



辉立证券私人有限公司

**PHILLIP SECURITIES PTE LTD**

A member of PhillipCapital

**ABSTRACT OF REVISED CONDITIONS GOVERNING PHILLIP SECURITIES TRADING ACCOUNTS**

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**Section 3: Margin Financing**

**1. Margin Account**

- 1.1 If the Customer's application to open a Margin Account is accepted by PSPL, PSPL shall open a Margin Account for the Customer and grant the Customer access to its Margin Facility to facilitate the Customer's purchase and/or trading in Marginable Products. If granted, the Margin Facility shall only be used by the Customer for financing the purchase of Marginable Products only.
- 1.2 Notwithstanding the foregoing, to the extent that the Customer not already having a Margin Account gives any Instruction for the purchase of Capital Markets Products and fails to effect settlement or procure the effecting of settlement on the settlement due date but has excess and acceptable property available to act as Collateral for the Customer, the Customer shall be deemed to have requested the opening and maintenance of the Margin Account on the terms hereunder for the purposes of any and all such Instructions given from time to time and to apply such excess property as Collateral to the degree and amount required or to the extent of such excess (whichever be the lesser amount).
- 1.3 PSPL shall have the right to reduce, cancel or vary, and from time to time review any Margin Facility and nothing in this Document shall be deemed to impose on PSPL any obligation at law or in equity to make or continue to make available to the Customer a Margin Facility. Where PSPL has cancelled a Margin Facility, all monies outstanding or owing by the Customer to PSPL under or in connection with the Margin Account shall become due and payable immediately upon demand. Upon such demand, the Customer shall immediately repay all such monies outstanding or owing by the Customer to PSPL.

**2. Credit Limit and Interest**

The Customer shall not permit or cause its Outstanding Balance to exceed the credit limit from time to time set by PSPL for the Margin Account. The Customer agrees to pay interest to PSPL on the Outstanding Balance at such rate as PSPL may from time to time notify the Customer.

**3. Temporary Increases in Credit Limit**

PSPL may, in its sole and absolute discretion, grant the Customer a temporary increase beyond the credit limit set by PSPL. Any such temporary increase may be revoked by PSPL at any time without notice to the Customer and without prejudice to any of its rights under this Document, including the right to liquidate the Collateral.

**4. Initial Margin and where Collateral is kept**

- 4.1 The Customer agrees, before commencing trading on the Margin Account which the Customer has expressly requested the opening of, to deposit or procure the deposit with PSPL an initial margin

or collateral comprising of cash or cash equivalent (collectively "**Cash Collateral**") or Marginable Products over which a collateral interest by way of charge with ancillary title transfer rights as noted below shall be vested in PSPL or both, in such amount as PSPL may require.

- 4.2 All Collateral (not the subject of a title transfer in favour of PSPL or a third party through PSPL or pending the exercise of PSPL's ancillary title transfer rights to the same) shall be kept in the Customer's account maintained with PSPL or in such sub-account as may be maintained by PSPL with its Nominee(s) together with a credit for Collateral title transferred in favour of PSPL or to a third party through PSPL (and for which PSPL owes a duty to return by way of an unsecured debt) by way of unsecured receivables due from PSPL.
- 4.3 Nothing in this Section 3 shall have the effect of constituting PSPL as a fiduciary of the Customer or otherwise with respect to the Marginable Products deposited or purchased in the Margin Account, any relationship of a trustee and beneficiary between PSPL and the Customer, or any further relationship other than as expressly contemplated in this Section 3.
- 4.4 Where the Margin Account is opened as a consequence of a deemed request of the Customer (pursuant to Clause 1.2 above), PSPL shall procure margin or collateral from the Customer as described in Clause 4.1 above. Any and all cash provided by the Customer whether for margin or as payment for margin trading shall to the extent possible be applied towards payment for margin trading as and when such trading arises and payment with respect thereto becomes due and thus to the extent that such payment reduces both the Cash Collateral return obligation and the payment obligation of the Customer correspondingly.

## 5. **Maintenance Margin**

The Customer shall maintain such margin or collateral with PSPL which is between the Outstanding Balance and the current value of the Collateral in compliance with such maintenance level requirements as may be prescribed by PSPL in accordance with such terms and conditions relating to Marginable Products as imposed by PSPL from time to time and as notified to the Customer. For the avoidance of doubt, for the purposes of calculating the value of the Collateral, the value of Collateral title transferred in favour of PSPL or to a third party through PSPL (and for which PSPL owes a duty to return by way of an unsecured debt) shall be included in such calculation to the extent of the collateral provided or procured to be provided by PSPL in favour of the Customer as security for such debt obligation comprises cash, cash equivalent or Marginable Products which the Customer shall be deemed to have onward provided to PSPL as Collateral (collectively "**Substitute Collateral**").

## 6. **Additional Margin/Alternative Source of Margin/Cumulative Margin and Collateral posting and Default Consequences**

- 6.1 PSPL may require additional margin to be deposited immediately or within a very short period of time which may be less than twenty-four (24) hours as and when it deems fit (by any method of communication allowed under this Document) (a "**Margin Call**") (including where the purchased or deposited Marginable Products carried in the Margin Account are subject to unusually rapid or volatile fluctuations in value, or are deemed not able to be liquidated promptly, or where such purchased or deposited Marginable Products do not have an active market, or upon immediate suspension of a counter from trading on the SGX-ST or any other exchanges or markets).
- 6.2 The Customer shall promptly comply with the requirements of the Margin Call, including providing additional margin, and hereby waives any right to object on the grounds that the Margin Call is unreasonable. Without prejudice to the Customer's obligation to pay margin immediately when the same becomes due, the Customer must notify PSPL immediately if the Customer cannot, or believes it would not be able to, meet a Margin Call when due.
- 6.3 If PSPL has notified the Customer and provided a specific date or time by which the Customer is required to meet a Margin Call, PSPL can still take necessary steps to protect its financial interests before such specified date, including exercising any of PSPL's rights under this Section 3, before the Customer has been furnished with the Margin Call or before the time given for meeting the Margin Call has elapsed.

- 6.4 The Customer shall not have a right to an extension of time with regard to Margin Calls. If PSPL grants any such extension of time for Margin Calls in its discretion, then unless PSPL expressly states in writing that such extension of time is intended to override or prevail over PSPL's rights under this Section 3, such extension of time shall be deemed to have been granted subject always to PSPL's rights under this Section 3.
- 6.5 The Customer also acknowledges that PSPL is permitted (but not obliged) to treat as margin or collateral (whether initial margin or maintenance margin) Excess Collateral of the Customer (including Substitute Collateral with respect to unsecured receivables and Marginable Products return obligations of PSPL due to the Customer as a result of a title transfer collateral having been provided to PSPL). For the purposes of the preceding, "Excess Collateral" shall refer to such Collateral of the Customer provided as collateral for obligations of the Customer otherwise than referable to margin trading so as to effectively determine whether the Customer satisfies its collateral or margin provision requirements for margin trading cumulatively with its collateral or margin provision requirements otherwise to PSPL. Insofar as such Excess Collateral comprises cash, cash equivalent or cash receivables due to the Customer, they may be applied by way of payment for Marginable Products purchased by the Customer and effectively reduce pro tanto or in toto (as the case may be) the amount of financing required by the Customer and correspondingly the amount of cash or cash equivalent PSPL is otherwise obliged to return to the Customer.
- 6.6 In the event that Excess Collateral is so treated, the Customer acknowledges that the collateral requirements otherwise than for margin trading shall be cumulated with the margin provision and maintenance requirements of the Customer and cumulatively calculated and complied with. In the event that the Customer is unable to satisfy in whole such cumulative requirements, the Customer shall be deemed to be in default of all the Customer's collateral and margin provision and maintenance requirements.

## **7. Forced Liquidation / Use of Collateral**

- 7.1 Without prejudice and in addition to all other rights of PSPL under this Document, PSPL shall have the discretion to at any time apply (whether by selling or disposing or otherwise) any or all Collateral (including for the avoidance of doubt the Marginable Products in the Margin Account, any Cash Collateral or cash provided as payment for margin trading and other Capital Markets Products of the Customer) in any manner which PSPL may decide in its sole and absolute discretion, including towards the payment of any amounts due and payable by the Customer to PSPL under any Account or towards meeting any of the Customer's obligations and liabilities to PSPL (including the obligation to comply with any margin requirements and the obligation to provide additional margin such as causing the Margin Account to meet with the margin and credit balance requirements under this Document), whether or not any time which has been allowed for the Customer to provide any additional margin or take any other action has elapsed. Any such sale or disposal may be made at PSPL's discretion on any exchange or other market where such business is usually transacted or at a public auction or private sale or PSPL may be the purchaser for its own account.
- 7.2 The Customer further acknowledges and agrees that:
- (a) as a general rule Collateral of the Customer in the possession or control of PSPL (whether held in a trust account or subject to a trust in favour of the Customer or held with a clearing house or a member of a futures exchange or a member of an overseas futures exchange or otherwise) will be held commingled with Collateral of other customers of PSPL (where applicable in a trust account in accordance with the provisions of the SFA);
  - (b) one result of the preceding is that it would be administratively difficult and as a matter of economic costs counter-productive to attempt to allocate the respective interest entitlement (if the trust account is interest bearing) on an individual basis. This is primarily because of the constant fluctuations in the value of the commingled Collateral in such trust account;
  - (c) it is a condition for PSPL accepting the Customer as a customer that the Customer agrees therefore to waive and relinquish in favour of PSPL any and all rights and entitlements to interest and investment earnings accruing to the Customer's share of Collateral, whether held in such trust account or subject to a trust in favour of the Customer or held with any clearing house as collateral for any applicable Transaction in respect of the Customer (such portion of Collateral held with any clearing house referred to herein as "**Clearing House Collateral**");

- (d) at no time shall PSPL be held liable or responsible in any way for any Loss suffered or incurred by the Customer as a result of any investment of Clearing House Collateral by any clearing house;
- (e) the deposit or provision of any Clearing House Collateral in any clearing house shall be subject to:
  - (i) the clearing rules of such clearing house;
  - (ii) any security deed or document which such clearing house may require its clearing members to enter into to govern the provision of Clearing House Collateral (which form may be prescribed and amended or supplemented from time to time by such clearing house); and
  - (iii) any applicable law or regulation (including the SFA);
- (f) the Customer by applying to open an Account with PSPL and being a customer of PSPL and/or accessing or using any of PSPL's Primary Services shall therefore be deemed to agree to (and PSPL will and does materially rely on the effectiveness of) such waiver and relinquishment as set out in Clause 3 of Part A; and
- (g) PSPL may however pay from time to time such portion of any actual interest and investment earnings it may receive with respect to such Collateral as it deems appropriate.

## 8. Withdrawal of Collateral

The Customer acknowledges and agrees that the Collateral in the Margin Account (or where relevant fungible equivalent of the same) may only be withdrawn by the Customer if the Customer gives not less than two (2) days' notice of such withdrawal to PSPL and only if the Customer continues to comply with any and all margin requirements imposed by PSPL after such withdrawal. Withdrawal of cash balances or cash amounts representing excess over margin shall be subject to the approval of PSPL and PSPL may refuse to approve any such withdrawal in order to preserve the Customer's margin at such levels as PSPL deems fit (whether or not in excess of regulatory requirements).

## 9. Security

9.1 As a continuing security for the Outstanding Balance and all other obligations and liabilities owing to PSPL under, or in connection with the Account (collectively the "**Secured Obligations**"), the Customer hereby assigns all the Collateral to PSPL by way of security/collateral coupled with such title transfer rights as may be provided for below in Clause 12 to enable PSPL to borrow, on-lend, or deliver the same to third parties in discharge of delivery obligations of such Marginable Products to such third parties. Without prejudice to the generality of the foregoing and (i) insofar as the Collateral comprises Marginable Products, the Customer hereby charges the Collateral, with full title guarantee and by way of first fixed charge all the Customer's rights, benefits, title, interest and entitlements in or to or arising from:

- (a) all Marginable Products (including both scrip and Book-Entry Securities) comprising Collateral both present and future together with any substituted and/or additional Marginable Products which the Customer may now or hereafter hold or beneficially own, and which are or are given over to the possession and control of PSPL;
- (b) all dividends, interest and other monies payable in respect of the said Marginable Products in sub-Clause (a) above and all other rights, benefits and proceeds in respect of or derived from the same (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise) (the "**Related Assets**"); and
- (c) all actions, claims and rights against the CDP, any relevant depository agent, settlement system or clearing house or member of the CDP or any other person in connection with such Charged Marginable Products (as hereafter defined),

and in each case whether or not the same is constituted, evidenced or represented by scrips, certificates or other documents evidencing title thereof for which are now or hereafter deposited with or delivered to or transferred to or lodged with or registered or held by PSPL or its Nominees (whether in the name of or held in the account of or to the order of or under the control and direction of PSPL or its Nominees) or in PSPL's possession or custody or the custody or the possession of its Nominees or transferred to or lodged with PSPL or its Nominees by the Customer

or by others in the Customer's name(s) or for the Customer's account or sub-account or at the Customer's request or with the Customer's consent, whether for safe custody, security, collection or for any specific purpose or generally (hereinafter collectively and individually called the "**Charged Marginable Products**"), in favour of PSPL for the payment and discharge of all of the Secured Obligations; and (ii) insofar as the Collateral comprises cash or cash equivalent, the Customer agrees that all right, title and interest in and to any Cash Collateral which is transferred or given over to PSPL shall vest in PSPL free and clear of any liens, claims, charges or encumbrances or any other interest of the Customer or of any third person; and nothing in these terms is intended to create or does create in favour of PSPL an interest only by way of any mortgage, charge, lien, encumbrance or other security interest in any Cash Collateral.

- 9.2 The Customer hereby covenants with PSPL to discharge the Secured Obligations and to perform, observe and comply with all the undertakings, covenants, stipulations, terms and conditions under this Document and the Application Form. In respect of Charged Marginable Products which are Book-Entry Securities, the security interest created hereunder shall be created and/or perfected (as the case may be), in accordance with the provisions of this Clause and the other relevant provisions of this Document.
- 9.3 The Customer shall (unless otherwise directed by PSPL from time to time) forthwith authorise and procure the transfer of the Charged Marginable Products which are Book-Entry Securities or which are held by the Customer or the Customer's depository agent (or such part thereof as shall be required by PSPL) from any of the Customer's Account(s) to PSPL's Account with the CDP or PSPL's sub-account(s) with its depository agent or any account of PSPL's Nominees as PSPL may direct.
- 9.4 PSPL, whether acting by itself or through its Nominee, may in PSPL's sole and absolute discretion from time to time, require the Customer to execute or authorise and procure the due execution and registration, in favour of PSPL and/or its Nominees, the instrument(s) of assignment and/or instrument(s) of charge or any other prescribed form of transfer, request or application for transferring or creating security interest over the Charged Marginable Products or any interest therein in favour of PSPL or its Nominees which are or are capable of being converted into Book-Entry Securities and the Customer shall forthwith execute such instrument(s) or form(s) as PSPL and/or its Nominees may direct.
- 9.5 Without prejudice to the foregoing, where the Charged Marginable Products which are Book-Entry Securities over which a security interest hereunder is to be created remains in an account or sub-account of the Customer with a depository agent, who is also PSPL or the depository agent of PSPL, such depository agent is irrevocably authorised as agent of the Customer to execute any and all forms, notices, instruments, transfers, authorisations, agreements or documents as PSPL may from time to time require or deem necessary or desirable to effect or perfect the creation in favour of PSPL of a security interest over the Charged Marginable Products, as directed by PSPL from time to time at PSPL's discretion and the Customer hereby ratifies and confirms and undertakes at all times to allow, ratify and confirm all and whatsoever such agent shall do or cause to be done in respect of any and all such forms as instructed by PSPL and that the Customer's agent shall be indemnified by the Customer against all costs, charges, expenses and Loss which it may incur in so doing.
- 9.6 PSPL and/or its Nominees shall have the sole and absolute discretion to determine from time to time, whether or not to register the Charged Marginable Products (whether or not they are Book-Entry Securities) or any part thereof in PSPL's name and/or the name of its Nominees including (without prejudice to the generality of the foregoing) the power to deliver and deposit with and/or withdraw and/or transfer from the CDP the Charged Marginable Products or any part thereof.
- 9.7 If at any time there are Related Assets, which have been charged or assigned to PSPL hereunder, the Customer undertakes, as and when required by PSPL, to further execute forthwith such documents and to give such Instructions as to effect the creation, in favour and at the option and discretion of PSPL, of a security interest by way of mortgage, assignment, charge, pledge, encumbrance, lien or other security interest on such Related Assets.
- 9.8 Without prejudice to the generality of any provisions of this Document, the Application Form or any other agreement or any other powers granted by the Customer to PSPL, as security for the discharge of the Secured Obligations, the Customer hereby covenants that it will forthwith on

request by PSPL and/or its Nominees and for that purpose PSPL through any of its authorised officers is irrevocably authorised as agent of the Customer to execute any and all forms, notices, instruments, transfers, authorisations, agreements or documents as PSPL may from time to time require or deem necessary or desirable to open, operate, keep and maintain in relation to the Charged Marginable Products one or more sub-account(s) with PSPL (if an authorised depository agent) or the depository agent with whom PSPL also maintains a sub-account for the purposes of this charge in relation to the Charged Marginable Products, and do all such things in connection with such account(s) and/or sub-account(s) as PSPL and/or its Nominees shall think fit (including giving instructions to the CDP, the relevant depository agent and/or its nominees in relation to the Charged Marginable Products for transfer of the Charged Marginable Products from the Customer's Account(s) to a sub-account or sub-accounts) with PSPL or the depository agent with whom PSPL also maintains a sub-account for the purposes of this charge for purpose of securing the discharge of the Secured Obligations and/or perfecting the title or security interest of PSPL to the Charged Marginable Products and the Customer hereby ratifies and confirms and undertakes at all times to allow, ratify and confirm all and whatsoever PSPL as the Customer's agent shall do or cause to be done in respect of any and all such forms as instructed by PSPL and that the Customer's agent shall be indemnified by the Customer against all costs, charges, expenses and Loss which it may incur in so doing.

#### **10. Enforcement of Security**

The Customer agrees that section 21 of the Conveyancing and Law of Property Act (Chapter 61 of Singapore) ("**CLPA**") shall not apply to the security created under Clause 9 above and that PSPL may exercise the power of sale conferred on mortgagees by the CLPA (as varied and extended by these Clauses) free from the restrictions imposed by section 25 of the CLPA. The security shall become immediately enforceable and the power of sale and other powers conferred by section 24 of the CLPA (as varied and extended by these Clauses) shall be immediately exercisable at any time after the Customer shall have failed to pay or satisfy when due and in the manner provided or on demand any part of the Outstanding Balance and at any time the Customer is in breach of any of the terms and conditions under this Document and the Application Form.

#### **11. Further Assurance**

The Customer shall, when required by PSPL, execute (a) such further legal or other charges or assignments in favour of PSPL, as it shall from time to time require, and on such terms as PSPL may decide, over any, some or all of the Collateral and all rights relating thereto both present and future; and, (b) other transfers or documents which PSPL may from time to time require for perfecting its title to the same or enabling it to vest the same in itself or its Nominees or in any purchaser, including any forms used in relation to any Book-Entry Securities for the creation of any form of statutory security interests.

#### **12. Borrowing, On-Lending and Creation of Further Security and Use Rights**

12.1 Notwithstanding any provision to the contrary in this Document or the terms expressly appearing on PSPL's Application Form as may be revised from time to time or the terms of any collateral or charge documentation with respect to the Customer's Capital Markets Products and other property (collectively the "**Terms**") but subject to Clause 7 above, the Customer agrees that with respect to ALL the Customer's Capital Markets Products and other property that now or in the future is in PSPL's possession and/or control (whether being Collateral or otherwise posted as collateral to PSPL or otherwise) PSPL may:

(a) on a title transfer basis borrow for itself and, where Regulation 45 of the SFR so obliges PSPL, as principal in return either for PSPL providing such collateral or on-holding (as between the Customer and PSPL) for the duration of such borrowing any collateral PSPL may receive from PSPL's borrower(s) (and which PSPL will ensure in either case will be of such amount as is required of PSPL to provide under Regulation 45 of the SFR as may be applicable) for the Customer's benefit as security (whether singly or collectively with other customers of PSPL) for the return of the borrowed Capital Markets Products. The borrowing

of Capital Markets Products from the Customer by PSPL will be governed by Section 6 of Part B;

- (b) create, to the maximum extent permitted by Applicable Laws, over the said Securities and other property any encumbrance in favour of a third party by way of security, re-security, charge, re-charge, pledge, re-pledge, hypothecation, re-hypothecation or otherwise to secure PSPL's obligations to a third party account (if mortgaged, pledged or hypothecated otherwise than on a pool basis and otherwise for an amount that does not exceed the aggregate amounts owed by all customers collectively in the pool to PSPL); and/or
- (c) to the maximum extent permitted by Applicable Laws assign, invest, use or otherwise dispose of the said Capital Markets Products and other property for PSPL's own benefit either separately or together with identical property provided by other customers or parties.

12.2 For the avoidance of doubt, PSPL reiterates that PSPL shall not be obliged with respect to any of the Customer's Capital Markets Products or other property (and in particular any Collateral) to retain the same in its possession or control (being entitled to treat all of the same as fungibles) or to retain for the duration of the Customer's account with PSPL like Capital Markets Products or other property of equivalent amount. PSPL's only obligation is, subject to the Customer having discharged all the Customer's existing obligations and properly terminated the Customer's Margin Account with PSPL and subject otherwise to PSPL's rights under this Document (including any right of interim liquidation or sale of the Customer's Capital Markets Products and other property) as the Customer may be entitled to demand of PSPL, to return to the Customer like Capital Markets Products and other property (as relevant) of equivalent amount.

12.3 The Customer also agrees that notwithstanding any contrary provision elsewhere in the Terms that in the event of the Customer's insolvency:

- (a) PSPL has the right at PSPL's option to convert any obligation PSPL may otherwise have to return the Customer Capital Markets Products and/or other property (other than cash) (where the same is not secured by any Substitute Collateral) into an obligation instead to pay the aggregate market value for the same; and
- (b) subject such converted payment obligation to PSPL's general right of set-off (in addition to any other rights of set-off and/or consolidation of accounts or obligations PSPL may have at law or in contract).

### **13. Set-off rights**

Without prejudice to any other right which PSPL may have whether under law by other terms in the Document (in particular Clause 21 of Part A thereof) or otherwise, PSPL is expressly conferred by the Customer a right to effect a set-off against the Customer's obligations to PSPL whether referable to the Customer's Margin Account or cash account any money or credit balance in any account with PSPL or maintained by PSPL for the Customer's benefit (including the trust account PSPL is obliged to maintain for the Customer pursuant to PSPL's obligations under the SFA and the SFR and including such money sum as PSPL may otherwise be obliged to pay to the Customer as a consequent of exercising PSPL's right of conversion under Clause 11 of Part A, effecting as PSPL deems necessary or appropriate any currency conversion.

### **14. Waiver of Interest**

The Customer acknowledges and agrees that the provisions of Clause 3 of Part A shall *mutatis mutandis* apply to with respect to interest that may be earned by such credit balances as may be held in the Margin Account (which are not utilised for the payment of shares) as if the same were Excess Funds for the purposes of this Clause.

### **15. Fees**

The Customer shall also pay such administrative or other fees as are charged by PSPL for administering the interest on the Margin Account. The Customer hereby authorises PSPL to deduct from the Margin Account such sums as may be required for and in payment of such fees.

## **Section 5: Custodial Services**

### **Definitions**

In this Section 5, unless the context otherwise requires, the following words and expressions shall bear the following meanings:

**“Bonus Related Assets”** shall have the meaning given to it in Clause 5.2, Section 5 of Part B;

**“Custodial Services”** shall have the meaning given to it in Clause 1, Section 5 of Part B; and

**“Related Assets”** means dividends, interest and other moneys payable in respect of the Customer’s Capital Markets Products and all other rights, benefits and proceeds in respect of or derived from the same (whether by way of redemption, bonus, preference, option, substitution, conversion or otherwise).

### **1 Bare Custodial Services**

- 1.1 Unless otherwise agreed, the Customer expressly authorises PSPL as custodian to receive and hold all Capital Markets Products and other assets of the Customer for the benefit of the Customer, and PSPL shall supply such custodial services (the **“Custodial Services”**) to the Customer on the terms set out in this Section 5
- 1.2 The Customer acknowledges in any event that PSPL, when acting as custodian, is not a fiduciary to the Customer or otherwise with respect to the Customer’s Capital Markets Products but shall be regarded generally only as a bare custodian and not trustee of the Capital Markets Products. There shall be no relationship of trustee and beneficiary between PSPL and the Customer, or any further relationship in relation to PSPL’s provision of Custodial Services other than as expressly contemplated in this Section 5.
- 1.3 PSPL’s duties are strictly restricted to the duties expressly provided under this Section 5, including the following:
  - (a) to hold or procure to be held to PSPL’s order all documents evidencing ownership of the Customer’s Capital Markets Products and identify in PSPL’s books which products belong to the Customer;
  - (b) to procure that all Capital Markets Products other than bearer Securities are registered in the name of PSPL or such other Nominee(s) or Sub-Custodian (as the case may be) as PSPL may appoint in accordance with Clause 2 or, where due to the nature of the law or market practice of any relevant jurisdiction, it is in the Customer’s best interests or it is not feasible to do otherwise, any Sub-Custodian;
  - (c) to hold or procure that all bearer Capital Markets Products of the Customer are held in safe custody and ensure that such bearer Capital Markets Products are held in such a manner that it is readily apparent that such Capital Markets Products are not the property of PSPL or any Sub-Custodian. Such bearer Capital Markets Products of the Customer shall be segregated by PSPL or any Sub-Custodian (as the case may be) from all property of PSPL or the Sub-Custodian and shall be identified as held by PSPL or Sub-Custodian for the account of the Customer. Where any Capital Markets Products are in uncertificated form, or otherwise transferable by book entry transfer, PSPL may use the services of any depository agent, on such terms as it may think fit, for the purpose of the holding and transfer of such bearer Capital Markets Products (or entitlements thereto);
  - (d) except to the extent permitted or not prohibited by the SFA or its regulations (including Regulation 26 of the SFR), to hold and/or procure that any Sub-Custodian holds Capital Markets Products, if registered in the same name as investments of PSPL or Sub-Custodian, in an account designated separately from that used for investments of PSPL or Sub-Custodian (as the case may be);
  - (e) on receipt of the Customer’s instructions or with the Customer’s authority to make or accept delivery of Capital Markets Products which have been sold, purchased, transferred or otherwise acquired or lent or disposed of by the Customer or its agent, such acceptance or delivery to be made in accordance with the normal practice for transactions of the type concerned;

- (f) to use its reasonable endeavours to collect and receive all Related Assets, provided that the Customer acknowledges and accepts that PSPL (whether directly or through any delegate or agent) shall have no duty or responsibility but is entitled, if it so chooses to:
    - (i) exercise or discharge any obligations conferred or imposed by reason of PSPL's holding of the Capital Markets Products or to investigate, participate or take any affirmative action in connection therewith or otherwise;
    - (ii) send or give notice of any proxy form or other document which PSPL may receive in respect of the Capital Markets Products;
    - (iii) recognize any claim in the nature of a trust or equitable claim by anyone other than the Customer in respect of the Capital Markets Products or any part thereof; or
    - (iv) otherwise make any notification to the Customer in respect of the custody Capital Markets Products, or take any other action in relation to the custody Capital Markets Products;
  - (g) to credit to the Customer's account all income and other payments received by PSPL under sub-Clause (f) of this Clause 1.3;
  - (h) to sign, execute and/or complete such documents, certificates or forms from time to time required for fiscal and taxation purposes in connection with the collection of income from the Capital Markets Products including bonds and note coupons; and;
  - (i) to keep or (to the extent reasonably practicable) procure there to be kept by any Sub-Custodian or any Nominee appointed by PSPL (as the case may be), such books records and statements, in retrievable form, as may be necessary to provide an adequate record of all Capital Markets Products held and transactions carried out by or on behalf of the Customer.
- 1.4 PSPL may refuse to provide the Custodial Services in relation to any Capital Markets Products or assets which PSPL deems unsuitable to be held hereunder without giving any reason therefor or being responsible or liable for any Loss thereby occasioned.

## **2. Nominees/Sub-Custodians**

- 2.1 The Customer hereby expressly authorises PSPL to utilise one or more Nominee(s) or Sub-Custodians for the purpose of providing the Custodial Services for the benefit of the Customer and PSPL shall use reasonable care in the selection of any Nominee or Sub-Custodian. In the event that a Nominee is being used, the Customer is deemed to have contracted as principal with such Nominee.
- 2.2 PSPL may utilise the services of a foreign custodian as Nominee or Sub-Custodian where it deems this to be necessary or appropriate and the Customer hereby expressly consents to PSPL having the full authority and discretion to appoint and use such foreign custodian as it deems necessary or appropriate.
- 2.3 Where Capital Markets Products are held by a Nominee or Sub-Custodian, PSPL shall separately agree in writing the requirements as may be required under Applicable Laws. Nothing shall, to the fullest extent permitted by law:
- (a) prevent or preclude PSPL, a Nominee or Sub-Custodian, each in their sole and absolute discretion, from time to time mutually agreeing to vary, amend or terminate the terms of their agreement with respect to such custody arrangements;
  - (b) prevent or preclude such variation, amendment or termination taking effect on or after notice to the Customer; and
  - (c) require that prior written consent of the Customer be obtained for any such variation, amendment or termination.
- 2.4 The Customer acknowledges and accepts that different settlement, legal and regulatory requirements and different practices relating to the segregation of Capital Markets Products held by a Nominee or Sub-Custodian may apply. In addition, PSPL and any Nominee or Sub-Custodian may deposit Capital Markets Products with, and hold Capital Markets Products in, any securities depository on such terms as such systems customarily operate. The Customer agrees that where the context permits, any reference to PSPL herein shall also include a reference to its Nominee, Sub-Custodian and/or any other person appointed by PSPL in accordance with this Clause.

### **3. Custodial responsibilities and power**

- 3.1 PSPL shall be entitled to do, subject and on receipt of the Customer's instructions to the contrary, any act or refrain from doing any act unless (as the case may be) prohibited or required by Applicable Laws, in relation to any Capital Markets Products custodised with PSPL, which under the terms of the Customer's agreement with PSPL, PSPL is not specifically (as the case may be) either specifically prohibited or required to do.
- 3.2 Without prejudice to the foregoing, the Customer hereby specifically instructs PSPL that, until it receives written instructions to the contrary, whenever the Customer purchases Capital Markets Products through PSPL, and the sums standing to the credit of the Customer's Account are sufficient to satisfy the purchase price of the Capital Markets Products purchased, PSPL is to withdraw from the Customer's Account such sum as is equal to the purchase price and appropriate such sum to PSPL in satisfaction of the Customer's obligation to pay the purchase price, or where the shares are contra sold, to use such sums for any contra losses incurred (if any).
- 3.3 Also without prejudice to any of the foregoing, any amount payable by the Customer pursuant to the Custodial Services hereunder shall be payable to PSPL or its Nominees or Sub-Custodians, as the case may be, on demand and may be deducted from the Capital Markets Products or such Account as PSPL deems appropriate.

### **4. Liability**

- 4.1 PSPL shall not be responsible for or liable to the Customer for any Loss suffered or incurred by the Customer, or profit or advantage of which the Customer may be deprived, which arises from or in connection with:-
  - (a) the manner in which PSPL holds the Capital Markets Products hereunder or deals with monies received or intended to be received in connection herewith;
  - (b) the loss, theft or destruction of, or any damage to, any of the Capital Markets Products or certificates relating thereto; or
  - (c) the performance or non-performance of PSPL hereunder, except insofar as the same arises as a result of the gross negligence, fraud and/or wilful default of PSPL.
- 4.2 While PSPL will use reasonable care in the selection of any Nominee or Sub-Custodian. PSPL shall not be responsible for or liable to the Customer for any Loss suffered or incurred by the Customer or profit or advantage of which the Customer may be deprived, which arises from or in connection with:
  - (a) the insolvency of any Sub-Custodian or Nominee; or
  - (b) any act or omission of any Sub-Custodian or Nominee, except insofar as the same arises as a result of the gross negligence, fraud or wilful default of the relevant Sub-Custodian or Nominee.
- 4.3 PSPL shall not be responsible or liable for any act, omission or insolvency of any entity providing central depository, clearing and/or settlement facilities.
- 4.4 The Customer acknowledges and agrees that PSPL shall be under no duty to supervise compliance by the Customer with any restrictions on the investment powers of the Customer.
- 4.5 The Customer agrees and acknowledges that the rights generally available or accruing to the holder of any Capital Markets Products may under the laws of foreign jurisdictions, not be available to or accrue to the benefit of or be offered to the Customer and the Customer agrees that in such circumstances, PSPL shall not be responsible to inform the Customer, inquire, investigate, take any action or make any demands in relation to such rights and the Customer shall have no recourse against PSPL for any claims whatsoever arising out of or in connection with or in relation to such rights.
- 4.6 These limitation of liability provisions are in addition to all other limitation of liability provisions in this Document.

### **5. Commingling of Customer's Capital Markets Products and Records**

- 5.1 PSPL shall keep records (or shall procure that such records will be kept) and hold all Capital Markets Products of the Customer held by or through PSPL hereunder in a way that makes it clear that Capital Markets Products do not belong to PSPL or any Nominee or Sub-Custodian. Where Capital Markets Products in PSPL's custody are held by a Nominee or Sub-Custodian, PSPL will take reasonable steps to ensure that the records of the relevant entity make it clear that the investments are held by or on PSPL's behalf for the Customer and that they do not belong to PSPL or any such Nominee or Sub-Custodian. The purpose of this is to make clear, in the event of the failure of any such entity that the assets are held on behalf of third parties and, are not available to creditors of that entity if it fails. However, it cannot be guaranteed that there would be no loss of assets in the event of such a failure. Where the assets are held by a Nominee or Sub-Custodian outside Singapore, it may not be possible under the relevant law of that country for those assets to be separately identifiable from the assets of the Nominee or Sub-Custodian or from PSPL's assets and accordingly there may be a greater risk of loss in the event of a failure of any such Nominee or Sub-Custodian.
- 5.2 The Capital Markets Products held by or through PSPL hereunder may also be registered collectively with other Capital Markets Products both of PSPL and/or other customers of PSPL in the same name and where so registered, the Customer's entitlements may not be identifiable by separate certificates or other physical documents of title or equivalent electronic records (although PSPL and/or its delegate will maintain records such that it will be readily apparent the degree of the Customer's interest in the commingled Capital Markets Products so collectively held but on the express understanding and agreement of the Customer that where such commingling and aggregation of the Capital Markets Products of the Customer and other persons result in entitlements to Related Assets which otherwise without such commingling or aggregation would not have accrued to the Capital Markets Products (the "**Bonus Related Assets**"), PSPL has full discretion as to the allotment of such Bonus Related Assets as amongst its customers, (including the Customer as it deems fit) and should PSPL, any Nominee or Sub-Custodian default, any shortfall in the Capital Markets Products registered in that name may be shared pro rata among all customers of PSPL or the Sub-Custodian or Nominee whose Capital Markets Products are so registered.

## **6. Customer's Rights In Respect of Customer's Capital Markets Products and Corporate Actions**

- 6.1 The Customer acknowledges and agrees that registration of the Customer's Capital Markets Products in the name of PSPL or such other Nominee(s) or any Sub-Custodian (as the case may be) as PSPL may appoint in accordance with Clause 2 above may mean that the Customer will lose incentives and shareholder benefits (in particular voting rights, notices and rights of attendance at general meetings) attaching to the Capital Markets Products that the Customer would otherwise enjoy if the Capital Markets Products were registered in the name of the Customer.
- 6.2 Further, PSPL accepts no duty to notify the Customer of any impending Corporate Action relating to any of the Capital Markets Products of the Customer and the Customer is to keep itself informed of same. In particular, PSPL will not notify the Customer of notices for general or other meetings of shareholders and will not seek the Customer's instructions as to how to exercise voting rights attached to Capital Markets Products. Where PSPL does receive voting instructions from the Customer in due time, PSPL shall use its best efforts to give effect to the same. However, where the Customer's Capital Markets Products are commingled and pooled with those of other PSPL customers, this may not be possible and PSPL reserves the right to vote the entirety of the commingled Capital Markets Products consistently with the instructions of all affected customers giving PSPL voting instructions in time in accordance with the majority amongst them in number of products held.
- 6.3 The Customer agrees to provide PSPL with the Customer's instructions in relation to a Corporate Action in due time before any relevant deadline set by the relevant company or their registrars for PSPL to determine in good faith whether it is feasible to act on the same. Due time refers to reasonable time before the deadline set by the relevant company or their registrars to process instructions on a good faith basis only in relation to the Corporate Action. If PSPL does not, for any reason, receive instructions from the Customer by the deadline above in relation to a Corporate

Action, PSPL will act or take no action as it deems fit with respect to such Corporate Action. Sometimes the terms of a Corporate Action will require an election to be made on behalf of PSPL's Nominee's entire holding in a company on an 'all or nothing' basis. In these circumstances, PSPL may not be able, even if it wishes to, to act in accordance with the instructions of the Customer even if received in due time. PSPL reserves the right in these circumstances not to comply with the Customer's instructions. Some Corporate Actions permit a registered holder to subscribe for additional shares in a company. In these cases, applications to subscribe will be made on behalf of PSPL's Nominee's entire holding in that company. The additional shares will be allocated to the Nominee on the basis of that holding. PSPL will then allocate the shares amongst all the customers involved on a pro-rata basis. The shares allocated to the Customer may be different to what the Customer would have received if the Capital Markets Products had been held by the Customer directly. It may be that on some occasions no shares are allocated to the Customer. The Customer acknowledges and accepts that this is a consequence of PSPL holding the Customer's Capital Markets Products on a commingled basis with other customers' products.

- 6.4 Where the Customer's Capital Markets Products are commingled and pooled with those of other PSPL customers, the Customer acknowledges and agrees that the options available in relation to the Capital Markets Products during a Corporate Action may be different from what the Customer would have received if the Capital Markets Products were held directly. The Customer agrees that PSPL reserves the right and discretion to apportion the total entitlement received in respect of the pooled Capital Markets Products between the Customer and the other customers involved. In the event that there is balance after apportionment resulting in a fractional entitlement, the Customer agrees to waive his right to such fractional entitlement and to abandon the same in favour of PSPL and such fractional entitlement may be appropriated by PSPL to and for itself.

#### **7. Statements and Information**

PSPL shall provide or procure the provision to the Customer with such reports and statements concerning the Capital Markets Products and at such intervals as agreed between them from time to time. PSPL may (but is not obliged to), on the request of the Customer and subject to payment by the Customer of such fee as may be determined by PSPL, furnish to the Customer such information in respect of the Customer's Capital Markets Products as the Customer may reasonably request.

#### **8. Return of Capital Markets Products Custodised**

The Customer shall not have any right to specific Capital Markets Products custodised with or through PSPL, but will be entitled, subject to this Section 5, to delivery by PSPL of Capital Markets Products of the same class, denomination and nominal amount, and which rank *pari passu* with those accepted by PSPL as being the Capital Markets Products so custodised, subject always to any capital reorganisation or share exchange which may have occurred. Such delivery may be to the Customer or any third party specified by the Customer.

#### **9. Authorisations**

Without prejudice to Clauses 1, 3 above and 10 below, PSPL is authorised (but not obliged), either by itself, through a Nominee or Sub-Custodian (if so, subject to Clause 2 above) or otherwise, and whether in Singapore or elsewhere to do any lawful act or thing which in the discretion of PSPL is necessary to preserve the integrity of the Capital Markets Products custodised and/or any Account and/or to protect the reasonable interests of the Customer and/or PSPL.

#### **10. Customer Primarily Liable**

Notwithstanding that the Customer may as between itself and a third party be effecting transactions on and/or in respect of any part or all of the Capital Markets Products custodised for and on behalf of such third party, as between the Customer and PSPL, the Customer shall be deemed to be, and is, transacting as sole principal. The Customer acknowledges, undertakes and agrees to be always primarily liable for such transactions in all or part of the Capital Markets Products custodised.

## **11. Instructions**

- 11.1 PSPL need only act on Instructions (oral or otherwise) from the Customer in respect of any Account or any part or all of the Capital Markets Products custodised. PSPL shall not be required to act in accordance with any Instruction from the Customer which purports to dispose of or deal with Capital Markets Products or other property which are in fact not held in any Account and/or which are not in fact Capital Markets Products custodised.
- 11.2 PSPL shall only be required to act on or effect any Instruction from the Customer within a reasonable time. For the avoidance of doubt, subject to Clause 20, in the event that the Customer wishes to withdraw any part or all of the Capital Markets Products custodised, the Customer shall give at least one (1) day's notice, or such other minimum notice period as PSPL may otherwise specify, to PSPL prior to such withdrawal.

## **12. Holding of Capital Markets Products on Aggregate or Omnibus Basis**

Without prejudice to any applicable terms for the provision of custody services with respect to Capital Markets Products herein, the Customer acknowledges and consents to the fact that any Capital Markets Products belonging to the Customer held with PSPL, an Intermediary or Nominee for any reason whatsoever may (to the extent that the same has not been the subject of any permitted borrowing) be held with Capital Markets Products held by PSPL for itself (where not prohibited or not otherwise required by law) or other customer of PSPL on an aggregate or omnibus basis. This may in some instances result in prejudice to the Customer and the Customer accepts and consents to this. PSPL shall not be responsible or liable for any Loss suffered or incurred by the Customer.

## **13. Instructions from Third Party**

Any instructions (oral or otherwise) purported to be given by any person other than the Customer, need not be acted on by PSPL but PSPL is authorised to act on any and all such instructions which PSPL in good faith has reason to believe is from the Customer as soon as such instructions have been received by PSPL without requiring written confirmation thereof. PSPL shall not be responsible for or liable for any Loss incurred by the Customer as a result of PSPL so acting.

## **14. Representations, Warranties and Undertakings**

The Customer represents, warrants and undertakes that:

- (a) he is the legal and beneficial owner of the Capital Markets Products custodised;
- (b) the Capital Markets Products custodised are fully paid up and paid for, in the required or regular form and in good delivery order; and;
- (c) there is no defect in title, security interest or encumbrance affecting the Capital Markets Products custodised.

## **15. Security**

In addition and without prejudice to the foregoing, all Capital Markets Products custodised are hereby charged by way of first fixed charge to PSPL as continuing security for all of the Customer's liabilities to PSPL whether the same accrue under or pursuant to the Account or otherwise. Clauses 9, 10 and 11 of Section 3 of Part B will apply *mutatis mutandis* to the security created under this Clause. Save for the charge mentioned in this Clause, the Customer shall not create nor shall the Customer allow to be created any security interest of whatsoever nature over any part or all of the Capital Markets Products custodised without the prior consent in writing of PSPL.

## **16. On-Lending and Creation of Further Security and Use Rights**

Notwithstanding any provision to the contrary in this Document or the terms expressly appearing on the Application Form as may be revised from time to time as applicable to the Customer or the terms of any collateral or charge documentation with respect to the Customer's Capital Markets

Products and other property (collectively the “**Terms**”) but subject to Clause 7 of Section 3, the Customer agrees that with respect to ALL the Customer’s Capital Markets Products and other property that now or in the future is in PSPL’s possession and/or control (whether posted as collateral to PSPL or otherwise) PSPL shall have the same rights of borrowing, on-lending and delivery on a title transfer basis over such Capital Markets Products as the Capital Markets Products which are subject to Clause 12 of Section 3 above.

#### **17. Set-off rights**

Without prejudice to any other right which PSPL may have whether under law, the Document (particularly pursuant to Clause 21 of Part A) or otherwise, PSPL is expressly conferred by the Customer a right to effect a set-off against the Customer’s obligations to PSPL whether referable to the Customer’s Margin Account or cash account any money or credit balance in any account of the Customer with PSPL or maintained by PSPL for the Customer’s benefit (including the trust account PSPL is obliged to maintain for the Customer pursuant to PSPL’s obligations under the SFA) and including such money sum as PSPL may otherwise be obliged to pay to the Customer as a consequence of exercising PSPL’s right of conversion under Clause 11 of Part A, effecting as PSPL deems necessary or appropriate any currency conversion.

#### **18. Default and Termination**

In the event that any of the events set out in Clause 22 of Part A occurs, then in addition to the rights set out in that Clause, PSPL shall be further entitled to immediately enforce the security created pursuant to Clause 15 above by way of disposing or otherwise dealing with any part or all of the Capital Markets Products custodised using or employing any and all powers granted hereunder or otherwise to a mortgagee or chargee under the laws of Singapore.

#### **19. Fees and Expenses**

19.1 In consideration of the Custodial Services provided by PSPL hereunder, the Customer shall pay to PSPL fees (exclusive of goods and services or other relevant value added tax) as agreed or as may be varied and notified by PSPL to the Customer. The Customer shall, on demand, pay to or reimburse (or shall procure payment to or, reimbursement of) PSPL for all expenses, including management or supervisory fees, agents’ and other advisers’ fees, disbursements and operating expenses incurred in connection with:

- (a) the performance by PSPL of its obligations hereunder; and
- (b) the enforcement or preservation by PSPL of its rights hereunder,
- (c) together with any applicable goods and services tax or other tax thereon.

19.2 The Customer hereby authorises PSPL to debit the Customer’s Account with all amounts due or which may become owing by the Customer to PSPL hereunder, together with any applicable goods and services or other value added tax, thereon.

#### **20. Contra Losses**

The Customer agrees that:

- (a) no Capital Markets Products of the Customer custodised by PSPL and/or its Nominee(s) or Sub-Custodians may be withdrawn by the Customer if there are any contra losses outstanding; and
- (b) if any contra loss is not paid by the Customer within 14 days or such time as PSPL may determine, PSPL is entitled to sell such of the Customer’s Capital Markets Products in PSPL’s custody as may be necessary to reimburse PSPL of such contra loss.

## **Section 6: Securities Borrowing and Lending Service**

### **Definitions**

In this Section 6, unless the context otherwise requires, the following words and expressions shall bear the following meaning:

**“Distribution”** has the definition given to it in Clause 8, Section 6 of Part B;

**“Excess Collateral”** has the definition given to it in Clause 3.3, Section 6 of Part B;

**“Information Sheet”** refers to the information sheet provided to the Customer by PSPL in respect of the Securities Borrowing and Lending (“SBL”) Service;

**“PSPL Collateral”** has the definition given to it in Clause 2, Section 6 of Part B; and

**“SBL Collateral”** has the definition given to it in Clause 3.1, Section 6 of Part B.

### **1. General**

- 1.1 The Customer agrees that any and all borrowings of Capital Markets Products by a Customer from PSPL, and by PSPL from the Customer, shall be governed by this Section 6 and the Customer acknowledges that PSPL shall rely on the foregoing in agreeing to and/or making any loan of Capital Markets Products to a Customer and borrowing Capital Markets Products from a Customer, as the case may be. The Customer further agrees that both the Customer and PSPL act as sole and respective principals to one another in any and all borrowings of Capital Markets Products by a Customer from PSPL and by PSPL from a Customer.
- 1.2 In addition, all borrowings by a Customer of Capital Markets Products from PSPL, and by PSPL from the Customer, shall at all times be subject to Applicable Laws, including the provisions of all relevant SGX-ST Rules as well as the provisions of Regulation 45 of the SFR.

### **2. Provision of Collateral**

Without prejudice to the generality of Clause 1 above and in accordance with the requirements of Regulation 45 of the SFR:

- (a) the Customer shall, when borrowing Capital Markets Products from PSPL, at all times ensure that it provides collateral of a value specified by PSPL which will in any case be no less than one hundred and five percent of the value of the Capital Markets Products borrowed by the Customer from time to time and which the Customer has yet to return; and
- (b) PSPL shall, when borrowing Capital Markets Products from a Customer, at all times ensure that it provides collateral of one hundred and five percent of the value of the Capital Markets Products borrowed by PSPL from time to time and which PSPL has yet to return (**“PSPL Collateral”**).

### **3. Security and Title Transfer Rights and Cumulative Margin and Collateral Posting and Default Consequences**

- 3.1 The Customer agrees that for the purposes of the Customer's borrowing of Capital Markets Products, an account (**“SBL Account”**) will be opened and maintained on the books of PSPL into which will be credited all property (including Capital Markets Products and cash) to be provided with respect to and which are intended to be appropriated as collateral and/or security as may be acceptable to PSPL from time to time (including property provided by way of initial margins or comprising proceeds from sale of Capital Markets Products borrowed) for any and all borrowings of Capital Markets Products of the Customer (the **“SBL Collateral”**).
- 3.2 For the purposes of the Customer's borrowings of Capital Markets Products from PSPL, the Customer shall, as required by Regulation 45 of the SFR, transfer the title to the SBL Collateral in favour of PSPL such that all right, title and interest in the SBL Collateral, including cash or cash equivalent shall vest in PSPL free and clear of any liens, claims, charges or encumbrances or any other interest of the Customer or of any third person; and nothing in this Document is intended to create or does create in favour of PSPL an interest only by way of any mortgage, charge, lien,

encumbrance or other security interest in any SBL Collateral. Further, the Customer shall take such further actions and complete and execute any and all documentation that PSPL may require to ensure that title to SBL Collateral of the required collateral value pursuant to Regulation 45 of the SFR shall at all times vest in PSPL.

- 3.3 For the purposes of PSPL's borrowing of Capital Markets Products from the Customer, PSPL shall, as required by Regulation 45 of the SFR, transfer the title to the PSPL Collateral in favour of the Customer such that all right, title and interest in the PSPL Collateral, including cash or cash equivalent shall vest in the Customer free and clear of any liens, claims, charges or encumbrances or any other interest of PSPL or of any third person; and nothing in this Document is intended to create or does create in favour of the Customer an interest only by way of any mortgage, charge, lien, encumbrance or other security interest in any PSPL Collateral. Further, PSPL shall take such further actions and complete and execute any and all documentation that the Customer may require to ensure that title to PSPL Collateral of the required collateral value pursuant to Regulation 45 of the SFR shall at all times vest in the Customer. Notwithstanding the foregoing, the Customer hereby instructs PSPL to hold all such PSPL Collateral on the Customer's behalf in accordance with Section 5 of Part B, for the purposes of PSPL providing the Primary Services to the Customer (including to facilitate the execution of Transactions). For the avoidance of doubt, the PSPL Collateral will be subject to all security, set-off and other rights that PSPL may have under the terms and conditions of this Document.
- 3.4 Notwithstanding the preceding, the Customer also acknowledges that PSPL is permitted to treat as SBL Collateral, any Excess Collateral of the Customer, for the purposes of effectively determining whether the Customer satisfies its collateral requirements for Capital Markets Products borrowing cumulatively with its collateral or margin provision requirements otherwise to PSPL. For the purposes of the preceding, "Excess Collateral" shall refer to such Collateral of the Customer provided as collateral for obligations of the Customer otherwise than referable to Capital Markets Products borrowing by the Customer or excess Collateral provided by PSPL to the Customer for any Capital Markets Products borrowed by PSPL from the Customer. Insofar as such Excess Collateral comprises cash, cash equivalent or cash receivables due to the Customer, they may also at the discretion of PSPL be applied by way of payment for shares purchased by the Customer to satisfy the Customer's obligation to return borrowed Capital Markets Products and correspondingly the amount of cash or cash equivalent PSPL is otherwise obliged to return to the Customer.
- 3.5 In the event that Excess Collateral is so applied in accordance with Clause 3.4 above, the Customer acknowledges that the collateral requirements otherwise referable to Capital Markets Products borrowing by the Customer shall be cumulated with the collateral provision and maintenance requirements of the Customer referable to Capital Markets Products borrowing by the Customer and cumulatively calculated and complied with. In the event that the Customer is unable to satisfy in whole such cumulative requirements, the Customer shall be deemed to be in default of all the Customer's collateral and margin provision and maintenance requirements.

#### **4. Commingling of Collateral and Return Obligation of SBL Collateral**

- 4.1 The Customer agrees that PSPL may commingle and hold any or all SBL Collateral (as may not be the subject of any title transfer in favour of PSPL) together with the Capital Markets Products and/or money that PSPL may hold for its other Customers whether as collateral or otherwise.
- 4.2 As such, PSPL shall not be obliged with respect to any of the Customer's Capital Markets Products or other property to retain the same in its possession or control (being entitled to treat all of the same as fungibles) but, subject to PSPL's rights to borrow and/or on-lend the same as set out in Clause 12 of Section 3, shall only be obliged to retain for the duration of the Customer's borrowing of Capital Markets Products from PSPL or at any time only like Capital Markets Products or other property of equivalent amount and description or their equivalent value. As such the Customer further agrees that:
  - (a) in relation to the preceding the Customer acknowledges, without prejudice to the Customer's consent in Clause 3 of Part A, that it would be administratively and operationally difficult, if not impossible (in view of the constant ebb and flow of the aggregate balance in such account) to account separately for each of PSPL's customers the interest due to their fluctuating cash

balances (insofar as the same has not been the subject of a title transfer in favour of PSPL) being part of a larger pool of money since interest will be received on a lump sum basis. The Customer further acknowledges and accepts that such an exercise would be likely to cost more than any interest earned. In the circumstances, the Customer agrees that it is a material condition that the Customer waives and relinquishes in PSPL's favour all claims for interest that might otherwise accrue with respect any cash component of the SBL Collateral;

- (b) PSPL's only obligation is, subject to the Customer having discharged all the Customer's existing obligations and properly terminated the Customer's SBL Account with PSPL and subject otherwise to PSPL's rights under this Document (including any right of interim liquidation or sale of the Customer's SBL Collateral) to return to the Customer like Capital Markets Products of equivalent amount or their cash value. Without prejudice to the generality of the foregoing, insofar as the SBL Collateral had been the subject of a title transfer in favour of PSPL, PSPL's only obligation to effect the said return of the same will be by way of discharge of an unsecured debt obligation; and
- (c) as such, notwithstanding any contrary provision agreed between the parties, in the event of the Customer's insolvency, PSPL has the right at their option to convert any obligation PSPL may otherwise have to return the Customer Capital Markets Products into an obligation instead to pay the aggregate market value for the same, and to subject such converted payment obligation to PSPL's general right of set-off (in addition to any other rights of set-off and/or consolidation of accounts or obligations PSPL may have at law or in contract).

## **5. Value of Collateral Provided**

- 5.1 The Customer agrees that the initial value of the collateral required to be placed as SBL Collateral with PSPL by the Customer with respect to any borrowing of Capital Markets Products by the Customer shall be not less than the initial margin requirement as specified by PSPL and in any event shall be of a value not less than the prescribed minimum value under Applicable Laws. Should the value of the SBL Collateral relative to the value of Capital Markets Products borrowed and remaining to be returned at any time thereafter fall below the minimum margin requirement set by PSPL, PSPL shall thereupon and thereafter have the discretion to demand the immediate return of the Capital Markets Products borrowed and/or sell or dispose and/or appropriate any or all SBL Collateral which PSPL holds for the Customer or is obliged to return to the Customer on satisfaction of the Customer's obligations to PSPL in any manner in order to purchase equivalent Capital Markets Products to the Capital Markets Products borrowed and to appropriate the same towards satisfaction of the Customer's return obligations so as to bring about a position where the value of SBL Collateral meets PSPL's margin requirements. Without prejudice to the foregoing, the Customer acknowledges and agrees that PSPL shall determine the respective market values of Capital Markets Products borrowed by the Customer as well as the SBL Collateral on a daily marked-to-market basis. With respect to each borrowing, margin shall be calculated by reference to such procedure(s) for calculating margin as may be prior notified by PSPL to the Customer from time to time for any and all relevant borrowings of Capital Markets Products. In respect of Capital Markets Products borrowed from the Customer by PSPL, the Customer acknowledges and agrees that PSPL will determine the respective current market values of the Capital Markets Products borrowed by PSPL from the Customer and the PSPL Collateral provided by PSPL to Customer for such borrowing on at least a daily marked-to-market basis. With respect to each borrowing of Capital Markets Products by PSPL, margin shall be calculated by reference to such procedure(s) for calculating margin as set out in the relevant Information Sheet.
- 5.2 Without prejudice to the foregoing, the Customer also notes and agrees that:
  - (a) should the value of the SBL Collateral in PSPL's possession and control fall below margin maintenance levels, PSPL is entitled to request (and the Customer shall comply with any such request) to provide such amount of additional collateral as required to satisfy PSPL's margin requirements and in the interim, the Customer is not permitted to effect any new borrowings of Capital Markets Products;
  - (b) should the value of the SBL Collateral fall below the minimum margin requirement set by PSPL, PSPL is entitled (but not obliged) at PSPL's absolute discretion and without notice to the Customer to realise the SBL Collateral (or any part thereof) and apply the proceeds therefrom to purchase such amounts of Capital Markets Products equivalent to the Capital

Markets Products borrowed and appropriate the same as Capital Markets Products returned by the Customer to satisfy PSPL's margin requirements; and

- (c) PSPL is entitled at any time to revise its margin requirements and its determination of the value of any component of the SBL Collateral other than cash shall be final and determinative as between the parties so long as made in good faith. In this connection, the Customer recognises and accepts that depending on the quality of the Capital Markets Products provided as SBL Collateral a larger deduction or hair-cut for valuation process will be made by PSPL.

## **6. Undertakings by the Customer**

The Customer makes the following undertakings to PSPL:

- (a) all SBL Collateral deposited or provided by the Customer shall be in the form of cash, securities issued by the Government or its agencies, acceptable Capital Markets Products and such other instruments as PSPL may from time to time prescribe;
- (b) all selling Transactions intended by the Customer to be satisfied by the delivery of Capital Markets Products borrowed from PSPL shall be prior notified to PSPL by the Customer and effected only through PSPL through the Customer's SBL Account maintained with PSPL. In addition, the Customer shall in each case make a prior request for the required borrowing as a pre-condition to effecting a sale Transaction as intended. Unless PSPL indicates otherwise to the Customer, the Customer's request will be deemed accepted and for the purposes of calculating the period of borrowing, the commencement date for such borrowing shall be deemed to be the date of acceptance of the Customer's request regardless of the actual date the lending is actually effected by PSPL's delivery of the borrowed Capital Markets Products on the Customer's behalf in settlement of the Customer's delivery obligation to be satisfied by such Capital Markets Products but provided that it is expressly acknowledged and agreed that pending such delivery no title to the borrowed Capital Markets Products will pass from PSPL. In this connection, the Customer further acknowledges and agrees that all proceeds (being the purchase price) for the sale transaction settled by delivery of the borrowed Capital Markets Products are received by PSPL as part of and subject to the terms of the SBL Collateral; and
- (c) all purchase transactions intended to be satisfied by money comprised in the SBL Collateral shall be prior notified to PSPL by the Customer and such notice shall be deemed to be a request for a release of the money in substitution of the Capital Markets Products purchased becoming part of and subject to the terms for the SBL Collateral and effected only through PSPL through the Customer's cash trading account maintained with PSPL. In each such case, the Customer further acknowledges that the Capital Markets Products to be so purchased must be of Capital Markets Products acceptable to PSPL for the purposes of the SBL Collateral and be either:
  - (i) of at least equivalent value as the money to be drawn out of the SBL Collateral to pay for the Capital Markets Products purchased; or
  - (ii) is of a value which taken together with the rest of the SBL Collateral (after release of the money requested to be released and applied towards payment for the Capital Markets Products purchased) satisfies PSPL's margin requirements.

## **7. Customers who are Accredited Investors**

PSPL shall assume that the Customer is not an Accredited Investor for the purposes of all Capital Markets Products borrowed by the Customer and PSPL and the Customer shall therefore be subject to the same collateral provision requirements detailed in this Section 6, unless the Customer expressly notifies PSPL that it is, and wishes to be regarded as, an Accredited Investor for the purposes of its borrowing of Capital Markets Products from PSPL. For the avoidance of doubt, notwithstanding that the Customer is an Accredited Investor, for the purposes of determining the collateral provision requirement of the Customer as a borrower, the Customer shall, unless PSPL expressly agrees otherwise in writing, be required to provide, collateral to the same extent and terms as a Customer who is not an Accredited Investor.

## **8. Customer or PSPL's obligations in relation to borrowed Capital Markets Products**

8.1 In respect of the Capital Markets Products borrowed by the Customer from PSPL, the Customer shall:

- (a) on the date of the payment or distribution of any interest, dividends or other distribution of any kind whatsoever (each, a "**Distribution**") arising from any such borrowed Capital Markets Products or on such other date as PSPL and the Customer may from time to time agree, pay and deliver a sum of money or property equivalent to the Distribution to PSPL (with any such endorsements or assignments as shall be customary and appropriate to effect the settlement thereof), regardless of whether the Customer has received the same;
- (b) undertake to use the Customer's best endeavours to arrange for any voting rights attached to any such borrowed Capital Markets Products in respect thereof, to be exercised in accordance with the instructions of PSPL; and
- (c) undertake to procure that all instructions received from PSPL in respect of conversions, subdivisions, consolidations, redemptions, takeovers, pre-emptions, options (including an option to take a Distribution in the form of Capital Markets Products or a certificate or other document which may at a future date be exchanged for Capital Markets Products) or other rights, are complied with.

8.2 In respect of the Capital Markets Products borrowed by PSPL from the Customer, PSPL shall:

- (a) on the date of the Distribution arising from any such borrowed Capital Markets Products or on such other date as PSPL and the Customer may from time to time agree, pay and deliver a sum of money or property equivalent to the Distribution to the Customer (with any such endorsements or assignments as shall be customary and appropriate to effect the settlement thereof) to the extent that the same has been received by PSPL;
- (b) undertake to use PSPL's best endeavours to arrange for any voting rights attached to any such borrowed Capital Markets Products in respect thereof, to be exercised in accordance with the instructions of the Customer; and
- (c) undertake to procure that all instructions received from the Customer in respect of conversions, subdivisions, consolidations, redemptions, takeovers, pre-emptions, options (including an option to take a Distribution in the form of Capital Markets Products or a certificate or other document which may at a future date be exchanged for Capital Markets Products) or other rights, are complied with.

## **9. Borrowing Fee**

The Customer shall pay PSPL a borrowing fee to be calculated with respect to each borrowing by reference to such fee calculation formula or amount as determined by PSPL and as notified to the Customer for any and all of the Customer's borrowing(s) of Capital Markets Products. The borrowing fees may be deducted and/or drawn from the cash collateral component of the SBL Collateral. The Customer shall also pay all out-of-pocket expenses incurred by PSPL in connection with the loan of Capital Markets Products and shall continue to pay any fees and expenses stated herein notwithstanding that the borrowed Capital Markets Products may be suspended from trading.

The Customer also agrees in connection with the foregoing that except as notified by PSPL, no compensation will be payable to the Customer in connection with any borrowing of the Customer's Capital Markets Products by PSPL and further that, PSPL is the sole beneficiary of any fee or commission that PSPL may earn from any borrowing of such Capital Markets Products. Notwithstanding the foregoing, PSPL may in its discretion determine to pay the Customer for PSPL's borrowing of such Capital Markets Products of the Customer such fees as notified to the Customer from time to time.

## **10. Period of Borrowing**

The Customer shall be entitled to borrow Capital Markets Products and/or continue the borrowing of Capital Markets Products subject to the following:

- (a) PSPL's shall be entitled to demand return of the Capital Markets Products borrowed by the Customer upon notice of not less than the time prescribed for settlement for the sale/purchase of the relevant Capital Markets Products on the exchange that it is listed on;
- (b) no borrowing, unless otherwise separately agreed with PSPL, shall be permitted whose period extends over any relevant record date/period including dividend and/or accrual and accretion entitlement and/or book closure date of the Capital Markets Products borrowed; and
- (c) the Customer has not in the interim breached any of its obligations to PSPL.

#### **11. Withdrawals**

For avoidance of doubt, and subject to the Customer at all times maintaining the requisite minimum in value of SBL Collateral relative to the value of the Capital Markets Products borrowed, the Customer is permitted, with PSPL's prior consent (but without prejudice to PSPL's first and paramount fixed security interest over the SBL Collateral with or in PSPL's possession) and at PSPL's discretion, to withdraw cash from the Customer's SBL Account so long as (i) such withdrawal does not result in the value of the SBL Collateral remaining being less than level specified by PSPL (and only if the SBL Collateral requirements continue to be satisfied after such withdrawal), (ii) such withdrawal does not result in fact there being excess cash comprising the SBL Collateral which is not otherwise earmarked to a Customer's request for release pursuant to satisfy a pending purchase transaction effected through PSPL as per Clause 6(c) above and (iii) there is no event of Default subsisting in respect of the Customer.

#### **12. Variation of terms of borrowing**

The Customer acknowledges and agrees that PSPL has the right at any time and from time to time to vary the terms for the borrowing or continued borrowing of Capital Markets Products, or lending or continued lending of Capital Markets Products, by giving notice equal to at least the time prescribed for settlement pursuant to sale / purchase of the relevant security on the exchange it is listed on.

#### **13. Communication of requests**

The Customer may make a request for a borrowing through any means of communication and agents (including the Customer's remisier) as the Customer is permitted to effect a Transaction through PSPL.

#### **14. Terminology**

In this Section 6, the expressions such as "borrow", "lend" and "redeliver" reflect terminology used in the market for transactions of the kind provided for subject to these terms and conditions under this Section 6 on the understanding that title to Capital Markets Products "borrowed" or "lent" shall pass from PSPL as lender to the Customer as borrower with respect to Capital Markets Products borrowed by the Customer, and from the Customer to PSPL when borrowed by PSPL, and title to equivalent Capital Markets Products redelivered or deemed redelivered, by the Customer to PSPL shall pass to PSPL, and, by PSPL to the Customer shall pass to the Customer, on such redelivery or deemed redelivery. Notwithstanding the foregoing, the Customer may (by prior arrangement with or with the consent of PSPL) effect any purchase or subscription of Capital Markets Products pursuant to any employee stock/share option scheme by paying and/or procuring the payment of the price for the same (whether or not pursuant and consequent upon the exercise of the Customer's option rights as an employee) for the purposes of effecting a redelivery of borrowed Capital Markets Products. In such a case, redelivery shall be deemed effective as from the later of the date of full payment for the Capital Markets Products and the Customer's absolute assignment (on a recourse basis) of all the Customer's entitlement with respect the purchased/subscribed for Capital Markets Products in form and substance acceptable to PSPL and the payment in addition to PSPL of an agreed fee in consideration of PSPL accepting such assignment in lieu of physical redelivery of Capital Markets Products.

## **15. Delivery**

- 15.1 The Customer undertakes to redeliver Capital Markets Products within the time prescribed for settlement for the sale/purchase of the relevant Capital Markets Products on the exchange it is listed on from the receipt of notice from PSPL requiring such redelivery, throughout the period of the loan of the borrowed Capital Markets Products.
- 15.2 PSPL may call for the redelivery of all or any Capital Markets Products at any time in the ordinary course of business upon notice of not less than the time prescribed for settlement for the sale/purchase of the relevant Capital Markets Products on the exchange that it is listed on. The Customer shall redeliver such Capital Markets Products not later than the expiry of such notice and shall execute and do all such assurances, acts and things which the Customer is required to do including where relevant the execution and delivery of a duly executed CDP Form 4.1 (or such other forms as may be prescribed by CDP from time to time) to PSPL. Simultaneously with the redelivery of the Capital Markets Products in accordance with such call, PSPL shall redeliver the equivalent SBL Collateral in respect of the borrowed Capital Markets Products and repay any cash collateral to the Customer.
- 15.3 If the Customer does not redeliver the borrowed Capital Markets Products in accordance with such call, PSPL may elect to continue the loan of the borrowed Capital Markets Products provided that if PSPL does not elect to continue such loan, it may by notice to the Customer, terminate such loan. In the event that the Customer fails to redeliver Capital Markets Products to PSPL, PSPL shall be entitled, at its sole and absolute discretion and without notice to the Customer, to "buy-in" the Capital Markets Products. If such right of "buy-in" is exercised by PSPL, the Customer shall be liable to account to PSPL for the total costs and expenses incurred by PSPL as a result of such "buy-in".
- 15.4 The procedures for the Customer to request return of Capital Markets Products lent to PSPL, and the arrangements for dealing with the situation where such Capital Markets Products cannot be delivered by PSPL will be as set out in the relevant Information Sheet.

## REVISED REGULATION 45 – SECURITIES BORROWING AND LENDING

- (1) Subject to paragraph (2), where a holder of a capital markets services licence —
  - (a) borrows securities from an owner of those securities (referred to in this regulation as the lender), the holder shall provide Collateral to the lender for the borrowing of the securities; and
  - (b) lends securities, including securities belonging to its customer, to any person (referred to in this regulation as the borrower), the holder shall obtain Collateral from the borrower for the lending of the securities.
- (2) Paragraph (1)(a) shall not apply to a holder of a capital markets services licence when the holder borrows securities from an accredited investor.
- (3) For the purposes of paragraph (1)(a) and (b), the holder of a capital markets services licence shall ensure that the Collateral provided to the lender or obtained from the borrower, as the case may be, shall, throughout the period that the securities are borrowed or lent, have a value not less than 100% of the market value of the securities borrowed or lent.
- (4) Where the holder of a capital markets services licence borrows or lends securities in accordance with paragraph (1), it shall ensure that the terms and conditions of the borrowing or lending, as the case may be, are recorded in a prior written agreement, which complies with paragraph (5) and is entered into between the holder and the lender or borrower or their duly authorised agent, as the case may be.
- (5) For the purposes of paragraph (4), the written agreement shall —
  - (a) state the capacities in which the parties are entering into the agreement (whether as principal or agent);
  - (b) provide for the transfer of the title to and interest in the securities lent from the lender to the holder, or the holder to the borrower, as the case may be;
  - (c) provide for the transfer of the title to and interest in the whole or part of the Collateral provided or obtained by the holder which is valued to be at least 100% of the market value of the securities (referred to in this regulation as minimum Collateral) which is borrowed by the holder from the lender, or lent by the holder to the borrower, as the case may be;
  - (d) provide for the following rights throughout the period that the securities are borrowed or lent:
    - (i) in the case where the holder borrows securities from a lender, the rights of the lender in relation to the minimum Collateral and the rights of the holder in relation to the securities borrowed; and
    - (ii) in the case where the holder lends securities to a borrower, the rights of the holder in relation to the minimum Collateral and the rights of the borrower in relation to the securities borrowed,

including the treatment of dividend payments, voting and other rights and arrangements for dealing with any corporate action;

  - (e) provide for the procedure for calculating the lending or borrowing fees, as the case may be;
  - (f) include the requirement to mark to market on every business day the securities lent or borrowed, as the case may be, and all minimum Collateral comprising securities and the procedures for calculating the margins;
  - (g) provide for the procedures for the request for the return of the securities lent, and the arrangements for dealing with the situation where such securities cannot be delivered by —
    - (i) the holder, where the holder borrows securities from a lender; and
    - (ii) the borrower, where the holder lends securities to a borrower;
  - (h) provide for the termination of the agreement by any party to the agreement, including any early termination fee which that party may be subject to;

(i) state whether there is any right of set-off of claims;

(j) set out the events of default and the rights and obligations of the parties to the agreement in such events of default; and

(k) provide for the law governing the agreement and the jurisdiction to which it is subject.

(6) Where the holder of a capital markets services licence borrows securities from an accredited investor, the holder shall ensure that the terms and conditions of the borrowing are recorded in a prior written agreement, which complies with paragraph (7) and is entered into between the holder and the accredited investor or their duly authorised agent, as the case may be, regardless of whether the holder provides any assets to the accredited investor as collateral for the borrowing.

(7) For the purposes of paragraph (6) —

(a) the terms and conditions in the written agreement that apply to the borrowing of securities shall include the details set out in paragraph (5), with the exception of paragraph (5)(f), and for this purpose —

(i) any reference to the minimum Collateral in paragraph (5) shall be construed as a reference to any asset which may be provided to the accredited investor as collateral for the borrowing; and

(ii) any reference to the lender shall be construed as a reference to the accredited investor; and

(b) where assets are provided to the accredited investor as collateral for the borrowing, the written agreement shall specify —

(i) whether the securities borrowed and the assets provided comprising securities, if any, are marked to market; and

(ii) if so, the procedures for calculating the margins.

(8) Without prejudice to paragraph (3), the holder of a capital markets services licence may

(a) where it borrows securities from a lender, provide assets other than Collateral (referred to in this regulation as additional assets) to the lender if the Collateral already provided to the lender is valued at not less than 100% of the market value of the securities borrowed as at the time the additional assets are provided to the lender; and

(b) where it lends securities to a borrower, obtain additional assets from the borrower if the Collateral already obtained from the borrower is valued at not less than 100% of the market value of the securities lent as at the time the additional assets are obtained from the borrower.

(9) In this regulation —

“Collateral” means —

(a) cash;

(b) Government securities;

(c) marginable securities;

(d) guarantees issued by banks licensed under the Banking Act (Cap. 19);

(e) letters of credit;

(f) any asset that —

(i) is liquid and readily convertible into cash;

(ii) is in the possession or control of —

(A) the holder where the holder borrows securities from a lender; and

(B) the borrower where the holder lends securities to a borrower;

(iii) is subject to a legally binding agreement between the lender and the holder or the holder

and the borrower, as the case may be, which—

(A) is evidenced in writing;

(B) is irrevocable and enforceable against —

(AA) the holder where the holder borrows securities from a lender; and

(BB) the borrower where the holder lends securities to a borrower; and

(C) confers an unconditional right to apply the asset, to sell the asset or to otherwise convert the asset into cash on —

(AA) the lender where the holder borrows securities from a lender; and

(BB) the holder where the holder lends securities to a borrower;

(iv) is not a security issued by —

(A) in the case where the holder borrows securities from a lender —

(AA) the holder, that gives rise to exposure to the holder; or

(BB) a related corporation of the holder; and

(B) in the case where the holder lends securities to a borrower —

(AA) the borrower, that gives rise to exposure to the borrower; or

(BB) a related corporation of the borrower; and

(v) is not a security that is prohibited from serving as collateral by any securities exchange, futures exchange or clearing house, as the case may be; or

(g) such other instruments as the Authority may from time to time, by a guideline issued by the Authority, determine;

“customer” means —

(a) a person on whose behalf the holder of a capital markets services licence carries on any regulated activity; or

(b) any other person with whom the holder enters or will enter into transactions as principal for the sale or purchase of securities;

“marginable securities” means —

(a) securities listed for quotation or quoted on the Singapore Exchange Securities Trading Limited;

(b) in the case of an initial public offer, securities to be listed for quotation or quoted on the Singapore Exchange Securities Trading Limited, for which the holder of a capital markets services licence has received full payment from the borrower;

(c) securities quoted on a recognised group A exchange, and issued by a corporation with shareholders’ funds of not less than \$200 million or its equivalent in a foreign currency; or

(d) such other securities as the Authority may approve and set out in a guideline issued by the Authority;

“market value”, in relation to securities listed for quotation or quoted on a securities exchange or

overseas securities exchange, means —

(a) the last transacted price of the securities traded on the exchange on the preceding business day;

(b) if there was no trading in the securities on the exchange on the preceding business day, then, subject to paragraph (c), the lower of the last transacted price and the last bid price of the securities on the exchange; or

(c) if there was no trading in the securities on the exchange in the preceding 30 days, the value of the securities as estimated by the exchange or the holder and approved by the Authority;

“recognised group A exchange” has the same meaning as in regulation 2 of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg 13).