Phillip Investment Account - Margin (M) is a trading account that allows you to leverage on your purchases using cash, shares and others such as unit trusts and bonds as collaterals.

1. Financing Quantum:
   - 70% for Grade A shares
   - 50% for Grade B shares
   - No Financing for Grade C shares

Please refer to Margin list for Grade A and B shares.

2. Margin Requirements & How It Works

All new Margin (M) accounts will have an initial credit limit of $50,000. Please contact your trading representative for limit revision.

Collateral¹
i) Margin Ratio (MR) = -------------- ≥ 140%
   Ledger²

¹Collateral = Market Value or Cap Value (whichever is lower) x Financing Factor
²Ledger (Debit Balance) = Loan Amount

Margin Calls:
ii) 120% ≤ MR <130%: Client is required to satisfy margin call within 3 market days including the date of notice to restore the MR to at least 130%.
iii) MR < 120%: Client is required to satisfy force-selling call on the same day before 3:00 pm to restore the MR to at least 130%.

Methods to Satisfy Margin Call (MC):
1) Deposit Cheque / Cash / Electronic Payment:
   MC Amount = Ledger - (Collateral / 1.3)

2) Sell shares:
   Grade A: MC Amount x 3.5
   Grade B: MC Amount x 2.0
   Grade C: MC Amount x 1

3) Deposit shares:
   Grade A: MC Amount x 1.3
   Grade B: MC Amount x 1.857

Collateral
Available Cash = ------------------ - Ledger
              1.4

Maximum Available to Purchase (refer to table below)
= Available Cash x Multiplier

<table>
<thead>
<tr>
<th>Purchase</th>
<th>Deposit A Shares</th>
<th>B Shares</th>
<th>C Shares (no financing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>3.500</td>
<td>2.000</td>
<td>1.000</td>
</tr>
<tr>
<td>A Shares</td>
<td>2.500</td>
<td>1.426</td>
<td>0.714</td>
</tr>
<tr>
<td>B Shares</td>
<td>1.750</td>
<td>1.000</td>
<td>0.500</td>
</tr>
<tr>
<td>C Shares</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Financing Multiplier Table

Example 1 - Financing Multiplier Table:
Client deposits $10,000 cash and wishes to purchase Grade ‘A’ Shares
1. Go vertically down the table, stop at cash (Step 1)
2. Go horizontally across the table, stop at Grade A Shares (Step 2)
3. Multiplier of 3.5, client can purchase up to $35,000 worth of Grade ‘A’ Shares with $10,000 cash deposit.

Example 2:
Client deposits $10,000 cash and $5,000 ‘A’ Shares, and purchases $25,000 worth of ‘B’ Shares. Assuming market price remains stable.

Deposits
Cash = $10,000
‘A’ Shares = $5,000

Price Factor (Use for Calculating Collateral Value):
‘A’ Shares: 1.00
‘B’ Shares: 0.70

MR = Collateral / Ledger
   = [(5,000x1) + (25,000x0.7)] / [-10,000 + 25,000]
   (‘A’ Share) (‘B’ Share) (CR) (DR)
   = 22,500 / 15,000
   = 150% (Within Margin Requirement of ≥140%)

Note: Please contact your trading representative if you require any clarification or assistance on the mechanics of margin trading.
3. Trading
Trading can be done via POEMS 2.0, POEMS Mobile as well as through your Trading Representative.

4. Custodial Services
All assets deposited or transacted through this account will be held in custody with Phillip Securities Pte Ltd (PSPL) in trust, except for purchases funded using CPF/SRS monies.

Corporate actions, such as dividends, rights subscription will be processed in this account. Accounts with multi-currency facility will receive the cash dividend in declared currency unless otherwise determined by the issuer/PSPL.

5. Excess Funds Management Facility
You may wish to opt-in for the Excess Funds Management facility to enjoy potentially greater earnings on any surplus funds (credit balance) parked in this account. By opting in, your excess SGD and USD funds will be invested on a discretionary basis in Money Market Funds. Please refer to the section on Excess Funds Management under Important Notice for more information.

To opt-in, simply log in to your POEMS account, go to: ACCT MGMT > STOCKS > Online Forms> Excess Fund Authorization.

Otherwise, any surplus funds in this account will be deposited in a trust account. Credit interest, if any, will be paid on the full amount of the excess funds in the account when it exceeds the stipulated threshold as follows:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Interest on Credit Balance¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; SGD 50,000</td>
<td>0.10% p.a.</td>
</tr>
<tr>
<td>&gt; USD 50,000</td>
<td>0.15% p.a.</td>
</tr>
<tr>
<td>&gt; HKD 50,000</td>
<td>0.10% p.a.</td>
</tr>
<tr>
<td>&gt; AUD 50,000</td>
<td>0.05% p.a.</td>
</tr>
</tbody>
</table>

With effect from 15 Apr 2020, negative interest will be imposed on the following currency:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Negative Interest on Credit Balance¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEN</td>
<td>0.3% p.a.</td>
</tr>
</tbody>
</table>

¹ PSPL reserves the right to change the rates without prior notice.

6. Multi-Currency Facility
As an added advantage, you also have the option of maintaining foreign currency balances (USD, HKD, MYR, JPY, AUD, GBP, EUR, CNY and CAD) in your account for ease of trading and efficient management of your foreign currency denominated investments by opting in for multi-currency facility. With this facility, you may choose to settle your purchases or sales either in the traded currency or in SGD. However, your account must have sufficient funds in the settlement currency to avoid incurring interest on the debit balances.

Auto-conversion of Debit Balance:
In the event the account ledger in any currency runs into deficit arising from the transactions tabulated below, auto-conversion will take place on the same day.

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Fees &amp; Charges</td>
<td>Any currency ledger</td>
</tr>
<tr>
<td>2) Rights/ Warrant Subscriptions</td>
<td>MYR Ledger only</td>
</tr>
</tbody>
</table>

8. Online Transaction Records and Statement of Account
You are able to view your transaction history and account details up to 12 months year-to-date through POEMS.

A detailed monthly statement of account will also be provided to you at the end of the month as long as there are transactions in that month.

9. How to fund the account
We accept various payment methods. For more details, please refer to www.poems.com.sg/payment.

10. Withdrawal of Excess Funds
You can transfer your available funds in the trading account to your bank account through POEMS.

To withdraw, simply log in to your POEMS account and click on ACCT MGMT > STOCKS > Online forms> Withdrawal Form. Alternatively, you can approach your trading representative to submit the request on your behalf.

All payments to you will be made as per the trading account name in our records. No cash withdrawals are allowed.

7. Settlement of Trades
Clients with multi-currency ledgers may settle your foreign currency denominated trades in the traded currency or in SGD.

For non-multi-currency account holders, a conversion to SGD will be done on the settlement date.

Settlement of Purchase Contracts:
Purchase contracts will be settled on the contract due date.

Settlement of Sale Contracts:
Settlement of sale contracts will be carried out upon fulfilment of delivery obligations.

Note: This account does not support contra arrangement.
11. Schedule of Charges

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Charges²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Maintenance Fee</td>
<td>S$15 per quarter</td>
</tr>
<tr>
<td></td>
<td>(Quarterly trading activity is assessed at Mar, Jun, Sep, and Dec month end)</td>
</tr>
<tr>
<td>Waiver Condition:</td>
<td>At least 1 trade per quarter for the account</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Shares Custody Charges</td>
<td>S$2 per counter per month (subject to max S$150 per quarter)</td>
</tr>
<tr>
<td>Waiver Condition:</td>
<td>2 trades per month or 6 trades per quarter or minimum S$132 brokerage per quarter</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Action Handling Fee²</td>
<td></td>
</tr>
<tr>
<td>Cash Dividend</td>
<td>1% on net dividend subject to min S$1 capped at S$50 + Foreign fees and taxes (if applicable)</td>
</tr>
<tr>
<td>Other than the above</td>
<td>S$10 + Foreign fees and taxes (if applicable)</td>
</tr>
</tbody>
</table>

² All charges are inclusive GST.

**IMPORTANT NOTICE**

1. The provisions above and these notes form part of the terms and conditions for opening and operating your account in addition to our general Conditions Governing Phillip Securities Accounts. In making your application for a Margin account, we will be assuming that you agree to this. The Conditions Governing Phillip Securities Accounts can be obtained from Phillip Securities Pte Ltd (PSPL) or downloaded from www.poems.com.sg.

2. You should ensure that you have sufficient shares to deliver against your sale contracts to avoid a buying-in and penalty by SGX.

3. For online foreign currency-denominated share transactions, you should carefully specify the settlement currency at the point of submitting a trade. After which, you should ensure that there are sufficient funds to meet the margin requirement in the settlement currency to avoid any force-selling by PSPL. In the event that you have funds in another currency in equivalent value to your deficit in the settlement currency, your shares will not be force-sold but debit balance interest will start to accrue on the settlement currency until you order a currency conversion from the other currency to offset the debit balance in full. You can do a currency conversion through POEMS or by giving instructions to your trading representative. PSPL will not do the currency conversion on your behalf without any given instruction from you unless they are items stated under **Auto-conversion of Debit Balance**.

4. PSPL reserves the right to revise the published rates and charges from time to time without prior notice.

5. For account closure with credit balance of S$1.00 and below, an administrative charge of up to S$1.07 (inclusive of GST) will be levied.

6. For payment via Telegraphic Transfer (TT), you are strongly advised to state clearly your PSPL Trading Account Number and Account Name in your TT payment instruction.

In the event that PSPL is unable to identify the account for the amount to be credited, PSPL may reject the amount transmitted after reasonable endeavours have been made to trace the source of the deposit. Any bank charges incurred will be borne by you.

PSPL will not be held responsible for any loss, charge or damage arising from the rejected funds or delay in crediting the amount into the account.

7. Please contact your Trading Representative if you need any clarification or assistance on trading matters.

**Excess Funds Management**

When you opt for the excess funds management facility, you authorize Phillip Securities Pte Ltd to invest your surplus funds on a discretionary basis in Money Market Funds (“MMF”).

Currently, clients’ excess SGD funds are placed in Phillip Money Market Fund and excess USD funds are invested in the Phillip USD Money Market Fund (Phillip US Dollar Money Market Fund). Please visit www.poems.com.sg/unittrust under Tools >> Fund Finder for more information on these two funds or approach your Trading Representative or customer service staff for the relevant factsheet.

The minimum amount of placement in MMF each time per client is $100. However, when the MMF unit balance falls below 50 upon redemption, balance units will be automatically and fully redeemed.

Equivalent dollar value of MMF units will be automatically redeemed at no extra charge for settlement of contracts or for withdrawal. For the settlement of the shares you buy, redemption of MMF units will take place automatically on contract due date. Similarly, excess cash arising from sales proceeds will be designated for placement in MMF on the same business day.

With regard to Money Market Funds (MMFs), investors should note that:

A. MMFs are unit trusts that invest in short-term deposits and high quality debt securities. Both local and foreign issuers may issue permissible debt securities;

B. Although the fund managers may seek to maintain or preserve the principal value of the MMFs, there can be no assurance that the funds will be able to meet their objectives;

C. MMFs are not principal guaranteed unit trusts in that there is no guarantee as to the amount of capital invested and/or return received;

D. Past performance figures as well as any projection or forecast regarding the MMFs are not necessarily indicative of the future or likely performance of such funds;

E. A purchase of a unit in MMFs is not the same as placing funds on deposit with a bank or deposit-taking company. Investments are subject to investment risks including the possible loss of the principal amount invested;

F. Unlike bank deposits, MMFs do not pay interest. Investors enjoy returns from the MMFs in the form of capital gains, which are generally not taxable under the current Singapore income tax laws;

G. The value of units in MMFs and the income from them may rise as well as fall;

H. The PhillipCapital group of companies, and in particular PSPL itself, together with their respective directors and employees may take or have taken interests or positions in the MMF which PSPL in providing the excess fund management services with respect your surplus funds, has exercised its discretion to invest such of your surplus funds in. Such companies, including PSPL (but through another business unit other than its fund management department), may also perform or seek to perform marketing/distribution and other investment
services for or in relation to the MMF for which services distinct fees are received. Specifically, PSPL may for such marketing/distribution services rendered receive marketing/distribution fees (including trailer fees) from the MMF originators/fund managers which it will receive and appropriate for its own benefit. Such MMF may include those MMF that PSPL in providing to you its fund management services with respect to your surplus funds invest/subscribe in for you.

I. The Money Market Funds are not intended for US citizens.

This information sheet is provided to you for general information only and does not constitute a recommendation, an offer or solicitation to buy or sell the investment product mentioned. It does not have any regard to your specific investment objectives, financial situation or any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of your acting based on this information.

Investments are subject to investment risks. The risk of loss in leveraged trading can be substantial. You may sustain losses in excess of your initial funds and may be called upon to deposit additional margin funds at short notice. If the required funds are not provided within the prescribed time, your positions may be liquidated. The resulting deficits in your account are subject to penalty charges. The value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange. You should also be aware of the commissions and finance costs involved in trading leveraged products. This product may not be suitable for clients whose investment objective is preservation of capital and/or whose risk tolerance is low. Clients are advised to understand the nature and risks involved in margin trading.

You may wish to obtain advice from a qualified financial adviser, pursuant to a separate engagement, before making a commitment to purchase any of the investment products mentioned herein. In the event that you choose not to obtain advice from a qualified financial adviser, you should assess and consider whether the investment product is suitable for you before proceeding to invest and we do not offer any advice in this regard unless mandated to do so by way of a separate engagement. You are advised to read the Conditions Governing Phillip Securities Accounts and Risk Disclosure Statement (available online at www.poems.com.sg).

____________________________________________

Effective from 2 Apr 2020