

## Consent Provisions

### Explanation of Effect of Being Treated as an Accredited Investor Under the Consent Provisions

As a Capital Markets Services License (“CMSL”) holder, Straits Financial Services Pte. Ltd. (“SFSPL”) is exempt from complying with certain regulatory requirements of the Securities and Futures Act, Chapter 289 of Singapore (SFA”) and its related regulations when SFSPL deal with you as an Accredited Investor (“AI”), Please note that the regulatory requirements that SFSPL is exempted from when dealing with you as an AI may be amended and updated from time to time due to regulatory changes or otherwise. We will publish any updates on SFSPL website.

The following sets out the effect under the consent provisions of you being treated by SFSPL as an AI.

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

SFSPL is exempt from treating you as a retail investor in relation to certain requirements stipulated under Part III of the SFR pertaining to the treatment of a retail customer’s moneys and assets and you are thus not protected by those requirements which are summarized below.

Table Category	Expert/Institutional Investor	Retail Customer
<b>Mortgage of customer’s assets – CMSL holder may mortgage, charge, pledge or hypothecate customer’s assets for a sum not exceeding the amount owed by the customer to the holder</b> (Regulation 34(2) of the SFR)	No equivalent requirement to inform, explain risks or obtain written consent of expert/ institutional investor	Prior to doing so, CMSL holder must inform the retail customer of this right, explain the risks and obtain written consent of the retail customer
<b>Customer Assets</b> (Regulation 26(1)(a) of the SFR)	<ul style="list-style-type: none"> <li>• Deposit into a custody account maintained in accordance with Regulation 27 of the SFR (requires the custody account to be maintained with certain specified institutions only); or</li> <li>• Deposit into account directed by expert/ institutional investor</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit into a custody account maintained in accordance with Regulation 27 of the SFR (requires the custody account to be maintained with certain specified institutions only); or</li> <li>• Deposit into account directed by retail customer to which retail customer has legal and beneficial title and maintained with, inter alia, licensed banks, merchant banks or finance companies or banks established and regulated as banks outside Singapore</li> </ul>

<p><b>Withdrawals from trust account/custody account to make payment/transfer the moneys/assets to any other person or account in accordance with the written direction of the customer</b>        (Regulations 21(2) and 35(2) of the SFR)</p>	<p>No such prohibition</p>	<p>Not permitted where the withdrawal is from a retail customer's trust account for the purpose of making a payment, and not permitted to transfer retail customer's assets, to meet any obligation of the CMSL holder in relation to any transaction entered into by the CMSL holder for the benefit of the holder</p>
<p><b>Prohibition on transferring title of moneys/assets received from customer to CMSL holder or any other person</b>        (Regulations 20A and 34A of the SFR)</p>	<p>No such requirement</p>	<p>Prohibited unless transferred in connection with:</p> <ul style="list-style-type: none"> <li>- in the case of moneys, the lending of the retail customer's specified products; and</li> <li>- in the case of assets, the borrowing or lending of specified products, in accordance with Regulation 45 of the SFR</li> </ul>
<p><b>Depositing moneys with approved or recognised clearing house or member of organised market or clearing facility</b>        (Regulation 19 of the SFR)</p>	<p>Permitted only for moneys received for certain purposes, e.g. facilitating the continued holding of a position on behalf of the customer, clearing or settlement of capital markets products on the clearing facility</p>	<p>Permitted only for moneys received for non-OTC derivatives contracts for certain purposes, e.g. facilitating the continued holding of a position on behalf of the customer, clearing or settlement of capital markets products on the clearing facility</p>
<p><b>Disclosure requirement</b>        (Regulations 18A and 27A of the SFR)</p>	<p>No such requirement</p>	<p>CMSL holder to make certain disclosures (such as whether the moneys/assets will be commingled with other customers and the risks of commingling, consequences if the institution which maintains the trust/custody account becomes insolvent) in writing prior to depositing moneys/assets in trust/custody account</p>

<p><b>Money received in foreign currency, subject to written consent of customer</b>        (Regulation 17(2) of the SFR)</p>	<p>Deposit all moneys (including moneys received in respect of OTC derivatives contracts) into a trust account with custodian outside Singapore which is licensed to conduct banking business</p>	<p>Deposit moneys (other than moneys received from or on account of retail customer in respect of OTC derivatives contracts entered into between the CMSL holder and retail customer) into a trust account with custodian outside Singapore which is licensed to conduct banking business</p>
<p><b>Moneys must not be commingled or deposited in the same trust account</b>        (Regulation 16(3) of the SFR)</p>	<p>Exception for money received on account of non-retail customers, which can be commingled or deposited in the same trust account as money received on account of retail customers in respect of any capital markets products other than OTC derivatives contracts</p>	<ul style="list-style-type: none"> <li>• Exception for money received in respect of OTC derivatives contracts, where moneys received on account of retail customers can be commingled or deposited in same trust account</li> <li>• Exception for money received on account of retail customers in respect of any capital markets products other than OTC derivatives contracts, where such moneys received on account of retail investors can be commingled or deposited in same trust account as money received on account of non-retail customers</li> </ul>
<p><b>Money received for capital markets product that is not an OTC derivatives contract</b>        (Regulation 16(1)(b) of the SFR)</p>	<p>Deposit into a trust account maintained in accordance with Regulation 17 of the SFR (requires the trust account to be maintained with a certain specified institution which is assessed as suitable); or</p> <ul style="list-style-type: none"> <li>• Deposit into account directed by expert/institutional investor</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit into a trust account maintained in accordance with Regulation 17 of the SFR (requires the trust account to be maintained with a certain specified institution which is assessed as suitable); or</li> <li>• Deposit into account directed by retail customer to which retail customer has legal and beneficial title and maintained with licensed banks, merchant banks or finance companies or banks established and regulated as banks outside Singapore.</li> </ul>

<b>Money received for OTC derivatives contract</b> (Regulation 16(1)(b) of the SFR)	<ul style="list-style-type: none"> <li>• Deposit into a trust account; or</li> <li>• Deposit into account directed by expert/institutional investor</li> </ul>	Deposit into a trust account

#### Regulation 40 of the SFR

When we deal with you as an accredited investor and provided we have made available to you (on a real-time basis) the prescribed particulars in the form of electronic records stored on an electronic facility and you have consented to those particulars being made available in this manner or you have requested in writing not to receive the statement of account, we are not under any statutory obligation to furnish a monthly or quarterly statement of account to you. You are therefore not protected by the requirements of Regulations 40(1) and (3) of the SFR.

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

#### Regulation 47BA of the SFR

SFSP as a CMSL holder must not deal with a retail customer as an agent when dealing in capital markets products that are over-the counter derivatives contracts and/or spot foreign exchange contracts for the purposes of leveraged foreign exchange trading. When we deal with you as an accredited investor, we are exempt from treating you as a “retail investor” and may therefore

deal with you as an agent in relation to over-the-counter derivatives contracts and/or spot foreign exchange contracts for the purposes of leveraged foreign exchange trading.

### **Regulation 47DA of the SFR**

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

Regulation 47DA(1) and (2) of the SFR provide for certain general risk disclosure requirements that a CMSL holder dealing in specified capital markets products must comply with. For this purpose, “specified capital markets products” means capital markets products other than futures contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading and foreign exchange over-the-counter derivatives contracts. In particular, the CMSL holder must not open a trading account for a customer for the purpose of entering into transactions of sale and purchase of any specified capital markets products unless it has furnished the customer with a written risk disclosure document disclosing the material risks of the specified capital markets products, and receives an acknowledgement signed and dated by the customer that he has received and understood the nature and contents of the risk disclosure document.

Further, the CMSL holder must not enter any transaction of sale or purchase of any specified capital markets products unless it has informed the customer whether it is acting in that transaction as a principal or agent and/or its intention to do so.

### **Regulation 47E of the SFR**

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

Regulation 47E specified that CMSL holder that deals in capital markets products must not open a trading account for a retail customer who is not its related corporation for the purpose of entering into transactions of sale and purchase of the abovementioned capital markets products unless it has furnished the customer with a written risk disclosure document disclosing the material risks of the specified capital markets products in a prescribed form (Form 13), and receives an acknowledgement signed and dated by the customer that he has received and understood the nature and contents of the Form 13. Regulation 47E also specifies that copies of Forms 13 are kept in Singapore.