset arising or offered by way of redemption, bonus, preference, option or otherwise;
- d) any losses of any kind which may be incurred by the Client as a result of the management of such Assets unless due to gross negligence, wilful misconduct or fraud of the Bank or its agents or any of their officers or employees (in which event the liability of the Bank shall not exceed the market value of such Assets at the time of discovery of such wilful default, but in no circumstances whatsoever shall the Bank be liable to the Client for any indirect, special or consequential damage, whether or not the Bank is aware or is advised of the possibility of such damage);
- e) any loss, damage, expense or liability which may be incurred by the Client as a result of the custodian Services which may be provided by the Bank; and
- f) any expense, loss or damage suffered by or occasioned to the Client by a) any act or omission or insolvency of any Person not associated with the Bank (including,

without limitation, a third party, nominee or bank or depository used by the Bank); b) the collection or deposit or crediting to any Account of invalid, fraudulent or forged Assets or any entry in any Account which may be made in connection therewith; c) any malfunction of or error in the transmission of information caused by any electrical or mechanical machine or system or any interception of communications facilities, abnormal operating conditions, labour difficulties, acts of God, or any similar causes beyond the control of the Bank.

**7.3.** The Client shall fully indemnify and keep indemnified the Bank, its Related Corporations, affiliates, associates, custodians, nominees and agents and every director, officer, employee or agent of any of the foregoing against any and all losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands which may be brought against any of them or which any of them may suffer or incur arising from, or in connection with, the provision of Investment Services as set out in this Part III, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud.

**7.4.** The Client acknowledges and confirms that the Bank shall be entitled and is authorised to have recourse to any Assets or funds which it may hold or have under its control for the account of the Client, and, notwithstanding any other provision of the Agreement, to deduct or retain from or out of any such Assets or funds as the Bank at its absolute discretion considers necessary to ensure that it continues to hold or have under its control Assets or funds of which the aggregate value is not less than what it considers to be the amount of all liabilities, obligations, losses, damages, taxes, duties, claims, penalties, costs, expenses and disbursements of any kind or nature whatsoever which have been or may be imposed on or incurred by or asserted against the Bank or any of its directors, officers and employees.

**7.5.** The Bank shall be under no duty or obligation to insure the Client's Assets for the Client (including without prejudice to the generality of the foregoing, the risk of loss, damage, destruction or misdelivery of such Assets or any part thereof) and shall not be liable for any loss, damage or destruction, howsoever caused.

## 8. Dealing with the Account

**8.1.** The Client agrees not to charge or pledge, or to allow to subsist, any charge or pledge over, any Assets forming part of the Account, or, without the Bank's consent, sell, grant an option over or otherwise deal in any way with, or purport to sell, grant an option or deal with, any Asset forming part of the Account.

**8.2.** The Bank may lend or arrange for a Sub-Custodian to lend the Assets of the Client, with prior written consent from the Client, such consent not to be unreasonably withheld or delayed. The Bank shall, before the commencement of such lending, enter into an agreement with the Client, set out the terms and conditions for such lending to the Client whose Assets are to be lent. If the Bank arranges for a Sub-Custodian to lend the Assets, the Sub-Custodian shall enter into an agreement with the Client, setting out the terms and conditions for the lending and disclosing the terms and conditions to the Client.

**8.3.** Subject to Clause 8.4., and provided that any withdrawal of Assets is not in conflict with any applicable law or the terms of the relevant subscription agreement, information memorandum or other offering document relating to an Asset or the terms of any document or agreement entered into between the Client and the Bank:

- a) the Client may withdraw all or any part of the Client's Assets on giving written notice to the Bank in a form satisfactory to the Bank;
- b) such withdrawal, if in cash, shall, if necessary, be made from the proceeds of the sale of such Assets by the Bank and shall be forwarded to a bank account nominated by the Client in the withdrawal notice; and/or
- c) if the Client wishes to withdraw Assets other than in cash, the Bank shall arrange for such Assets or for certificates evidencing the same to be forwarded to a financial institution or Person nominated by the Client unless such certificates have not yet been received by the Bank, in which case the Bank will arrange for the Client to be so notified and for the certificates to be forwarded to the party nominated by the Client as soon as practicable after the receipt thereof by the Bank.

**8.4.** The Bank is expressly authorised and directed to deduct any amount due and owing to it by the Client from any monies received by it for and on behalf of the Client or from any monies standing to the credit of an Account of the Client. If there are insufficient funds standing to the credit of an Account of the Client, the Client shall pay the amount of such shortfall immediately on demand, and until payment in full thereof by the Client the Bank may retain the Client's Assets by way of general lien. Should the Client fail to pay such amount within seven (7) days after demand by the Bank, the Bank is hereby authorised, without notice to the Client or any other Person, to sell by public or private sale all or any of such Assets upon such terms and conditions as it may deem fit and to apply the proceeds of any such sale, after deduction of the expenses thereof, in payment or reduction of such amount.



## 9. Reports and statements

**9.1.** The Bank shall provide the Client with, or procure the provision of, reports and statements concerning the Assets on a quarterly basis or at such other intervals as may be agreed from time to time between the Client and the Bank in accordance with the applicable laws and regulations.

## 10. The Bank's fees and expenses

**10.1.** The Client agrees to pay the Bank fees and charges (if any) for the provision of the Investment Services in accordance with the Bank's prevailing charges as notified by the Bank to the Client from time to time.

**10.2.** The Client agrees to pay to the Bank all expenses incurred by the Bank or by any other Person appointed by it as agent or subcontractor for, and in relation to, the provision of the Investment Services. A notice containing the nature and amount of such expenses signed by any of the Bank's duly authorised employees shall be conclusive evidence of the expenses.

**10.3.** The Bank, its subcontractor(s) or agent(s) and any other Person appointed by it in connection with the performance of the Investment Services may, to the extent permitted by applicable laws or regulations, solicit, receive and retain for its/their own benefit all commissions, fees or other revenue arising out of its/their acting on the Client's behalf pursuant to the terms of the Agreement, including:

- any rebate or discount of brokerage;
- any revenues or income generated by the Bank and/or its affiliates which arise from, or are otherwise attributable to, the Investment Services;
- any revenues or income received by the Bank and/or its affiliates which arise from a sale to the Client of newly issued Securities underwritten, distributed or issued by any of the respective entities; and
- any goods or services, including research and advisory services, economic and political analyses, portfolio analyses, including valuation and performance measurement, market analyses, data and quotation services, computer hardware and software incidental to such goods and services, clearing and custodian services and investment-related publications.

By entering into the Agreement, the Client expressly consents to such solicitation, receipt and retention of monies or goods, services or other benefits by the Bank or its subcontractor(s) or agent(s) or any other Person appointed by it in connection with the performance of the Investment Services.

## 11. Risk Disclosure Statement

**11.1.** The Client acknowledges and confirms that he understands that stock markets and prices of Securities can and do fluctuate sometimes rapidly and that the price of investments and the income from them can go down as well as up (and may under some circumstances even become valueless). The Client hereby acknowledges and accepts that there is an inherent risk of incurring losses rather than making a profit when dealing in investments and is prepared to accept such risks.

**11.2.** The risk of loss in financing a transaction by deposit of collateral is significant. The Client may sustain losses in excess of his cash and any other Assets deposited as collateral with the Bank. Market conditions may make it impossible to execute contingent orders such as "stop-loss" or "stop-limit" orders. The Client may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, the Client's collateral may be liquidated without his consent. Moreover, the Client will remain liable for any remaining deficit in the Account and interest charged on the Account. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of his own financial position and Investment Objective.

**11.3.** The Client also acknowledges and confirms that he understands that the brief statements made above cannot, and do not purport to, disclose all the risks associated with the transactions contemplated under this Agreement and other significant aspects of the Agreement. The Client should carefully study the terms and conditions of this Agreement and also assess for himself the risk involved in each transaction proposed to be entered into pursuant to this Agreement.

**11.4.** In addition, the Client acknowledges and confirms that he has been given a copy of the Risk Disclosure Statement. The Client acknowledges and confirms that he fully understands the nature and content of Part IX of the Agreement, i.e., the Risk Disclosure Statement.

## 12. Specific to Non-Discretionary Investment Services

**12.1.** In respect of providing Investment Services (save in relation to Discretionary Investment Services) the Bank is under no duty to:

- investigate, participate in, or take affirmative action concerning attendance at meetings or concerning voting or other rights attaching to, or derived from, Securities, except in accordance with the Client's Instructions; or



b) ascertain or inform the Client with respect to, or with respect to taking any action concerning, calls, conversions, offers, redemptions, dividends, coupons, payments or any similar matters relating to the Assets.

For the avoidance of doubt, the Bank or any of the nominees of the Bank shall be under no responsibility, or be liable for any failure, to inform the Client in sufficient time for Instructions to be given to the Bank or any nominee with regard to any matters referred to in such notice or communication.

**12.2.** The Bank, in providing Non-Discretionary Investment Services, shall only invest or reinvest, subscribe for, underwrite or exchange the Assets or otherwise execute any transaction relating to the Assets or take any other step(s) in relation to the Assets pursuant to the express Instructions from the Client or his lawfully appointed attorney(s).

**12.3.** It is the Client's sole responsibility to assess and determine any or all consequences of any act in relation to the Assets that he may authorise, even if such act is based on the recommendation of the Bank. The Client understands and accepts that the Assets are managed at his own risk.

### 13. Specific to Discretionary Investment Services

**13.1.** The Client acknowledges and agrees that, in requesting the Bank to provide Discretionary Investment Services, the Bank has explained to him, and he fully understands, the additional risks of giving discretionary powers to the Bank to manage his Assets and investments on his behalf and the inherent risk of conflict of interest in that one of the Bank's affiliates may take an opposite position to the Client's orders while acting for the Client.

**13.2.** All transactions entered into by the Bank on behalf of the Client in the provision of Discretionary Investment Services, including collection and receipt of funds or Assets and all payments and delivery of funds or Assets, will be made by the Bank as the Client's agent for the Client's sole account and at his sole risk.

**13.3.** In connection with the provision by the Bank of Discretionary Investment Services at the request of the Client, the Client acknowledges and agrees that:

- a) the Bank shall be entitled to buy, subscribe for, underwrite, exchange, sell and dispose of the Assets and to make such other investments as the Bank may at its absolute and sole discretion deems fit, including, but not limited to:
- buying or selling in cash or on a forward basis, but for the Client's account and at the Client's risk, any time deposits, precious metals, currencies, money and

capital market investments and any instruments derived therefrom and its combinations and any other listed and unlisted investment instruments;

- buying or selling in cash or on a forward basis, but for the Client's account and at the Client's risk, any investments in domestic and offshore investment companies, investment funds, any other collective investment or fund-like instruments (such as funds of funds, stock-exchange traded funds, in-house funds, unit trusts, limited partnerships, etc.), non-traditional investment instruments and investments related to real estate, money and capital markets and any investment instruments derived therefrom and its combinations;
- execute all types of transactions on any futures and options market;
- borrow Securities from the Client's custody account(s) itself, whereby the Client shall receive a commission for any Securities actually lent;
- decide on investment timing; and
- decide to use or refrain from using measures to hedge against price, currency or interest risks, choose investment instruments which appear appropriate for hedging and use any other measures to optimise returns on existing investments;

b) in exercising such discretion, the Bank shall have regard to the Investment Objectives specified by the Client and agreed to by the Bank, which shall be set out in a separate form which the Bank shall provide to the Client, to the extent that, so far as practicable and permissible in the prevailing market conditions, such Investment Objectives are complied with. The Client shall notify the Bank in writing of any changes to his Investment Objectives. Pending receipt of such written notice and the Bank's consent to be bound by any new objectives, the Bank shall be entitled (but not obliged) to act or rely on the Client's Instructions which are contrary to the Investment Objectives.

**13.4.** For the avoidance of doubt, the Bank shall be liable for any investment decisions made in performance of the Discretionary Investment Services only in circumstances of wilful misconduct or gross negligence. In no circumstances shall the Bank be liable for any consequential or special damages.

**13.5.** The Discretionary Investment Services may be terminated by the Client or the Bank at any time upon thirty (30) days' written notice. The Client undertakes upon termination to instruct the Bank on how the Assets are to be transferred or otherwise dealt with, failing which the Bank may roll over all deposits or otherwise leave the Assets in the state they were in upon termination. All acts, matters and things done by the Bank prior to termination shall be valid and binding on the Client.

## Part IV

### Terms and conditions for oral, facsimile and e-mail instructions

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.

## 1. Instructions

**1.1.** The Client shall inform the Bank in writing which Person(s) is/are authorised to give Instructions on his behalf by way of facsimile, e-mail or oral Instructions (whether by telephone or otherwise) (hereinafter referred to as the "Authorised Person(s)" generally in respect of any and all matters relating to the Account or the Assets or the Services to be provided pursuant to the Agreement.

**1.2.** Although the Bank undertakes to exercise reasonable care in examining the signatures on documents that it receives against those of the Client's Authorised Representatives or agents, as found in the Bank's records, the Bank shall not be under any obligation to authenticate any such Instructions or to verify the identity of any Person giving such Instructions. The Client confirms that he shall not have any claim against the Bank in respect of any losses or damage suffered by the Client as a result of false, forged, altered or otherwise unauthorised Instructions or documents received by the Bank.

**1.3.** The Bank shall be entitled (but not obliged) to require that any oral, facsimile or e-mail instruction must contain such identifying code or test as the Bank may from time to time specify. The Client shall be solely responsible for any improper or unauthorised use of any such code or test.

## 2. Acting on Instructions

**2.1.** The Bank shall be entitled to act on Instructions from, or purporting to be from, an Authorised Person, and any Instruction received from, or purporting to be from, an Authorised Person shall be deemed to be a valid instruction from the Client, and the Client shall be bound by such instruction unless and until the Bank has received from the Client written notice to the contrary prior to its acting on such instruction.

**2.2.** Subject to any applicable laws, the Bank will act upon Instructions given by an Authorised Person during its usual business hours on the earliest Business Day practicable as determined by the Bank on the basis of the time of receipt of the instruction and depending on the type of transaction required by the instruction.

## 3. Receipt of Instructions

**3.1.** An instruction shall be treated as properly given to and received by the Bank only if it is properly addressed to the appropriate employee of the Bank and only if:

- a) in the case of an instruction given by facsimile transmission, the instruction is received in good order and is clearly legible;
- b) in the case of an oral instruction (whether by telephone or otherwise), the instruction is clearly communicated to the appropriate employee of the Bank; and
- c) in the case of an instruction given by e-mail, the instruction is sent from any of the Client's e-mail addresses as specified in the Application Form or from the last e-mail address supplied by the Client to the Bank (if any), to any of the Bank's e-mail addresses specified in the Application Form, or to such other e-mail address(es) as the Bank may from time to time specify by giving notice in writing to the Client via e-mail or otherwise. Any instruction from the Client to the Bank by e-mail shall be deemed to be delivered only on the date it is actually received by the Bank and read by an authorised representative of the Bank.

## 4. Confirmation / records of oral Instructions

**4.1.** The Client shall confirm all oral Instructions to the Bank on the same day that they are given to the Bank by a written confirmation of such Instructions in the form of letter, e-mail or facsimile signed or sent (as the case may be) by the Client or Authorised Person. The Bank may (but shall not be under any obligation to) notify the Client of any discrepancy between the Instructions given to it orally (including by telephone) and the written confirmation from the Client or Authorised Person. Failure by the Client to give such written confirmation (or procure such written Instructions to be given) in respect of any oral instruction received by the Bank from the Client shall not invalidate any action taken by the Bank pursuant to such oral instruction.

**4.2.** The Bank may, at its absolute discretion, record oral Instructions by writing or tape recording or any other method, or combination thereof, as deemed appropriate by the Bank. Such record(s) shall be conclusive and binding on the Client and may be used as evidence of the oral Instruction so recorded. Subject to this, the Client further agrees that a note made by any of the Bank's officers (or officers of the Bank's affiliates) of any oral instruction shall be conclusive and binding evidence of such oral instruction, provided always that the Bank shall not be obliged to cause any of its officers or the officers of its affiliates to make any note of any oral instruction and the failure to make any such note shall not in any way affect the authorisation herein contained or prejudice the rights of the Bank under this Agreement.

## 5. Monitoring and functioning of communications facilities

**5.1.** The Bank will use reasonable efforts to monitor its telephone, facsimile and e-mail facilities to determine if it has received any Instructions or information from the Client. The Client acknowledges and confirms that the Bank's ability to act upon oral, facsimile or e-mail Instructions will be contingent on the Bank's communication facilities being in a working condition and also acknowledges and confirms that the Bank shall not be liable for any delay or failure to receive oral (including telephone), facsimile or e-mail Instructions or information or for any loss incurred by the Client as a result thereof.

## 6. Instructions considered valid

**6.1.** All oral, facsimile or e-mail Instructions from or purporting to come from an Authorised Person shall be conclusively considered to be valid Instructions as acted upon by the Bank even if it:

- a) did not, in fact, come from an Authorised Person;
- b) were not properly understood by the Bank;
- c) were not subsequently confirmed in writing by the Client;
- d) were not accurately transmitted or received; or
- e) differ from any written confirmation from the Client subsequently received by the Bank.

## 7. Declining to act

**7.1.** Notwithstanding anything contained herein to the contrary, the Bank may, at its absolute discretion, decline to act upon any oral (including telephone) facsimile or e-mail instruction if there is any doubt as to the authenticity of and/or authority in respect of such instruction, and it shall not be liable for any loss or damage whatsoever suffered by the Client in the event of it so declining to act.

## 8. Exclusion of liability of the Bank

**8.1.** Neither the Bank nor any of the Bank's Related Corporations, affiliates, associates, nominees or agents or any director, officer, employee or agent of any of the foregoing shall be liable for any losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands or for any diminution of the value of or loss or damage to any property or security or for any loss opportunity whereby the value of the same could have been increased or otherwise in connection therewith or for the acts of any broker, custodian, nominee or correspondent appointed by the Bank in good faith, due to the Bank acting or failing to act upon Instructions or information received, or for any errors, misunderstandings, lack of clarity, fraud, forgery, lack of authority or impersonations of the voice of an Authorised Person in relation to Instructions received

orally (including by telephone) (whether or not confirmations of such Instructions are received), save where the same arises directly from their respective gross negligence, wilful misconduct or fraud. The Bank, its Related Corporations, affiliates, associates, nominees and agents and every director, officer, employee or agent of any of the foregoing shall be entitled to every exemption from liability, every defence and every indemnity to which the Bank is entitled and for the purposes thereof, the Bank is and shall be deemed to be acting as agent on behalf and for the benefit of such entities and Persons.

## 9. Indemnity

**9.1.** The Client shall fully indemnify and keep indemnified the Bank, its Related Corporations, affiliates, associates, custodians, nominees and agents and every director, officer, employee or agent of any of the foregoing against any and all losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands which may be brought against any of them or which any of them may suffer or incur arising from, or in connection with, the Bank or the Bank's Related Corporations, affiliates, associates, nominees or agents or any director, officer, employee or agent of any of the foregoing acting or failing to act upon any instruction or information given to the Bank or such agents, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud.

**9.2.** The Client acknowledges and confirms that the Bank shall be entitled and is authorised to have recourse to any Assets or funds which it may hold or have under its control for the account of the Client, and, notwithstanding any other provision of the Agreement, to deduct or retain from or out of any such Assets or funds as the Bank at its absolute discretion considers necessary to ensure that it continues to hold or have under its control Assets or funds of which the aggregate value is not less than what it considers to be the amount of all liabilities, obligations, losses, damages, taxes, duties, claims, penalties, costs, expenses and disbursements of any kind or nature whatsoever which have been or may be imposed on or incurred by or asserted against the Bank or any of its directors, officers and employees.

## 10. Risks

**10.1.** The Client acknowledges that he is aware of all risks and damages which could result or arise from the use of postal services, telephone, facsimile, e-mail and other acceptable forms of communication with the Bank and hereby agrees to bear fully the consequences of such risks. Such risks include, without limitation, those resulting from errors in transmission, technical defect, power failure, fraud, forgery, illegality, misunderstanding, unintended disclosure or unauthorised interception or manipulation by third parties or any other extraordinary event.

**10.2.** The Client acknowledges that e-mail is not secure and that any communications or Instructions sent via e-mail may be subject to an event which may include, without limitation, unauthorised computer users seeking to gain access to the computer systems of the Bank or the Client, computer viruses which may infiltrate the system of the Bank or the Client, the distribution of any materials beyond the intended recipients, access to information in transit between the Bank and the Client by Persons other than the Bank or the Client or failure to deliver materials on a timely basis. Unless the Bank has acted with gross negligence, the Client shall bear fully the consequences of any miscommunication, breakdown in communication, unauthorised entry into e-mail or electronic post boxes, delay, forgery, mutilation or duplication in connection with the use of e-mail, Internet or other means of communication in relation to communications between the Bank and the Client.

## Part V

### Terms and conditions for hold mail service

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.

### 1. Hold mail service

**1.1.** The Client hereby instructs the Bank to collect, receive, hold and collate all correspondence of the Client, including, but not limited to, invoices, contract notes, confirmation slips, transaction advice, reports, prospectuses, vouchers, letters, statements, notices and other documents relating to the Services, the Account or the Assets (hereinafter individually and collectively referred to as the "Mail") until expressly notified in writing to the contrary. For the avoidance of doubt, the Bank may, at its sole discretion, store the Mail in an electronic format. In carrying out this role, the Bank acts as an agent of the Client. All Mail shall be deemed to have been received by the Client on the date that the Bank receives the same.

### 2. No obligation with respect to Mail

**2.1.** The Bank shall not be obliged and/or required to inform the Client of the receipt of any Mail. The Bank shall also not be obliged and/or required to examine, act or comment on the contents of the Mail.

### 3. Collection of Mail

**3.1.** The Client shall inform the Bank in writing as to the Person(s) that is/are authorised to collect the Mail from the Bank, which shall include the following details:

- a) the Person(s) collecting the Mail on the Client's behalf;
- b) the method of verifying the identity of such Person(s) (which must be a method of verification acceptable to the Bank); and
- c) any other matters which the Bank may require in any specific case or generally.

**3.2.** The Bank shall not be obliged and/or required to carry out such independent verification or examination of the authority and/or identity of such Person(s) save as provided in the written Instructions from the Client. The Client shall be deemed to have collected the Mail at the same time as his agent collects the same from the Bank.

### 4. Failure to collect Mail

**4.1.** If any Mail is not collected by the Client within twelve (12) months of receipt of such Mail by the Bank or if the Client has not given the Bank written Instructions as how to handle such Mail within twelve (12) months of the receipt of such Mail the Bank may at its absolute discretion:

- a) send the Mail to the Client in accordance with Clause 5 below; or
- b) destroy the Mail, or, where the Mail is stored in an electronic format, delete or erase the Mail, in such manner as the Bank sees fit without further notice to the Client, in which circumstances the Client shall not have any claim against the Bank for any loss or damage arising as a result of the Bank's actions in this regard.

### 5. Mail sent to Client

**5.1.** If the Mail is to be sent to the Client, or if the Bank, at its absolute discretion pursuant to Clause 4, decides to send the Mail to the Client, it shall be sent at the risk and expense of the Client and shall be sent to the Client's address specified in the Application Form or to his last known address notified in writing by the Client to the Bank by prepaid post (and by air correspondence, if applicable). Where the Account is held in the name of more than one Person, the Bank, at its discretion, may deliver the Mail to any one party to such Account or to any other party to whom the Bank is instructed in writing to deliver the Mail. Any change of address shall only become effective upon receipt by the Bank of ten (10) days' prior written notice. All Mail shall be considered to have been delivered to the Client upon posting if it is properly addressed, stamped and posted. For the avoidance of doubt, all Mail stored in an electronic format will be printed and posted to the Client in accordance with this Clause 5.

### 6. Risks of hold mail service

**6.1.** The Client acknowledges that, in instructing the Bank to hold the Mail on his behalf in accordance with the terms of this Part V of the Agreement, the Client may, by the passing of time or otherwise, forego certain rights or opportunities and may incur certain liabilities and additional expenses, penalties or losses with regard to the matters referred to in the Mail.

**6.2.** The Client acknowledges, understands, accepts and takes full responsibility for the risks involved in subscribing to the hold mail service, including, but not limited to, the following:

- a) as the Client may not be able to monitor the transactions, or receive contract notes, transaction confirmations or corporate action notifications, and other statements, this may lead to delay in detection of any fraud, omission or error that may occur or arise in connection with the Accounts or the Services, which may result in losses being suffered by the Client. In addition, the Client acknowledges that he is aware that in the event of any delay in notifying the Bank of any fraud or mistake in connection with the Accounts or the Services, the Client may suffer greater or further losses and moreover, the Client may subsequently be precluded from raising any discrepancies, errors or omissions;
- b) the Client may not be aware of any amendments or revisions to the Agreement governing the Account and/or the provision of Services, even though they are binding on the Client; and
- c) the Client may not be aware of any revisions, amendments or changes to any information whatsoever in connection with the Bank or the provision of Services including, but not limited to, fees, charges, interests, services or procedures.

### 7. Exclusion of liability of the Bank

**7.1.** The Client hereby confirms and acknowledges that the Bank shall be under no liability whatsoever arising from, or in connection with, the provision of these hold mail services including, but not limited to, liability for any loss (including loss of rights), damages, penalties, costs, expenses, claims, actions, proceedings, demands or any delay in payment of any amount, exercise of any right or performance of any obligation notified or demanded under the Mail, or any delay, error or omission in receiving, collecting, collating, posting, forwarding, delivery or disposal of, or the holding or loss of, such Mail.

### 8. Indemnity

**8.1.** The Client shall fully indemnify and keep indemnified the Bank, its Related Corporations, affiliates, associates, custodians, nominees and agents and every director, officer, employee or agent of any of the foregoing against any and all losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands which may be brought against any of them or which any of them may suffer or incur arising from, or in connection with, the provision of these hold mail services as set out in this Part V, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud.

**8.2.** The Client acknowledges and confirms that the Bank shall be entitled and is authorised to have recourse to any Assets or funds which it may hold or have under its control for the account of the Client, and, notwithstanding any other provision of the Agreement, to deduct or retain from or out of any such Assets or funds as the Bank at its absolute discretion considers necessary to ensure that it continues to hold or have under its control Assets or funds of which the aggregate value is not less than what it considers to be the amount of all liabilities, obligations, losses, damages, taxes, duties, claims, penalties, costs, expenses and disbursements of any kind or nature whatsoever which have been or may be imposed on or incurred by or asserted against the Bank or any of its directors, officers and employees.

### 9. Fees

**9.1.** The Client agrees that he shall pay to the Bank such fees as may be prescribed by the Bank from time to time in consideration for the hold mail services being provided by the Bank. The Client authorises the Bank to debit such fees from the Client's Account(s) managed by the Bank on the Client's behalf.

### 10. Authorisation of the Bank

**10.1.** The Client hereby authorises and requests the Bank to give any and all Instructions, sign any and all documents and generally to take any and all other action as the Bank may at its discretion deem necessary or desirable in order to cause the Mail to be directed to the Client by any relevant party, and the Bank is also authorised to give written notice to all such parties should the Bank consider it appropriate to do so for the purpose of such redirection of the Mail or otherwise in connection with the performance of the Bank's Services hereunder.



## Part VI

### Terms and conditions for fiduciary placement services

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.

## 1. Appointment of the Bank

**1.1.** The Client hereby appoints the Bank to act as investment manager of such cash balances as may be specified from time to time by the Client ("Cash Balances") and expressly authorises the Bank to invest the Cash Balances in time deposits or other investments for a term not exceeding twelve (12) months (the "Investments") with banks or other financial institutions in any part of the world (the "Institutions") in the name of the Bank but for the account and at the exclusive risk of the Client.

## 2. Carrying out Investments

**2.1.** Subject to the provisions hereof, the Client agrees and confirms that the Bank shall, at its absolute discretion, determine how the Investments are to be carried out, provided always that the Client shall be entitled to instruct the Bank as to the amount, the currency and duration of each Investment being carried out. In the event the Client does not provide the Bank with specific Instructions in respect of any Investment at least five (5) Business Days prior to its maturity, the Bank may decide, at its discretion, whether the Investment should be renewed and, if so, the terms and conditions, including the duration, of such renewal, or whether the monies shall be retained in an account at the Bank.

**2.2.** It is agreed that the duties of the Bank shall be confined solely to effecting Investments in accordance with this Part VI of the Agreement and to crediting monies actually received by it in respect of Investments to the Client's account(s). All risks in connection with any Investment shall be borne solely by the Client. The Client acknowledges that each Investment shall be subject to all laws and regulations applicable thereto, including, but not limited to, those in force in the place where any Investment is made and those relating to any Institution with which such Investment is effected.

**2.3.** The Bank shall not be obliged to take any measures to enforce the payment of interest or the repayment of any Investment or to contest, in any way, any imposition of taxes, fees or costs or to oppose seizure, attachment or any other restriction imposed in connection with any Investment by courts or public authorities. The Bank's sole obligation shall be to assign to the Client the rights and claims and any security relating to such Investment.

**2.4.** The Client authorises and hereby instructs the Bank to open any trust account or such other accounts in the name of or on behalf of the Client, to hold the Cash Balances or otherwise, as necessarily required under the laws and regulations, and the Client hereby agrees, authorises and hereby instructs the Bank to maintain such accounts and deal with the Cash Balances contained in such accounts in the manner required by and provided for under the laws and regulations. The Client undertakes and agrees to remit the Cash Balances or any other monies required in relation to the effecting of the Investments to such party and in such manner or by such means of payment as may be specified by the Bank, which is necessarily required under the laws and regulations for the purposes of effecting the Investments.

## 3. Confirmation of Investments

**3.1.** The Bank shall issue to the Client a confirmation of each Investment made and it shall appear, for the purposes of record only, as a separate item on the Client's statements issued by the Bank. The Client agrees that such confirmation shall constitute a full and complete statement and shall entirely discharge the obligation of the Bank to account to the Client in respect of the Investment.

## 4. Client's undertakings

**4.1.** The Client undertakes to complete and return to the Bank promptly any notice, declaration or other document requested by any Institution in respect of an Investment. The Client agrees that the Bank shall not be liable for any deduction or retention made in respect of any Investment or interest thereon or any other loss or liability incurred by any Person as a result of failure to provide such a notice, declaration or other statement.

## 5. Commission and other accounts

**5.1.** The Bank shall be entitled to charge the Client a fiduciary commission equal to all amounts deriving from or accruing on each Investment (whether representing interest on an Investment, fees or other benefits whatsoever and whether payable by an Institution or otherwise) which are in excess of the aggregate amount of interest which the Bank shall have been instructed or deemed to have been instructed to obtain by the Client or otherwise agreed between the Client and the Bank. The Bank shall be deemed to have fully disclosed and shall not be obliged to account to the Client in respect of any amount other than the aggregate amount of interest which the

Bank shall have been instructed or be deemed to have been instructed to obtain by the Client or otherwise agreed between the Client and the Bank. The Client authorises the Bank to receive, enforce and retain any amounts which the Bank is entitled to receive hereunder from an Institution or any other Person whosoever.

## **6. Indemnity**

**6.1.** The Client shall fully indemnify and keep indemnified the Bank, its Related Corporations, affiliates, associates, custodians, nominees and agents and every director, officer, employee or agent of any of the foregoing against any and all losses, damages, costs, expenses, charges, actions, suits, proceedings, claims or demands which may be brought against any of them or which any of them may suffer or incur arising from, or in connection with, the Investment or the performance of their duties as investment manager, save where the same arises directly from their respective gross negligence, wilful misconduct or fraud.

**6.2.** The Client acknowledges and confirms that the Bank shall be entitled and is authorised to have recourse to any Assets or funds which it may hold or have under its control for the account of the Client, and, notwithstanding any other provision of the Agreement, to deduct or retain from or out of any such Assets or funds as the Bank at its absolute discretion considers necessary to ensure that it continues to hold or have under its control Assets or funds of which the aggregate value is not less than what it considers to be the amount of all liabilities, obligations, losses, damages, taxes, duties, claims, penalties, costs, expenses and disbursements of any kind or nature whatsoever which have been or may be imposed on or incurred by or asserted against the Bank or any of its directors, officers and employees.

## Part VII

### Special conditions

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.

## 1. Safe keeping

**1.1.** The Bank may accept for safe keeping from the Client such Assets as it may from time to time think fit (hereinafter referred to as the “Assets in Custody”). The Bank may, at its discretion, have the Assets in Custody registered in its own name or that of its nominee (the “Nominee”) or otherwise.

**1.2.** The Bank shall be a bare custodian and not a trustee of the Assets in Custody. The Bank may, at the sole risk of the Client, appoint third-party agents to act as custodians (“Sub-Custodians”) of the Assets in Custody on its behalf, in which event the Client shall be subject to such terms as may be imposed by the Sub-Custodians. Provided that the Bank has exercised reasonable care in the selection of such Sub-Custodians, it shall not be bound to supervise the actions of the Sub-Custodians and shall not be in any way responsible for any loss incurred as a result of any misconduct or default on the part of such Sub-Custodians.

**1.3.** The Bank may commingle the Assets in Custody with other assets, like with like, and the Client shall be entitled to a proportionate part of such commingled assets.

**1.4.** In the event that the Assets in Custody are commingled and/or are held by a Sub-Custodian appointed by the Bank, it may be the case that the Assets in Custody of the Client are not identifiable by separate certificates or other physical documents or equivalent electronic records, and the Bank shall not be obliged to return the identical Assets in Custody, but only Assets of the same type, class or denomination as the Assets in Custody (subject to any restructuring of the Assets in Custody including, without limitation, any capital reorganisation which may have occurred in the meantime). The Bank shall maintain records of the Client’s interest in the Assets in Custody which have been commingled or kept with a Sub-Custodian, and such records shall be deemed conclusive and binding evidence of the Client’s interest therein, save in the case of manifest error.

**1.5.** The Bank may, but shall not be obliged to, take out or maintain any insurance in respect of the Assets in Custody unless specifically requested by the Client and agreed in writing by the Bank.

**1.6.** The Bank shall not be obliged to take any step or action in respect of the Assets in Custody (including, without limitation, forwarding notices or other documents to the Client or exercising any voting, subscription or other rights) unless specifically requested by the Client and agreed in writing by the Bank.

**1.7.** The Bank shall collect all dividends and interests accruing or payable on the Assets in Custody and any shares, stocks, rights, money or property accruing, arising or offered by way of redemption, bonus, preference, dividend, option or otherwise or in respect of the Assets

in Custody, provided however that nothing herein shall be construed as placing on the Bank or any Sub-Custodian any liability whatsoever in respect of any calls, instalments or other payments relating to the Assets in Custody or in respect of any shares, stocks, rights, money or property accruing or arising therefrom or offered therefor.

**1.8.** All fees, commissions, taxes and other charges incurred in connection with the holding of the Assets in Custody, including the appointment of any Sub-Custodians, shall be borne entirely by the Client, and the Bank shall be entitled to recover any such fees, commissions, taxes and other charges paid by the Bank on a full indemnity basis.

**1.9.** Without prejudice to the general applicability of the General Terms and Conditions set out in Part I of the Agreement, and any other terms and conditions of the Agreement, the Client acknowledges that:

- a) the Bank is hereby authorised (but not obliged) to comply with Instructions given to the Bank by the Authorised Person (as stipulated in the Agreement) concerning any Assets deposited with the Bank pursuant to the Agreement and in the manner notified to the Bank by the Client for such purpose, and the Bank shall not be liable in respect of any action taken or not taken in response to such Instructions which it believes to have come from such Person(s);
- b) the Bank shall have a lien over all Assets deposited pursuant hereto (or transferred into the Bank’s name or the name of the Nominee) for all such fees, charges and expenses, and the Bank shall be entitled to realise and sell so much thereof in such manner as it shall deem fit if any of such fees, charges or expenses of the Bank or the Nominee or both still remain owing after demand, and the proceeds thereof (after the expenses of realisation and sale) shall be applied in and towards settlement thereof. The Client shall have no right or claim against the Bank or the Nominee in respect of any loss arising out of such realisation or sale howsoever caused and whether or not a better price could have been obtained by either deferring the date of such realisation or sale or otherwise howsoever; and
- c) there are risks in leaving Assets in the Bank’s or a Sub-Custodian’s custody, in authorising the Custodian to deposit Assets as collateral for loans or advances made to the Bank or in authorising the Bank to loan Assets. The Client agrees and confirms that he is prepared to accept such risk notwithstanding that, in these circumstances, the Client faces risk of loss of the Assets.

## 2. Secured credit facility

**2.1.** At the request of the Client, but subject to written confirmation by the Bank (the “Facility Letter”), the Bank may, at its discretion, extend a secured credit facility (the “Facility”) to the Client upon terms stipulated by the Bank, pursuant to which the Client may draw down advances for such purposes as may be approved by the Bank.

**2.2.** Where approved by the Bank, the Facility will be available for drawdown from time to time (to the extent that it has not been utilised or cancelled) three (3) Business Days after the Bank receives the Client’s written request for funds specifying the amount and currency required and the tenor or on such other date as may be acceptable to the Bank and a Facility Letter is issued by the Bank. Requests for drawdowns shall be subject to acceptance by the Bank. The Bank’s determination of the level of utilisation and the Facility amount remaining available (if any) shall be binding and conclusive. If the utilisation level is determined by the Bank to exceed the Facility limit, the Client must immediately, on demand by the Bank, reduce the utilisation level to the Facility limit.

**2.3.** The Bank may stipulate a margin (the “Margin”) by which the Charged Assets Value should exceed the Total Indebtedness at all times. The Client shall ensure that the Margin is maintained at all times, by injecting additional funds or Assets acceptable to the Bank as additional collateral or security as soon as he is notified of a shortfall. Where the Client fails to reinstate the Margin within such time as the Bank may allow, the Bank may, at its discretion, take such steps as it deems appropriate to reinstate the Margin. This may include, without limitation, the realisation or disposal of all or any of the Charged Assets in any manner, the reduction of the Facility amount, the withholding of further disbursement under the Facility and/or requiring immediate repayment of the whole or part of the Client’s indebtedness under the Facility. The Bank shall not be obliged to notify the Client or make any further demand prior to the disposal of the Charged Assets. Nothing in this Special Condition shall operate to affect the rights of the Bank under any security agreement relating to the Charged Assets, the Facility or the Account.

**2.4.** The Client acknowledges and agrees that the determination of the Charged Assets Value and the manner in which any such determination is made are at the Bank’s sole discretion, that the Margin may change at any time and from time to time as the Bank sees fit and that the Bank need not give any reason for such change and need not obtain consent from or give any notice to the Client.

**2.5.** The conditions stipulated in Clause 2 of this Part VII of the Agreement shall not in any way be construed as a commitment by the Bank to extend such Facilities to the Client.

## 3. Foreign exchange trading

**3.1.** At the request of the Client, but subject to written confirmation by the Bank (the “FX Letter”), the Bank may extend a foreign exchange trading facility (the “FX Facility”) to the Client pursuant to which the Client may trade in foreign currencies on a spot (“Spot Transaction”) or forward basis (but not exceeding one (1) year) (“Forward Transaction”) or trade in options relating to a Spot Transaction or a Forward Transaction (“FX Option Transaction”) (Spot Transactions, Forward Transactions and FX Option Transactions are hereinafter referred to collectively as “FX Transactions”).

**3.2.** Upon entry into an FX Transaction, the Bank will issue a confirmation to the Client, but failure to issue or delay in issuing a confirmation shall not prejudice or invalidate the entry into or the terms of such FX Transaction. The parties agree that all FX Transactions are entered into on the basis that they constitute a single business and contractual relationship between the parties and are made in consideration of each other.

**3.3.** The Bank may indicate to the Client from time to time the maximum aggregate notional amount of FX Transactions which the Client can enter into under the FX Facility. However, neither the fixing of such limit nor the indication thereof to the Client in any way obliges the Bank to enter into any FX Transaction with the Client. The Client further acknowledges and agrees that the FX Facility limit may change at any time and from time to time as the Bank sees fit and that the Bank need not give any reason for such change and need not obtain consent from or give any notice to the Client.

**3.4.** Without prejudice to the above, the Client may not enter into any FX Transaction unless the Charged Assets Value is not and will not be less than the Total Indebtedness both before and after the proposed FX Transaction. In addition, the Client must ensure that the Total Indebtedness is not more than the Charged Assets Value throughout the duration of the FX Facility.

**3.5.** If the Total Indebtedness is more than the FX Call Margin of the Charged Assets Value, the Bank may at any time thereafter require the Client to deposit or cause to be deposited with the Bank, within 24 hours, additional monies or Assets acceptable to the Bank as additional security so as to comply with the requirements under Clause 3.4. or Clause 3.5. at the Bank’s discretion.

**3.6.** If the Client fails to comply with a demand by the Bank pursuant to Clause 3.5., the Bank may at any time thereafter, at its sole discretion, elect to close out any one or more or all of the outstanding FX Transactions so as to comply with the FX Minimum Margin requirements under Clause 3.4. or Clause 3.5. or treat such failure as a Termination Event.



**3.7.** In addition and without prejudice to the foregoing, if the Total Indebtedness is more than the FX Close-Out Margin of the Charged Assets Value, the Bank may at any time thereafter, at its sole discretion, elect to close out any one or more or all of the outstanding FX Transactions so as to comply with the FX Minimum Margin requirements under Clause 3.4. or Clause 3.5. or treat such failure as a Termination Event.

**3.8.** Upon the occurrence of any Termination Event or potential Termination Event or upon the termination of the FX Facility (whether in whole or in part), the Bank may at any time thereafter, at its sole discretion and without prior notice to the Client, elect to close out any one or more or all of the outstanding FX Transactions.

**3.9.** The Client acknowledges and agrees that the FX Call Margin, FX Minimum Margin Value, FX minimum Margin and FX Close-Out Margin may change at any time and from time to time as the Bank sees fit and that the Bank need not give any reason for such change and need not obtain consent from or give any notice to the Client.

**3.10.** Each Spot Transaction or Forward Transaction (if not previously closed out) shall be deemed to have been closed out on such day before the Value Date for such transaction as is customary in the appropriate financial centre for the relevant compensating FX Transaction to have been entered into in order for it to settle on such Value Date.

**3.11.** In addition to the Bank's right to close out an FX Transaction pursuant to Clause 3.6., Clause 3.7. or Clause 3.8. or the deemed closing out of an FX Transaction pursuant to Clause 3.10., the Bank may at its sole discretion, at the request of the Client, agree to close out an FX Transaction before its Value Date.

**3.12.** The Bank may, at its sole discretion, at the request of the Client, agree to roll over or extend the Value Date of an FX Transaction, but only on the basis that such rollover or extension is at current rates and any loss or profit must be realised and booked and otherwise on such terms and conditions as the Bank thinks fit.

**3.13.** The closing out of an FX Transaction shall be effected by deeming a compensating FX Transaction to have been entered into on the date of such closing out.

**3.14.** The Client acknowledges that the Bank is under no obligation, in closing out any FX Transaction, to close out at the rate or price or level specified in any stop-loss or stop-limit order given by the Client to the Bank or at any other agreed rate or price or level.

**3.15.** Notwithstanding any other provisions in the Agreement, neither the Bank nor the Client shall be required to effect actual delivery of the full amount of the currencies agreed to be delivered by each of them pursuant to a Spot

Transaction or a Forward Transaction, and the sole obligation of the parties shall be to receive or pay (as the case may be) on the date on which such transaction is closed out or deemed to be closed out an amount in the FX Reference Currency equivalent to the FX Transaction Balance. However, nothing herein or elsewhere in the Agreement shall operate to reduce or restrict any other obligation of the Client to the Bank.

**3.16.** An FX Option Transaction may be exercised only in whole (unless otherwise agreed) by the buyer giving the seller a notice of exercise in accordance with the terms thereof, the effect of which shall be that the FX Option Transaction shall be deemed converted into a Spot Transaction or a Forward Transaction (as the case may be), provided that the Bank shall not be obliged to act upon the exercise of an FX Option Transaction by the Client unless the Bank is satisfied that the collateral or security margin requirements will continue to be satisfied upon the exercise.

**3.17.** If an FX Option Transaction has not been exercised in accordance with the terms thereof, it shall expire and become void and of no effect.

**3.18.** The seller in an FX Option Transaction shall not be obliged to notify the buyer of any matter relating to such FX Option Transaction, including, but not limited to, the impending expiry or expiry of the FX Option Transaction or the need to serve notice to exercise if the buyer wishes to exercise the FX Option Transaction.

#### 4. Leveraged deposits

**4.1.** At the request of the Client but subject to written confirmation by the Bank (the "LD Letter"), the Bank may extend a leveraged deposit facility (the "LD Facility") to the Client pursuant to which the Client may draw down an advance ("LD Advance") in the LD Reference Currency for a specified tenor as agreed by the Bank for the purpose of purchasing another currency on a spot basis ("LD Spot FX") to be placed on deposit ("LD Deposit") with the Bank for a term corresponding to the tenor of the LD Advance (each series of LD Advance, LD Spot FX and LD Deposit are hereinafter referred to collectively as an "LD Transaction").

**4.2.** Upon entry into the LD Transaction, the Bank will issue a confirmation to the Client, but failure to issue or delay in issuing a confirmation shall not prejudice or invalidate the entry into or the terms of such LD Transaction. The parties agree that all LD Transactions are entered into on the basis that they constitute a single business and contractual relationship between the parties and are made in consideration of each other.

**4.3.** The Bank may indicate to the Client from time to time the maximum aggregate amount of LD Advances which the Client can draw down under the LD Facility. However, neither the fixing of such limit nor the indication thereof to the Client in any way obliges the Bank to enter into any LD Transactions with the Client. The Client further acknowledges and agrees that the LD Facility limit may change at any time and from time to time as the Bank sees fit and that the Bank need not give any reason for such change and need not obtain consent from or give any notice to the Client.

**4.4.** Without prejudice to the above, the Client may not enter into any LD Transaction unless the Charged Assets Value is and will not be less than the Total Indebtedness both before and after the proposed LD Transaction. In addition, the Client must ensure that the Total Indebtedness is not more than the value of the Charged Assets throughout the duration of the LD Facility.

**4.5.** If the Total Indebtedness is more than the LD Call Margin of the Charged Assets Value, the Bank may at any time thereafter require the Client to deposit or cause to be deposited into an account specified by the Bank, within 24 hours, additional monies or Assets acceptable to the Bank as additional security so as to comply with the requirements under Clause 4.4. or Clause 4.5. at the Bank's discretion.

**4.6.** If the Client fails to comply with a demand by the Bank pursuant to Clause 4.5., the Bank may at any time thereafter, at its sole discretion, elect to close out any one or more or all of the outstanding LD Transactions so as to comply with the requirements under Clause 4.4. or Clause 4.5. or treat such failure as a Termination Event.

**4.7.** In addition and without prejudice to the above, if the Total Indebtedness is more than the LD Close-Out Margin of the Charged Assets Value, the Bank may at any time thereafter, at its sole discretion, elect to close out any one or more or all of the outstanding LD Transactions so as to comply with the requirements under Clause 4.4. or Clause 4.5. or treat such failure as a Termination Event.

**4.8.** Upon the occurrence of any Termination Event or potential Termination Event or upon the termination of the LD Facility (whether in whole or in part), the Bank may at any time thereafter, at its sole discretion and without prior notice to the Client, elect to close out any one or more or all of the outstanding LD Transactions.

**4.9.** The Client acknowledges and agrees that the LD Call Margin and LD Close-Out Margin may change at any time and from time to time as the Bank sees fit and that the Bank need not give any reason for such change and need not obtain consent from or give any notice to the Client.

**4.10.** Each LD Transaction (if not previously closed out) shall be deemed to have been closed out on such day before the Maturity Date for such LD Transaction as is customary in the appropriate financial centre for the relevant compensating LD Transaction to have been entered into in order for it to settle on such Maturity Date.

**4.11.** In addition to the Bank's right to close out an LD Transaction pursuant to Clause 4.6., Clause 4.7. or Clause 4.8. or the deemed closing out of an LD Transaction pursuant to Clause 4.10., the Bank may at its sole discretion, at the request of the Client, agree to close out an LD Transaction before its Maturity Date.

**4.12.** The Bank may, at its sole discretion, at the request of the Client, agree to roll over or extend the Maturity Date of an LD Transaction, but only on the basis that such rollover or extension is at current rates and any loss or profit must be realised and booked, and otherwise on such terms and conditions as the Bank thinks fit.

**4.13.** The closing out of an LD Transaction shall be effected by deeming a compensating LD Transaction to have been entered into on the date of such closing out for settlement on the Maturity Date of the outstanding LD Transaction.

**4.14.** The Client acknowledges that the Bank is under no obligation, in closing out any LD Transaction, to close out at the rate or price or level specified in any stop-loss or stop-limit order given by the Client to the Bank or at any other agreed rate or price or level.

**4.15.** Notwithstanding any other provisions in the Agreement, neither the Bank nor the Client shall be required to effect actual payment of the full amount of the LD Deposit or LD Advance respectively agreed to be delivered by each of them pursuant to an LD Transaction, and the sole obligation of the parties shall be to receive or pay (as the case may be) on the date on which such LD Transaction is closed out or deemed to be closed out an amount in the LD Reference Currency equivalent to the LD Transaction Balance. However, nothing herein or elsewhere in the Agreement shall operate to reduce or restrict any other obligation of the Client to the Bank.

## Part VIII

### Power of attorney in favour of the Bank

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.

By executing and entering into the Agreement, the Client (which shall include each member of a group of Persons comprising the Client, as appropriate) hereby constitutes and appoints the Bank as the true and lawful attorney of the Client for the account, on behalf, in the name and in accordance with the Instructions of the Client, with full power of substitution and delegation, in connection with the provision of Services by the Bank:

- a) to operate the Account and any and all other account(s) of the Client maintained with the Bank and/or any of its affiliates and/or maintained with any other third-party financial institution(s) or financial or investment intermediary/intermediaries (“Third Party Service Providers”), in each case in relation to the Services or the Agreement (any such account with the Bank and/or any of its affiliates and/or Third Party Service Providers being referred to herein as the “Services Account”), and generally to execute any and all documents and to do any and all things in relation to the Services or the Services Account to the extent that the Client may do so in respect of such accounts;
- b) to arrange for dealings in or withdrawal of any Securities, property, valuables or other Assets of the Client furnished to or deposited with the Bank and/or any of its affiliates at any time as security or otherwise and to arrange for the substitution of any such Securities, property, valuables or other Assets of the Client therefore;
- c) to arrange credit facilities with the Bank and the issue of letters of credit, guarantees and similar obligations by the Bank;
- d) to arrange for the borrowing of money by any appropriate means from the Bank and/or any of its affiliates and, on the terms and conditions contained in the Bank’s customary form for the time being, to deposit with, transfer, pledge, hypothecate, convey, assign, mortgage, deliver or give to the Bank as security for any monies borrowed or to be borrowed all or any of the present or future property and Assets of the Client of every kind and whether real or personal or moveable or immovable;
- e) to draw, accept, sign, make, endorse, negotiate and dispose of all or any bills of exchange, promissory notes, cheques, orders for the payment of money, and contracts for letters of credit and forward exchange, notwithstanding that:
  - the debiting of any such instrument may cause the Account or any Services Account belonging to the Client to be overdrawn or any overdraft to be increased;
  - such instrument directs a transfer to an account in the name of the Bank and/or any of its affiliates; or
  - such instrument requires the Bank and/or any of its affiliates to make payment to the Bank and/or any of its affiliates and/or any Third Party Service Provider as the signatory or payee of such instrument;
- f) to arrange for payment of cheques, drafts, bills of exchange and orders to the credit of the Account or any Services Account;
- g) to arrange for payment and deposit to the Account or the Services Account on behalf of the Client of all monies and to give acquittances for the same;
- h) to countermand payment of drafts, cheques and other orders for payment;
- i) to arrange for the discount or deposit with the Bank of any negotiable paper, stocks, bonds and other Securities;
- j) to receive statements of account, chequebooks, all paid cheques and other debit vouchers charged to the Account or any Services Account, and execute from time to time the necessary form or receipt thereof;
- k) to receive from the Bank and/or any of its affiliates and/or Third Party Service Providers any paper, bonds, Securities and other property or Assets of or registered in the name of the Client and give receipts thereof;
- l) to execute the form of agreement of the Bank and/or any of its affiliates and/or Third Party Service Providers (as the case may be) as to the operation and verification of the Account or any Services Account, as the case may be, and to execute any other agreement(s) relating to the Services provided under the Agreement, whether generally or with regard to any particular transaction; and
- m) generally to transact with the Bank and/or any of its affiliates and/or any Third Party Service Provider any business which the Bank may see fit in connection with the Services provided under the Agreement, whether or not the same is within the powers specifically set forth above.

The Client ratifies and confirms any and all acts and things done, and any and all documents executed, by the Bank pursuant to the powers granted hereunder. The Client also undertakes to do all things and execute all necessary documents as may be required to ratify, confirm, validate, perfect or otherwise give full legal effect to all such actions taken and documents executed by the Bank, and the Client agrees not to hold the Bank liable for any loss or damages incurred as a result of any action taken or omission by the Bank pursuant to this power of attorney.

In the case of a Client which is an individual or group of individuals, any action taken by the Bank, and which the Bank is empowered to take, after the death of the Client or any member of the group of Persons comprising the Client, shall be binding on such Client or relevant member of the group of Persons comprising the Client, the executor and personal representatives of the deceased’s estate as well as the deceased’s lawful successor, until such time as the Bank is notified in writing of the death.

## Part VIII – Power of attorney in favour of the Bank

Subject to applicable law, this power of attorney shall continue in force until the Bank receives notice of revocation in writing from the Client, or (if applicable) the Client's executor(s), personal representative(s) or lawful successor(s). For the avoidance of doubt, in the case of the death of the Client or any one of the Clients (in the case of joint Clients), each Client acknowledges that any action taken by the Bank after the death of such Client which the Bank is empowered to do so pursuant to the authority given to the Bank in this Part VIII shall be binding on the Client or the remaining Client(s) (as the case may be), his executor(s), personal representative(s) or lawful successor(s), until notice in writing of revocation is received by the Bank.

# Part IX

## Risk Disclosure Statement

These terms and conditions are not intended to be exhaustive and must be read together with the other provisions of the Agreement, including the General Terms and Conditions set out in Part I and such other terms and conditions as may be imposed by the Bank.



## 1. Introduction

The objective of this Risk Disclosure Statement is to explain to the Client certain risks relating to investments or transactions of which the Client should be aware prior to undertaking such investments or transactions. In particular, the Client must be aware that the risk of loss in respect of some investments or transactions, and especially in respect of trading in treasury and financial derivatives transactions or contracts, can be substantial.

Neither this Risk Disclosure Statement nor the Agreement purports to disclose all of the risks associated with the investments or transactions which the Client may undertake. Investors should make their own legal and tax determination (including any applicable exchange control regulations) on the investment, and should consider carefully whether the product is suitable for them in light of their personal risk appetite, liquidity requirements and return and Investment Objectives (including the legal and tax regimes in their countries of their citizenship, residence and/or domicile). When in doubt, investors should obtain independent advice.

## 2. General conditions

**2.1.** This Risk Disclosure Statement applies to investments or transactions involving equities, foreign exchange, precious metals, bonds, commodities, interest rates, Securities, market indices and any combination of these, and any Spot Transactions, forward contracts, swaps, options and other derivatives transactions thereof including any structured products incorporating any or any combination of the preceding as well as any other investments or transactions which the Bank and the Client may from time to time agree (hereinafter referred to as the “Transactions” and each as a “Transaction”).

**2.2.** Due to the volatile nature of the Transactions and the underlying assets therein, participation in a Transaction involves a certain degree of risk. The prices of Securities fluctuate, sometimes dramatically. The price of a security may move up or down, and the security may become valueless. It is as likely that losses will be incurred as profit made as a result of buying and selling Securities or entering into other Transactions. The Client’s attention is hereby drawn to such risks, which can be substantial. The Client should consult his financial advisor on the nature of such Transactions and carefully consider whether the kind of Transaction is appropriate for him in the light of his financial circumstances. The Client carries the burden of all risks involved in such Transactions, and the Bank is not responsible for any losses whatsoever or howsoever arising from the Transactions.

**2.3.** The Client accepts that when the Bank undertakes a Transaction for the Client, the Bank or some other Person connected with it may have an interest, relationship or arrangement that is material in relation to the Transaction concerned. The Client further acknowledges and agrees that when the Bank undertakes a Transaction for the Client, the Bank or a Person connected with it could be dealing as principal for its own account or as agent for the account of another client or customer of the Bank.

**2.4.** Where the Client’s counterparty is the Bank, the Client acknowledges that the Bank deals with the Client at arm’s length as the Client’s counterparty. In such a case, the Bank is not the Client’s fiduciary, nor does it accept any fiduciary obligations to the Client. The Client should be aware that any dealing, trading or engagement or Transaction with the Bank by the Client could result in a loss to the Client and a gain to the Bank. The Bank does not and will not give the Client any advice or recommendation, whether written or oral, other than the representations which will be expressly set forth in the relevant agreement and any confirmation which may be signed or executed by the Client after negotiations with the Bank as the Client’s counterparty.

**2.5.** By entering into any Transaction with the Bank, the Client confirms that he has read and fully understood this Risk Disclosure Statement, and all product term sheets, annexures and supplements pertaining to the Transaction, and that he fully understands the nature of the Transaction and the terms and conditions governing the said Transaction, including the Bank’s margin requirements (if applicable).

**2.6.** By entering into any Transaction with the Bank, the Client acknowledges that he makes his own assessment and relies on his own judgement in relation to any and all investment or trading or other decisions in respect of such Transaction and accepts any and all risks associated therewith and any losses suffered as a result of entering into any Transaction.

**2.7.** The Bank is not obliged to give advice or make recommendations and notwithstanding that it may do so on request by the Client or otherwise, such advice or recommendations are given or made (and the Client acknowledges and agrees that it is so given or made) without any responsibility on the part of the Bank and on the basis that the Client will nevertheless make the Client’s own assessment and rely on the Client’s own judgement.

**2.8.** The Bank is part of a large international financial group and acts simultaneously for a large number of clients, as well as for its own account. Accordingly, conflicts of interest cannot be completely avoided. Accordingly, the Client acknowledges that the Bank and its affiliates may (subject to applicable laws) (a) be the issuer of any investments; (b) combine the Client’s orders with its/their

own orders or the orders of other clients; (c) make investments or effect Transactions for the Client through the agency of and/or with a counterparty which is a related organisation or a Person otherwise associated with it/ them; (d) have a position or a direct or indirect interest in any investments or Transactions even if the position is opposite to that taken by the Client; (e) have bought or sold any investments or entered into any Transactions as principal or for its/their other clients; or (f) have other banking, advisory or any other corporate relationships with companies whose investments are held for the Client's Account or are purchased and sold for the Client, and its/their officers and directors may be officers and directors of such companies. The Bank and its affiliates shall not be liable to account for or specifically disclose to the Client any profit, charge or remuneration made or received from any such Transaction or other connected Transactions.

**2.9.** The Services provided by the Bank to the Client are non-exclusive, and the Bank shall be under no obligation to account to the Client for any benefit received for providing Services to others or to disclose to the Client any fact or thing which may come to the notice of the Bank in the course of providing Services to others or in any other capacity or in any manner whatsoever otherwise than in the course of providing the Services to the Client under these terms and conditions.

### 3. Margin requirements

Where the Client transacts with the Bank on a margin basis, the following shall apply:

**3.1.** The Client must provide the Bank with an initial margin cover before entering into any of the Transactions. The required amount of initial margin varies with each type of Transaction and is determined by the Bank, from time to time, at its absolute discretion.

**3.2.** Notwithstanding entry by the Client into the Transactions, the margin required may be changed at any time by the Bank at its absolute discretion.

**3.3.** The margin cover shall be secured by such Assets as are acceptable to the Bank. The valuation of such Assets is made according to the Bank's prevailing practices from time to time.

**3.4.** The margin cover provided by the Client may fall below the amount required by the Bank from time to time due to various reasons including, without limitation, book losses arising from mark-to-market valuation of outstanding Transactions or losses arising from closed-out Transactions or a fall in the value of the secured Assets.

**3.5.** If the Bank, at its absolute discretion, determines that the margin cover is inadequate at any time, the Bank may take such action as the Bank at its sole discretion deems fit to "top up" the margin cover, including without limitation:

- a) calling upon the Client at short notice to provide such additional collateral as determined by the Bank at its sole discretion. This amount may be substantial and may exceed the amount originally committed as initial margin cover;
- b) realising such part or all of the collateral as the Bank deems necessary to satisfy the liabilities of the Client without notice to or consent from the Client or the party providing the secured Assets; and/or
- c) closing out, liquidating, setting off (notwithstanding that any of the same has not yet matured), realising or otherwise dealing with any or all outstanding Transactions (whether or not any additional loss may thereby arise) by such time and by such means or in such manner as the Bank at its sole discretion thinks appropriate, without notice to or consent from the Client.

If, after such "topping up", the amount of margin cover is still not adequate to meet the Client's obligations to the Bank, the Client shall be liable to the Bank for the difference.

**3.6.** The high degree of leverage resulting from a relatively small margin requirement in respect of the Transactions can work against the Client as well as in the Client's favour. The Client acknowledges and accepts that the use of leverage may result in large losses as well as gains. The Client should therefore consider the suitability of transacting with the Bank on a margin basis carefully in light of the Client's financial position and Investment Objectives.

### 4. Value changes

Specific market movements of the underlying instruments, such as fluctuations in foreign exchange rates, interest rates, movements in commodities prices and Securities prices and indices, cannot be predicted accurately. The Client acknowledges and accepts that the Client may sustain a total loss in excess of the committed amount and any margin or additional margin deposited with the Bank.

### 5. "Stop-loss" limits and orders

The Client may place a "stop-loss" order with the Bank, whereby the Bank is instructed and authorised to close out the relevant open positions of the Client without further notice as and when the mark-to-market loss on such open positions exceeds the pre-agreed level (the "stop-loss" limit). However, placing "stop-loss" orders will not necessarily limit the Client's losses to the intended amounts as market conditions may make it difficult or even impossible to execute such an order. Accordingly, the

Client hereby releases and discharges the Bank from all liability arising out of the non-execution of a “stop-loss” order and hereby authorises the Bank, in such circumstances, to execute such orders at such rate and in such manner as the Bank may deem appropriate.

## 6. Risks of options

Transactions involving options carry a high degree of risk and are not suitable for many people or entities. Such Transactions should be entered into only by people or entities who fully understand and have familiarised themselves with the type of option, style of exercise, the nature and extent of rights and obligations and the associated risks. The Client should carefully calculate the price which the underlying contract would have to reach for the option position to become profitable. This price would include amounts by which the underlying contract would have to rise above or fall below the strike price to cover the sum of the premium and all other costs incurred in entering into and exercising or closing the option position or performing the Client’s obligations under the option. The Client acknowledges that exercising any option results either in a cash settlement or in the acquisition or delivery of the underlying contract. The Client further acknowledges that the Client is solely responsible for ensuring that the Bank receives adequate and timely Instructions as to the exercise or abandonment of any options.

### 6.1.

- a) Briefly, a “CALL option” gives the buyer – against payment of the option price (premium) – the right to purchase at any time during a specified period (in the case of an American option) or at the end of that period (in the case of a European option) and at a specified price (exercise price) the underlying instrument from the seller (writer) of the option in a quantity predetermined by the option transaction concerned. Should the buyer exercise his option, the seller (writer) of the option must deliver the underlying instrument to the option buyer at the exercise price.
- b) Briefly, a “PUT option” gives the buyer – against payment of the option price (premium) – the right to sell at any time during a specified period (in the case of an American option) or at the end of that period (in the case of a European option) and at specified price (exercise price) the underlying instrument to the seller (writer) of the option in a quantity predetermined by the option transaction concerned. Should the buyer exercise his option, the seller (writer) of the option must purchase the underlying instrument from the option buyer at the exercise price.

### 6.2. Risks involved in buying options

The Client should not purchase any option unless he is able to sustain a total loss of the premium and transaction costs of purchasing the option. Under certain adverse market conditions when the market moves against an option position, the purchased option can expire worthless. A Client who purchases or intends to purchase an option should be aware that

- a) in order to realise any value from the option, it will be necessary either to offset the option position or to exercise the option; and
- b) some option contracts may provide only a limited period of time for exercise of the option, and some option contracts may provide for the exercise of the option on a specified date only.

If the Client is contemplating purchasing deep-out-of-the-money options, he should be aware that ordinarily the chance of such options becoming profitable is remote. If the option is on a futures contract or leveraged foreign exchange transaction, the Client will have to acquire a futures or leveraged foreign exchange position, as the case may be, with associated liabilities for margin.

Certain exchanges in some jurisdictions may permit deferred payment of the premium, limiting the liability of the buyer to margin payments not exceeding the amount of the premium. The Client acknowledges that the Client, as a buyer, is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the Client is responsible for any unpaid premium outstanding at that time.

The Client acknowledges that he is aware that the buyer of any option risks losing some or all of the amount paid or payable as premium for the option. This could occur due to unfavourable price performance of the underlying instrument or due to expiry of the option without the buyer giving any Instructions to the Bank in respect of the exercise of the option. As the value of an option is partly dependent on the remaining tenor of the option prior to expiry date (time value), an option may decline in value over time even if the value of the underlying instrument remains constant or performs favourably. The shorter the time remaining until the date of expiration and the larger the unfavourable price difference between the exercise price and the market price, the greater is the option buyer’s risk of losing the premium paid.

### 6.3. Risks involved in selling options

The risks associated with selling (“writing” or “granting”) an option are generally greater than purchasing an option. It is important for the Client to understand the risks to which the Client, as an option seller, is exposed if the purchaser exercises the option and the Client is obliged to either settle the option in cash or acquire or deliver the underlying instrument. If the option is on a futures contract

or leveraged foreign exchange transaction, the Client, as the option seller, will acquire a futures or leveraged foreign exchange position, as the case may be, with associated liabilities for margin. The risk may be mitigated (to a greater or lesser degree, depending on the facts) if the option is “covered” by a corresponding position in the underlying instrument or another option. Conversely, if the option is not covered, then the possible loss may be unlimited. An option is described as “covered” if the option seller already has a corresponding quantity of the relevant underlying instrument at his disposal.

- a) The writer of a covered CALL option sells (writes or grants) the CALL option for an underlying instrument which he already has available. If the option is exercised by the buyer, the writer does not profit from the price growth of the underlying instrument in excess of the exercise price. Thus a profit is missed by the writer of a covered CALL option. The profit missed is reduced only by the premium received. If the CALL option is not exercised by the buyer, the writer bears the full risk of a decline in the price of the underlying instrument. The decline in the price of the underlying instrument is reduced only by the amount of the premium received.
- b) The writer of an uncovered CALL option sells (writes or grants) the CALL option without already having the underlying instrument available in the event it has to be delivered. The writer of an uncovered CALL option is required to deposit a security margin. If the price of the underlying instrument rises, the security margin increases. The writer firstly bears the risk of having to provide additional collateral to the Bank at any time in order to meet the higher margin demands. If the CALL option is exercised by the buyer, the writer bears the risk of having to buy the underlying instrument to be delivered at a market price which is higher than the exercise price. Since there is no limit to the amount by which the market price of the underlying instrument may exceed the exercise price, the writer of an uncovered CALL option runs the risk of incurring an unlimited loss. The loss thus arising is reduced only by the amount of the premium received.
- c) The writer of a PUT option is required to deposit a security margin. If the price of the underlying instrument falls, then the security margin to be provided will increase. The writer runs the risk of being called upon at any time by the Bank to furnish additional collateral to satisfy the increased margin requirements. If the buyer exercises the PUT option, the writer runs the risk of having to purchase the underlying instrument offered to him at an exercise price which is higher than the market price of the underlying instrument. The exercise price may be considerably higher than the market price of the underlying instrument. The risk to the writer of a PUT option lies in the difference between the exercise price of the PUT option and the market price of the

underlying instrument and is therefore limited to the amount of the exercise price. Any loss thus arising is reduced only by the amount of the premium received. If the buyer does not exercise the PUT option before its expiry, the security margin provided by the writer is released and the writer of the PUT option no longer faces the risk of having to purchase the underlying instrument at a price exceeding the market price. The writer of the PUT option retains the premium received.

#### 6.4. Combinations

An acquisition of two or more options, based on the same underlying contract, which differ in either the option type (CALL or PUT), the quantity, the strike price, the expiration date or the type of position (buy or sell), is referred to as a combination. Given the large number of possible combinations, the Client should obtain independent advice before entering into any such Transaction so as to understand and be familiar with the particular risks involved.

#### 6.5. Exotic options

Unlike the “plain vanilla” PUT and CALL options described above, exotic options are subject to additional conditions and agreements. There is no limit to the structures exotic options may take. Exotic options come in the form of tailor-made over-the-counter options or as warrants. Given the special composition of exotic options, their price movements can vary markedly from those of their “plain vanilla” cousins. The Client should be aware that larger Transactions can trigger price movements even shortly before expiration and that these can render an option worthless.

### 7. Off-exchange Transactions

In some jurisdictions, and only then in restricted circumstances, the Bank is permitted to effect off-exchange Transactions. The Bank may be acting as the Client’s counterparty to the Transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these Transactions may involve increased risks. Off-exchange Transactions may be less regulated or subject to a separate regulatory regime. Before a Client undertakes such Transactions, he should familiarise himself with applicable rules and attendant risks.

### 8. Risks of forward contracts

**8.1.** If the Client enters into forward sales as the seller of forward foreign exchange or precious metals, the Client must deliver the underlying asset at the agreed price even if the agreed price is considerably below the then market price. The Client thus risks losing the difference between

the market value of the underlying assets and the agreed strike price. This risk is not determinable in advance, and theoretically there is no limit to how far the market value of the underlying asset can rise. Hence potential losses are unlimited and can substantially exceed any collateral provided.

**8.2.** If the Client enters into forward purchases as the purchaser of forward foreign exchange or precious metals, the Client must accept delivery of the underlying asset at the agreed price even if the agreed price is considerably higher than the then market price. The purchaser's potential loss is thus the difference between the agreed strike price and the market value of the underlying assets. This risk is not determinable in advance, and the maximum loss corresponds to the strike price. Hence potential losses are unlimited and can substantially exceed any collateral provided.

### 9. Risks of forward rate agreements

A Client entering into a forward rate agreement to pay or receive interest at an agreed rate over a period commencing at a future date regardless of the level of interest rates prevailing at that future date should note that for uncovered contracts there is an unlimited interest rate risk computed on the full amount(s) contracted.

### 10. Risks of interest rate swaps

An interest rate swap is an agreement between two parties to make reciprocal payments over a specific period of time. The payments are determined by reference to a notional principal amount and fixed or floating rates of interest. Floating rates are typically based on some published index of market rates.

The Client may be a receiver of a fixed rate and payer of a floating rate, or vice versa. In either case, movements in the referenced rates could have a significant impact on the Client's cash flow as well as the cost of unwinding the swap position.

For uncovered contracts, there is an unlimited interest rate risk computed on the full amount(s) contracted.

### 11. Risks of swaps

Different instruments may be swapped, resulting in an exchange of the source of future payment streams and occasionally also an exchange of principal on commencement and/or maturity date (more frequently if the Transaction is an amortising swap). The risk that one of the parties to the swap will default or otherwise fail to perform its obligations is typically greater in swaps where both principal and income streams are exchanged.

For uncovered contracts, there is risk which is directly related to the risks of the different instruments swapped. It is important to note that these risks may not be offsetting in effect and should be viewed instead in aggregate.

### 12. Risks of less developed country financial instruments ("LDC Financial Instruments")

LDC Financial Instruments are financial instruments such as certificates of deposit, bonds, debt and equity issued by public or private sector institutions of various less developed countries.

The Client hereby represents that the Client has been and will continue to be solely responsible for making the Client's own independent appraisal of and investigations into the financial condition and creditworthiness of any issuer and has not relied and will not hereafter rely on the Bank to appraise or review on the Client's behalf the financial condition or creditworthiness of any issuer of LDC Financial Instruments that the Client may instruct the Bank to purchase or which the Bank keeps for the Client in custody.

The Client acknowledges and agrees that the Bank shall not be deemed to have made any representation or warranty as to the financial condition of the issuer or the performance by the issuer of its obligations under such financial instruments with respect to any transactions in LDC Financial Instruments. The Client further acknowledges and agrees that the Bank must renew fixed term deposits, certificates of deposit or similar instruments with financial institutions in various less developed countries which the Client designates several days prior to maturity in order to assure continuity of interest ("rollover"). Therefore, the Client agrees that in the event that the Bank has rolled over such a deposit at or prior to maturity and the Bank has not received repayment of the original deposit by settlement date for the rollover, the Bank may charge the Client's Account for the amount which is due at settlement date.

### 13. Structured products

Structured products are formed by combining two or more financial instruments, including one or more derivatives. Structured products may carry a high degree of risk and may not be suitable for many members of the public, as the risks associated with the financial instruments may be interconnected. As such, the extent of loss due to market movements can be substantial. Prior to engaging in structured product Transactions, the Client should understand the inherent risks involved. In particular, the various risks associated with each financial instrument should be evaluated separately as well as taking the structured product as a whole. Each structured product has its own risk profile, and given the unlimited number of possible combinations,



it is not possible to detail in this Risk Disclosure Statement all the risks which may arise in any particular case. Nonetheless, this Risk Disclosure Statement attempts to provide a general description of the features and some of the risks applicable to a few common types of structured products. The Client should note that with structured products buyers can only assert their rights against the issuer. Hence, particular attention needs to be paid to issuer risk. The Client should therefore be aware that a total loss of his investment is possible if the issuer should default. Structured products include, without limitation, the following products:

### **13.1. Structured products with unlimited potential for gains**

For structured products with unlimited potential for gains, investors participate proportionally in the performance of the underlying asset. Depending on the product, the participation may be linear, progressive or digressive in relation to the performance of the underlying.

### **13.2. Structured products with limited potential for gains**

For structured products with limited potential for gains, investors participate in the performance of the underlying assets up to a certain point. If the underlying instruments move in the same direction beyond this point, the investors no longer participate. However, as a rule, up to this point the investors will participate in the performance of the underlying to a greater extent than is the case for a structured product with unlimited upside potential.

### **13.3. Structured products with fixed earning potential**

Structured products with fixed earning potential provide a specific payout to the investor in addition to the hedge capital, if

- a) the value of the underlying matches, exceeds or drops below a predefined threshold upon maturity or on specified reference dates; or
- b) the value of the underlying moves within a predefined fluctuation band on specified reference dates or during the entire life of the product.

## **14. Synthetic products**

Synthetic products are covered options and certificates and are characterised by their identical or similar profit and loss structures when compared with specified traditional financial instruments (equities or bonds). Synthetic products can be traded either on exchange or over the counter. Prior to engaging in synthetic product Transactions, the Client should understand the inherent risks involved. In particular, the Client should note that the risks associated with synthetic products need not be the same as the risks associated with the financial instruments they contain. While it is not possible to detail in this Risk Disclosure Statement all the risks which may arise in any particular case, this Risk Disclosure Statement attempts to pro-

vide a general description of the features and some of the risks applicable to a few common types of synthetic products. Synthetic products include, without limitation, the following products:

### **14.1. Synthetic covered options**

Synthetic covered options are based on the concept of duplicating traditional covered options. Both the purchase of the underlying asset and the writing of the CALL option are carried out synthetically using derivatives. The purchase price of a synthetic covered option is equal to the purchase of the underlying asset, less the premium received for the sale of the CALL option and less the expected dividends until maturity. Hence, the synthetic covered option is sold more cheaply than its underlying asset.

Synthetic covered options do not contain a hedge against losses in the market value of the underlying asset. However, by selling a CALL option or by calculating the return from the sale of a synthetic covered option, any loss in market value of the underlying asset is lower than it would be in the case of a direct investment.

### **14.2. Synthetic certificates**

A synthetic certificate accords a right that is either based on several underlyings or has a value derived from several indicators. This allows the Client to reduce the level of risk for a minimal capital investment by achieving diversification over a broad range of investment opportunities or risk factors. Synthetic certificates are securitised and have a limited duration. The main types of synthetic certificates are index certificates, region certificates and basket certificates.

Investments in index, region or basket synthetic certificates involve the same level of potential loss as a direct investment in the corresponding equities. Although synthetic certificates offer greater risk diversification as compared with a direct investment, this does not mean that the risk is eliminated, and such risk may simply be transposed onto the market and sector risks. Further, unlike direct investment in equities, such synthetic certificates do not confer any voting rights nor do they entitle the Client to a dividend payment.

## **15. Risks of alternative investments**

This paragraph highlights certain additional risks which may be associated with non-traditional investment funds (hereinafter referred to as “Alternative Investments”) such as hedge funds or offshore funds, including without limitation, transactions in shares of collective investment instruments involving funds domiciled in offshore jurisdictions, hedge funds and other funds with special market and/or operational risks. The Client acknowledges and agrees that the information in this Risk Disclosure Statement is not necessarily a complete statement of every risk that may attach to every Alternative Investment and that every

Alternative Investment has its own set of risks, which are fully described in the relevant prospectus, offering memorandum, offering circular or similar document. Alternative Investments may typically involve exposure to some or all of the following risks:

#### 15.1. Use of leverage

Leverage is an integral part of the investment strategy of certain types of non-traditional investment funds. Leverage should be viewed as an overlay used to optimise the trade-off between risk and return. Hence leverage is mainly associated with those styles that have relatively low exposure to market or duration risk, principally involving the use of arbitrage techniques. Leverage cannot be viewed in isolation, but has to be considered in conjunction with all the risks inherent in a transaction. Consequently, in relatively higher risk styles such as “emerging markets” where there is less opportunity to lay off risk through the futures markets or short selling, leverage, if used, is normally used sparingly. Leverage therefore has to be evaluated relative to the investment style and the steps that a manager is taking to lay off various risks. Excessive leverage relative to the investment style should be avoided. Overall, the leverage of a fund has to be tightly monitored because of the influence it has on the rapidity with which changes in market, credit and liquidity risk can feed through to the value of a fund.

#### 15.2. Use of derivatives

The use of derivatives is an integral part of the relatively low risk styles that use arbitrage and which typically aim for an absolute return with low levels of volatility. It is precisely through the use of derivatives as a risk management tool that fund managers are able to isolate and hedge away unwanted risks, thus enabling perfect capture of the identified inefficiency between two related Securities. In effect, a manager uses derivatives rather like a type of insurance to protect individual transactions from specific market dynamics such as interest rates, credit risk and equity market risk, depending upon the exact nature of the inefficiency that the investment style seeks to capture. The manager has to exercise skill in terms of isolating the risks and judging to what extent they should be hedged out of a transaction. A prudent fund manager will assess the appropriate balance between risk and return depending upon market conditions and the degree of volatility expected. On occasions during severe market shocks, the stress level that individual transactions are designed to withstand may be exceeded, resulting in unanticipated losses. Owing to the asymmetrical risk profile of derivative transactions relative to the underlying investments over which they are written, combined with the use of leverage, the degree of loss can be much greater than that associated with the underlying investment. As a result, this can give rise to negative “outliers” as described under the heading “Downside risk” in paragraph 15.11. below.

#### 15.3. Use of short selling

Short selling involves the sale of Securities that the fund manager does not own and therefore have to be borrowed for delivery to the purchaser, with a corresponding obligation to the lender to replace the Securities at a later date. Short selling allows investors to profit from declines in market prices to the extent that transaction costs and borrowing costs are exceeded. Alternative Investments often use short selling to reduce their “net exposure” to the market (this being the sum of their long and short positions) and to profit from the anticipated decline in the price of a security. An appreciation of a short position results in a loss. Purchasing Securities to close out short positions can itself cause the price of the Securities to rise further, thereby exacerbating the loss. Critically, the running of a short position normally gives rise to unlimited liability because there is no maximum upside price for a security which has ultimately to be covered. For this reason, fund managers tend not to disclose their existing book of short positions either to investors or to the market, and they tend to manage their short positions with very tight risk controls in place.

#### 15.4. Manager risk

Alternative Investments rely heavily on the fund manager’s skill and judgement to generate investment returns. In some cases, individual funds may rely on the skills of just one or a very small group of key individuals. The incapacity or defection of such individuals may have a material effect on performance. This is symptomatic of the Alternative Investments industry as a whole, where performance and reputation rest with individuals rather than institutions. Similarly, individual managers with a strong track record in the traditional investment management industry (i.e. involving the “long-only” purchase of Securities) may find that their skill set does not successfully extend to the additional investment techniques associated with the Alternative Investments industry, in particular the maintenance of short positions. In consequence, many managers will have a limited operating history in the Alternative Investments environment.

#### 15.5. Liquidity risk

Many of the investment techniques used in the Alternative Investment industry involve investment either in illiquid financial instruments, or in investments which are subject to legal or other restrictions on transfer. Therefore selling an Alternative Investment position may only be possible periodically or on certain dates after a notice period of several weeks, for example on specific dates four times a year. The payment of sales proceeds may be subject to bid/ask spreads compared to the net asset value of the investment. The Client acknowledges the long-term nature of some investment instruments. In particular, the Client understands and accepts that some of these investment instruments are non-public and not listed on a stock



exchange or other organised market and that some of these investment instruments may only be terminated periodically or on certain dates. Additionally, the relevant provisions may also require a notice period to be observed, lasting possibly several weeks or months, and may also provide for deferred payment and payment subject to bid/ask spreads compared to the net asset value of such investment instruments. All of the above can delay the availability of any sale proceeds.

#### 15.6. Funding liquidity risk

Funding liquidity is critical for an Alternative Investment manager to be able to continue trading during times of financial stress. Adequate funding liquidity gives a fund manager the ability to continue a trading strategy without being forced to liquidate assets or close out positions when losses arise. If a manager fails to maintain sufficient funding headroom during potential periods of financial stress, there is a much greater risk that positions will have to be closed out at a loss.

#### 15.7. Counterparty credit risk

An Alternative Investment manager must establish policies and procedures to track and manage exposure to concentrations of credit risk with particular counterparties, especially where concentrations exist in particular economic or geographic regions. Management of credit risk includes identifying counterparties as acceptable based on analysis of their creditworthiness and continuous monitoring of their creditworthiness.

#### 15.8. Redemption risks

- a) Most investments in Alternative Investments are subject either to “lock-up periods” or redemption penalties if redeemed within a certain period of time. This is due to the relatively illiquid investments undertaken which tend to be subject to a longer-term investment view. Alternative Investment managers would be precluded from undertaking such investments without a sufficiently stable capital base.
- b) The net asset value (“NAV”) of an Alternative Investment instrument is usually not known at the time when an investor commits to invest or redeem his investment. This is because a notice period is normally required prior to investment and redemption actually occurring. Therefore the NAV cannot be calculated until after the investment has been made or redeemed.
- c) The fund may have powers to redeem compulsorily all or any portion of an investor’s holding of shares at any time and for any reason upon short notice.
- d) The complexity of the underlying investments held in an Alternative Investment instrument results in a potential need to make adjustments to the NAV following receipt of audited statements. Consequently some Alternative Investment funds withhold a part of an investor’s interest in a fund if they elect to redeem 100% of their

interests. For example, 90% of an investor’s interest might be paid on the relevant redemption date, with the remaining 10% held on deposit until a fixed period of time after receipt of audited statements following the fiscal year end for the fund. Therefore, if the fiscal year end of a fund were December, and a redemption notice for 100% of an investor’s interest were posted for a redemption date in March, then only 90% of the redemption proceeds might be paid on the March redemption date. The 10% balance of the redemption proceeds would be placed on deposit in March, and not returned to the investor until, say, the following April (i.e. thirteen (13) months later), allowing sufficient time for the receipt of audited statements after the December fiscal year end.

#### 15.9. Potential conflicts of interest

- a) The interest of the investors may be inconsistent in some respects with the interest of the investment manager and/or the investment advisor to the fund. The investment manager and/or the investment advisor may serve as investment manager or advisor to other clients, including clients whose accounts invest in the same or similar Securities as the Alternative Investment instrument, and may provide investment banking or advisory Services for other Persons or entities. As a result of the foregoing, the investment manager and the investment advisor may have conflicts of interest in allocating their time and activity between the fund and other clients and in allocating investments among the fund and other entities. Simultaneous portfolio transactions in the same security by the non-traditional investment instrument and the other clients of the investment manager and/or investment advisor may tend to decrease the prices received, and increase the prices paid, by the fund for its purchases and sales of such Securities.
- b) The Bank may, from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any Securities, currencies, financial instruments or other assets relating to or underlying the Alternative Investment funds. The Bank may provide investment banking and other Services to and/or have officers who serve as directors of such funds. The Bank may pay or receive brokerage, or retrocession fees or distribution channel compensation in connection with the investment.
- c) The Bank may engage in hedging activities which include financial instruments related to an Alternative Investment fund. The Bank may adjust or liquidate these hedge positions if market conditions change during the life of the product or because otherwise deemed appropriate by the Bank. Depending on a whole series of factors, such transactions by the Bank can have substantial effects on the markets concerned. The Bank accepts no liability if the Client suffers losses as a result of these effects.

#### 15.10. Information risk

- a) The Alternative Investment industry is largely unregulated, and the availability, quality and flow of information is significantly less than in the case of traditional investment products. It is often for good reason that information is withheld, since Alternative Investment managers are operating in an environment where inefficiency of the markets is critical to maintain investment returns, Alternative Investment managers will seek to protect their competitive edge or particular insights by deliberately not disclosing full information about their activities, even to their own investor base. For example, as referred to under “Use of short selling” above, it is important to protect information about short positions from the market.
- b) The Client acknowledges that for Alternative Investment funds, it is market practice that based on applicable Know-Your-Customer (“KYC”) provisions, some Alternative Investment funds may be required to obtain information on, for example, the Client’s identity, any beneficial owner of the monies invested in such funds or the source of the funds invested. To the extent that the information is not already in the possession of the Bank, the Client will provide the Bank upon request with all information necessary to satisfy the fund’s respective requirements. The Client further authorises the Bank to disclose such information as mentioned under this paragraph to the relevant Alternative Investment funds as it deems reasonable and necessary. The Client is aware and accepts that failure to deliver all necessary information to the Bank and to the relevant funds respectively in due time may lead to the fund’s refusal to accept the Client’s investment or may cause the redemption of the Client’s investment or other negative consequences for the Client. Further, such funds may suspend the redemption rights of such investments if the fund reasonably deems it necessary to do so to comply with KYC regulations. The Client is aware that the Client may lose all or part of the money invested in the relevant fund if the Client does not comply with the fund’s requirements in this respect. The Client releases the Bank from any liability in case the Client did not provide the information that the fund asked for.

#### 15.11. Downside risk

Many Alternative Investment funds use investment techniques that effectively decouple their investment performance from that of the underlying markets, resulting in reasonably stable absolute investment returns with levels of volatility much lower than those achievable using traditional investments with comparable investment returns. However, there are degrees of economic stress beyond which such investment techniques will no longer deliver consistent performance, resulting in extreme negative performance “outliers”. This may arise because of the

asymmetrical risk profile associated with investments using derivatives, which is then magnified through the use of leverage. The economic conditions that give rise to such outliers can come about rapidly and include widening credit spreads (increased risk premiums demanded by investors in corporate and sub-investment grade bonds over and above government bonds), falling liquidity and rising interest rates.

#### 15.12. Currency risk

The investment currency of an Alternative Investment may be different from an investor’s home or reference currency, in which case the investor bears a currency risk in addition to the underlying risk of the investment. This may be particularly significant if the investor regards non-traditional funds as a means to achieving investment returns with low volatility, because the volatility associated with the currency risk alone may be greater than that of the underlying funds themselves.

#### 15.13. Legal, tax and regulatory risks

Alternative Investments may be affected by legal, tax and regulatory changes that may be introduced with little or no warning. Alternative Investments take advantage of the prevailing regulatory environment by undertaking investments and using techniques that are often not accessible to regulated funds. This can often distort the markets and allow them to take advantage of pricing anomalies that result. A change in the regulatory environment may limit the scope of alternative investment managers to take advantage of pricing inefficiencies. More critically, a change in regulations may affect the ability of a manager to continue trading and could potentially prevent him from exiting existing investments, thus giving rise to losses. Investors in non-traditional investment funds should consider their own tax treatment in terms of gains and losses resulting from their investment in such funds.

#### 15.14. Settlement risks

Settlement of Alternative Investments is complex, and the process is not standardised. Modalities or settlement cycles may be modified at any time. Fund documents must be completed and received by the fund or the fund administrator on time, otherwise settlement may be seriously delayed. Many Alternative Investments require that an advance payment be made to the fund prior to the purchase, a practice which significantly increases settlement risk. Similar risks arise in the redemption process if the delivery of the Securities precedes repayment.

#### 15.15. Advice and taxes

The Client is aware that the Bank does not provide advice in respect of any legal and tax ramifications of the Alternative Investments, and the Client acknowledges and agrees that he should obtain appropriate advice from an independent tax or legal advisor.

### 15.16. Specific risks related to some credit derivative instruments

Credit derivative instruments usually take the form of structured products and, as such, display, in particular, the following features of certain common credit derivatives:

- a) An investment in a CLN can be compared to a direct investment in a floating rate note issued by the same entity. However, an investor in a CLN bears the credit risk of both the issuer of the CLN itself and of the underlying credit reference entities. In case of a credit event, the investor receives either a debt instrument (i.e. a bond or a loan) issued or guaranteed by the relevant credit reference entity or a cash settlement amount linked to the market price of such debt instrument following the relevant credit event. The term credit event is defined in broader terms than simply a bond default of the relevant reference entity. It can include, for example, an extension of the repayment date of a loan or a decrease in the rate of interest payable on such loan. Therefore, the holder of a CLN can suffer a loss due to a credit event even though a traditional bond default did not occur. This means that the probability of a credit event is higher than the probability of a bond default. In addition, a credit event might result in a CLN suffering a greater loss than the average loss suffered by bonds from that same reference entity as the issuer of the CLN generally has a wider choice of debt instruments to be delivered on a default and could choose to deliver the lowest priced debt instrument. This risk is mitigated in some structures through predefined recovery rates, for example the loss in case of a credit event is fixed in advance. As a further example, a higher loss may occur as a result of a delivery of or valuation using a bond or loan with a maturity date longer than the 100% of the investor's interest. For example, 90% of an investor's interest might be paid on the relevant redemption date, withholding the remaining 10% on deposit until a fixed period of time after receipt of audited statements following maturity of the CLN itself. However, major rating agencies are aware of both these characteristics and incorporate them into their ratings of CLNs.
- b) Collateralised debt obligations are also structured products based on an underlying basket or portfolio of credit assets, which can be bonds, loans and/or credit default swaps. The CDO is usually divided into several tranches providing different levels of risk exposure to the basket of underlying credit assets. Commonly the most junior tranche is an equity tranche and the tranches then go up in increasing seniority and correspondingly higher credit ratings. Losses on the portfolio are borne firstly by the holders of the equity tranche and subsequently by the holders of the various tranches in order of seniority. The holder of a senior tranche only incurs a loss due to a relevant credit event if all the equity

capital and the capital of the more junior tranches have been lost. Therefore non-equity tranches have some degree of protection against credit losses whereas the equity tranche and the more junior tranches represent a leveraged exposure to the underlying credit portfolio. Credit events on a small portion of the underlying portfolio can lead to a significant or total loss of the capital invested in the equity tranche and the more junior tranches. The value of any credit derivative can vary significantly before maturity depending on factors including, but not limited to, the occurrence of credit events and the movement of credit spreads in the portfolio. Moreover, like any credit asset, the initial rating of any credit derivative can be upgraded or downgraded. A credit rating of a particular instrument reflects the (long-term) default risk of that instrument until it matures, not short-term market risk. Investors in a credit derivative should generally have a long-term investment perspective and the ability to hold the asset until maturity. Such instruments are generally illiquid even though a secondary market may emerge. Through these synthetic structures the investor gains exposure to underlying credits sometimes not available through direct bond investments.

### 15.17. Specific risks related to investments linked to real estate

Real estate comprises investments in "real" assets, such as residential housing, office buildings, retail properties, etc. Investments in real estate are generally made through investment funds or publicly traded investment companies, providing a certain degree of diversification. Exposure to real estate generally reduces portfolio volatility and serves as a hedge against inflation. Liquidity and tradability of investments linked to real estate can vary a great deal. Underlying real estate investments are usually illiquid, and it may not be possible to realise an adequate market value of the underlying investment at short notice. Publicly traded investment companies and open-ended investment funds investing in real estate generally have a daily market. On the other hand, real estate investments such as closed-ended funds may provide liquidity only monthly, quarterly or annually, and holding periods may last several years. Some real estate investments may have elements of private equity investments. Leverage applied may translate a movement in the market into a major gain, but any losses will also be magnified sharply.

### 15.18. Specific risks related to private equity

Private equity investments typically carry the following risks:

- a) Performance is uncertain, particularly as the nature of the investment environment is constantly changing, resulting in private equity managers having to operate in new geographic areas and fields of expertise and at different stages of the economic cycle. In particular,

there is often strong competition to acquire portfolio companies during a cyclical upturn, while it may be difficult to make divestitures during a cyclical downturn.

- b) Private equity investment instruments in the form of limited partnerships or companies typically have a term of seven (7) to fifteen (15) years. There is no recognised secondary market in such private equity investments. As a result, once the commitment has been made to invest in a private equity investment, the penalty for failure to honour the commitment (which will usually require payments over a number of years) can be extreme, up to and including complete forfeiture to any rights to monies already invested in a private equity investment. Investors should be mindful of the notice period required for drawdowns (which may be as short as seven (7) days), and should make sure that sufficient liquid funds are set aside to meet these.
- c) The investments of private equity funds are generally in unlisted companies. Investments will continue to be valued at cost until reason exists to value them otherwise. Private equity investments are realised either through a trade sale to an industrial buyer or through a listing in the public markets. Divestitures can often be delayed for legal or regulatory reasons, and many stock exchanges impose a lock-up period for strategic investors following a flotation. This may result in the proceeds from a company that has been floated being significantly less than the flotation price should the value of the stock fall in the open market.
- d) Private equity investments may be affected by legal, tax and regulatory changes that may be introduced with little or no warning. This may not only potentially limit the scope of their operations but may also affect their ability to divest portfolio companies and could thus give rise to losses. Clients with private equity investments should consider their own tax treatment in terms of gains and losses resulting from the investment in such instruments.

#### 15.19. Specific risks related to institutional funds

Institutional funds are reserved for institutional investors, for example, investment professionals from the financial sector as well as their clients with a signed discretionary asset management agreement. The regulator of the institutional funds may grant that certain regulations governing the issue of share certificates and the obligations to produce a prospectus, to fulfil official publication duties or to produce a semi-annual report are not applicable and that institutional funds may also benefit from a wider range of investment opportunities than retail funds. Investors in private equity investments must be prepared to accept that they may not recoup their investment in full, and may stand to lose their investment in its entirety. Past investment performance is not an indicator of future performance.

#### 15.20. Specific risks related to Securities lending

Securities lending allows the investor, as lender of Securities, to make available to the borrower (the Bank) the investor's securities for a specified or unspecified period against a commission (the investor is entitled to reclaim the lent Securities at any time). The investor, as lender, makes available for Securities lending all Securities which are contained at present and which will be contained in future in his safe keeping account, provided such Securities are eligible for lending. The ownership of Securities (including rights connected thereto) and any claims attached to the Securities pass to the Bank at the time of lending. The investor, as lender, acquires from the Bank a contractual right to reimbursement of Securities of the same type, quantity and quality as those lent. When relending, the Bank will in its own name sign a Securities lending agreement with a third-party borrower, wherein the Bank acts in its own name and for its own account. If the third-party borrower does not return the Securities to the Bank in due time, the Bank must acquire them on the market. Investors bear the counterparty risk of the Bank. If bankruptcy proceedings were to be instituted against the Bank, the investor's right to reimbursement would be converted into a monetary claim of corresponding value and would be treated as an ordinary claim against a bankruptcy estate (analogous to account deposits). Although the assets are transferred to the Bank when the ownership of the Securities on loan passes to the Bank, the investor, as lender, can issue individual instructions with regard to exercising rights arising from capital market transactions (such as subscription rights, option and conversion rights) in relation to these Securities. In addition, all income accruing on the Securities lent will be credited to the investor as if the Securities had not been lent. However, the investor can only exercise membership rights if he has requested in due time that the respective Securities be returned or has instructed the Bank to exclude such Securities from Securities lending.

#### 16. Other Transactions and combinations

Combinations are referred to when at least two different instruments - either in identical or different classes - are bought and/or sold (written) at the same time. By closing or exercising individual parts of a combination Transaction, the risks involved can materially change.

On account of the broad range of possible Transactions and combinations thereof, before executing such Transactions or putting combination strategies into operation, the Client should ensure that he obtains and becomes thoroughly familiar with the product term sheets, annexures and supplements pertaining to such Transactions or combinations thereof and the specific risks involved.

### 17. Pricing relationships

For financial derivative Transactions and non-listed financial instruments (e.g. futures and options), the normal pricing relationships between the underlying instruments and the financial derivatives may not exist in certain circumstances, in particular in “combined” or “structured” transactions. The absence of a “common” or “market” reference price may make it difficult, if not impossible, for the “fair” value of a Transaction to be assessed independently. While the Bank will provide periodic mark-to-market valuations to the Client, the Client acknowledges and agrees that the Bank’s determination of the value of a Transaction in accordance with its normal practices from time to time shall be conclusive and binding. The Bank does not make any representation as to the accuracy or completeness of the valuations for Transactions and does not accept liability for any loss arising from the use thereof. Because the prices and characteristics of over-the-counter Transactions are individually negotiated and as there is no central source for obtaining prices, there are inefficiencies in Transaction pricing. The Bank consequently cannot and does not warrant that the Bank’s prices or the prices that the Bank secures for the Client are or will at any time be the best price available to the Client. The Client acknowledges and agrees that the Client shall not have any access to and shall not query or require further particulars of the mode of calculation adopted by the Bank.

### 18. Exchange traded instruments and the impact of electronic trading

For Transactions involving underlying contracts or instruments which are traded on stock or futures exchanges, disruption of the normal market operations or conditions of such exchanges and/or the rules of operation of such exchanges (e.g. discretion on the part of the exchange to suspend or limit trading of certain contracts or instruments under certain market conditions) may increase the risk of loss by making it difficult or impossible to close out the Transactions or liquidate positions. If the Client has sold options, this may increase the risk of loss.

The Client shall also note that under certain circumstances the specifications of outstanding contracts (excluding the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

In addition, normal pricing relationships between the underlying interest and the futures contract and between the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair” value.

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. Further, for Transactions in which the underlying contracts or instruments are supported by electronic trading facilities at the exchanges, for example computer-based component systems for order routing, execution, matching, registration or clearing of trades, any temporary disruption or power/system failure of such electronic trading facilities could result in a disruption in the trading activities at the exchange and an unavailability of reference prices for the relevant Transaction. In such circumstances, the Client’s order may not be executed according to the Client’s Instructions or at all, which may lead to losses to the Client. It is likely that such losses will not be recoverable from the relevant exchange as the rules thereof invariably exempt them from such liabilities.

### 19. Risks of leveraging

The degree of leverage and/or arbitrage which is obtained in connection with the Transactions can work against as well as for the Client. The use of leverage and/or arbitrage can lead to large losses as well as gains. Such leveraging may be by way of a loan, trading on a margin or embedded within an instrument such as a structured note.

### 20. Currency risks

Where the Client engages in a Transaction involving one currency to hedge an original investment in another currency or where the Transaction entered into by the Client references two different currencies, the Client acknowledges and agrees that fluctuations of the currencies against each other or against the other underlying elements of the Transaction may affect the Client’s net profit on the Transaction or increase the Client’s loss.

### 21. Liquidity risks

The Client acknowledges and agrees that at certain times or under certain market conditions, the Client may find it difficult or impossible to liquidate a position, to assess the value or to determine a fair price. Certain equity or debt Securities and money market instruments and, in particular, structured notes or customised products may not be readily realisable. There can be no certainty that market traders will be prepared to deal in them, and proper information for determining their current value may not be available.



## 22. Credit and legal risks

If the issuer of a particular security or instrument or the counterparty to the Transaction that the Client is entering into is other than the Bank, the Client should satisfy himself that the credit risk of such issuer or counterparty is acceptable to him since the Bank will not be liable in the event of a default by such issuer or counterparty. The Client should also familiarise himself with the protections accorded to money or other property that the Client deposits for domestic and foreign Transactions, particularly in the event of an insolvency or bankruptcy of the issuer, custodian or intermediary. The extent to which the Client may recover his money or property may be governed by local rules and regulations. In some jurisdictions, property which had been specifically identifiable as the Client's own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall. Where the Client's Assets are received or held in a jurisdiction other than that in which the Account is booked, the Client acknowledges that such Assets may not enjoy the same protection as that conferred under the legislation of the jurisdiction in which the Account is booked.

## 23. Risks of trading Nasdaq-Amex Securities on the stock exchange of Hong Kong Limited

The Securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Client should consult the Bank and become familiarised with the PP before trading in PP Securities. The Client should be aware that PP Securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of the Hong Kong Exchanges and Clearing Limited ("HKEx").

## 24. Commissions, fees and charges

Before the Client enters into any Transactions, the Client should obtain a clear explanation of all commissions, fees and other charges for which the Client will be liable. These charges will affect the Client's net profit (if any) or increase the Client's loss.

In some cases, managed accounts are subject to substantial charges for management and advisory fees. It may be necessary for those accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets.

## 25. Emerging markets

Emerging markets are markets in countries with moderate to low per capita national income, according to the World Bank's definition. This applies, for example, to some Asian countries. Experience has shown that political changes in

emerging-market countries affect the capital markets more profoundly than is the case in industrialised countries. Economic policy measures such as nationalisation, government intervention in industry and trade, or limits on ownership rights may dramatically change the corporate earnings outlook for foreign investors in emerging-markets. The influences of higher interest rates or a high inflation rate can have much more serious consequences for economic development than would be the case in more mature markets. The dependence on price trends of commodities also represents an additional risk. Natural disasters or armed conflicts can occur anywhere. Such incidents usually result in considerable market volatility. In mature markets, setbacks are digested relatively rapidly. In contrast, financial conditions in emerging markets are generally more profoundly affected and over a longer period of time. Currency fluctuations may be sudden and extreme, producing a disproportionate impact on the value of investments, which are usually denominated in or linked to the movements of local currency. Foreign exchange regulations in some countries may also impose restrictions on the exchange and transfer of invested funds. The settlement of stock market transactions in emerging markets may not meet the norms of the established financial centres. Due to the lack of clear, standardised regulations for settling or clearing, delays in booking or failed trades with corresponding losses may occur. The reform of regulatory supervision and legislation in emerging markets may not always keep pace with developments in mature markets. Independent supervision of business practices, stock market dealings and issuers may not be as developed as in more mature markets. Insufficient transparency means a greater likelihood of market-distorting influences. Moreover, not all countries have a mature legal system with transparent standards and precedents. Investors in such instances may have no guarantee that they will be able to assert their rights before local courts. Where the Client requests the Bank to purchase for the Client's Account financial instruments which are available in various emerging markets, such as bank certificates of deposit and debt or equity Securities issued by public or private sector institutions (hereafter collectively referred to as "Emerging Markets Financial Instruments"), the Client represents that the Client has and will continue to be solely responsible for making his own independent appraisal of and investigations into the financial condition and creditworthiness of any issuer, and he further represents that he has not relied and will not hereafter rely on the Bank to appraise or review on his behalf the financial condition or creditworthiness of any issuer of Emerging Markets Financial Instruments. Moreover, the Bank shall not be deemed to have made any representation or warranty as to the financial condition of the issuer or the performance by the issuer of its obligations under such financial instruments, with respect

to any transactions in Emerging Markets Financial Instruments that the Bank may execute at the Client's request. The Client acknowledges that he is aware of and is able to weigh the diverse risks, most of which are identified above, before investing in Emerging Markets Financial Instruments.

### 26. Growth Enterprise Market of Hong Kong

The Growth Enterprise Market has been established in Hong Kong as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies with neither a track record of profitability nor any obligation to forecast future profitability may be listed on the Growth Enterprise Market. There may be risks arising out of the emerging nature of companies listed on the Growth Enterprise Market and the business sectors or countries in which the companies operate. There are potential risks of investing in such companies, and the Client should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the Growth Enterprise Market mean that it is a market more suited to professional and other sophisticated investors. Given the emerging nature of companies listed on the Growth Enterprise Market, there is a risk that Securities traded on the Growth Enterprise Market may be susceptible to higher market volatility than Securities traded on the Main Board, and no assurance is given that there will be a liquid market in Securities traded on the Growth Enterprise Market. The principal means of information dissemination on the Growth Enterprise Market is publication on the website operated by the HKEx. Companies listed on the Growth Enterprise Market are not generally required to issue paid announcements in gazetted newspapers. Accordingly, the Client needs to have access to up-to-date information on companies listed on the Growth Enterprise Market as published on the Growth Enterprise Market website. The Client should seek independent professional advice if he is uncertain of or has not understood any aspect of this Risk Disclosure Statement or the nature and risks involved in trading in Securities listed on the Growth Enterprise Market.

### 27. Other related documentation

The Bank will, in appropriate cases, furnish the Client with term sheets setting out the material terms, associated obligations, underlying assumptions, pricing basis and sensitivity analysis to illustrate the impact of market movements on the proposed financial Transaction (in particular, the profit and loss which the Client may be exposed to with fluctuations in market rates) and/or such other information regarding the said Transaction as the Bank may think relevant. Any sensitivity analyses which

may be provided are for the purpose of illustration only and are not to be treated as the Bank's view on how the market will move in future. The Client is strongly advised to study and fully understand the relevant term sheet before executing any specific Transaction. The provision of such term sheets shall not, however, detract from the Client's duty to take all such steps and make all such enquiries as may be necessary or desirable to ensure that he fully understands the Transaction concerned. The term sheets and all annexures and supplementals thereto from time to time shall constitute an integral part of this Risk Disclosure Statement. The Client is advised to contact the Bank if any Part of this Risk Disclosure Statement, including all annexures and supplementals hereto from time to time, is omitted or incomplete.

### 28. Acknowledgement

By entering into any Transaction, the Client confirms that the Client has read and fully understood this Risk Disclosure Statement, the term sheets and all annexures pertaining to the Transaction, the nature of the Transaction and the terms and conditions governing the Transaction as well as the margin requirements, if applicable. The Client acknowledges that in entering into any Transaction, the Client has made the Client's own assessment of the Transaction and the Client's own objectives, knowledge, experience, financing risk capacity and ability to monitor the Transaction, based on such independent financial, tax, legal or other advice as the Client considers appropriate. The Client further acknowledges that the Client:

- a) understands, is familiar with and is fully aware of the risks related to the Transaction;
- b) is willing to take all such risks;
- c) is capable of bearing a full loss of the amounts invested as a result of or in connection with any Transaction entered into with the Bank and any additional loss over and above the initial amounts invested; and
- d) has reviewed the risk disclosure statements required to be furnished under section 128(1) and/or section 128(2) of the Securities and Futures Act (Chapter 289) or such other relevant legislation, as may be amended from time to time, a copy of which is attached to this Risk Disclosure Statement as Appendix I.

The Client accordingly agrees that he is and shall at all times be fully responsible for any Transaction he chooses to enter into.

The Client also confirms that the Client is aware of and fully understands all applicable laws, regulations and directives to which the Client is subject and that the Client is entitled and/or authorised by or under such laws, regulations and/or directives to enter into any Transaction he chooses to enter into.



# Your contact – wherever you may be

VP Bank Ltd Singapore Branch is licensed as a wholesale bank by the Monetary Authority of Singapore, 10 Shenton Way MAS Building, Singapore 079117, [www.mas.gov.sg](http://www.mas.gov.sg)

---

<b>VP Bank Ltd Singapore Branch</b>	8 Marina View · #27-03 Asia Square Tower 1 Singapore 018960 · Singapore T +65 6305 0050 · F +65 6305 0051 · <a href="mailto:info.sg@vpbank.com">info.sg@vpbank.com</a> Business Registration No. T18FC0095B · GST Registration No. M90372316T
<b>VP Bank Ltd</b>	Aeulestrasse 6 · 9490 Vaduz · Liechtenstein T +423 235 66 55 · F +423 235 65 00 <a href="mailto:info@vpbank.com">info@vpbank.com</a> · <a href="http://www.vpbank.com">www.vpbank.com</a>
<b>VP Bank (Switzerland) Ltd</b>	Talstrasse 59 · 8001 Zurich · Switzerland T +41 44 226 24 24 · F +41 44 226 25 24 · <a href="mailto:info.ch@vpbank.com">info.ch@vpbank.com</a>
<b>VP Bank (Luxembourg) SA</b>	26, Avenue de la Liberté · L-1930 Luxembourg · Luxembourg T +352 404 770-1 · F +352 481 117 · <a href="mailto:info.lu@vpbank.com">info.lu@vpbank.com</a>
<b>VP Bank (BVI) Ltd</b>	VP Bank House · 156 Main Street · PO Box 2341 Road Town · Tortola VG1110 · British Virgin Islands T +1 284 494 11 00 · F +1 284 494 11 44 · <a href="mailto:info.bvi@vpbank.com">info.bvi@vpbank.com</a>
<b>VP Wealth Management (Hong Kong) Ltd</b>	33/F · Suite 3305 · Two Exchange Square 8 Connaught Place · Central · Hong Kong T +852 3628 99 00 · F +852 3628 99 11 · <a href="mailto:info.hkwm@vpbank.com">info.hkwm@vpbank.com</a>
<b>VP Bank Ltd Hong Kong Representative Office</b>	33/F · Suite 3305 · Two Exchange Square 8 Connaught Place · Central · Hong Kong T +852 3628 99 99 · F +852 3628 99 11 · <a href="mailto:info.hk@vpbank.com">info.hk@vpbank.com</a>
<b>VP Bank (Switzerland) Ltd Moscow Representative Office</b>	World Trade Center · Office building 2 · Entrance 7 · 5 <sup>th</sup> Floor · Office 511 12 Krasnopresnenskaya Embankment · 123610 Moscow · Russian Federation T +7 495 967 00 95 · F +7 495 967 00 98 · <a href="mailto:info.ru@vpbank.com">info.ru@vpbank.com</a>
<b>VP Fund Solutions (Luxembourg) SA</b>	26, Avenue de la Liberté · L-1930 Luxembourg · Luxembourg T +352 404 770-297 · F +352 404 770-283 <a href="mailto:fundclients-lux@vpbank.com">fundclients-lux@vpbank.com</a> · <a href="http://www.vpfundsolutions.com">www.vpfundsolutions.com</a>
<b>VP Fund Solutions (Liechtenstein) AG</b>	Aeulestrasse 6 · 9490 Vaduz · Liechtenstein T +423 235 67 67 · F +423 235 67 77 <a href="mailto:vpfundsolutions@vpbank.com">vpfundsolutions@vpbank.com</a> · <a href="http://www.vpfundsolutions.com">www.vpfundsolutions.com</a>

---

**VP Bank Ltd Singapore Branch**

8 Marina View · #27-03 Asia Square Tower 1 · Singapore 018960 · Singapore  
T +65 6305 0050 · F +65 6305 0051 · [info.sg@vpbank.com](mailto:info.sg@vpbank.com)