

**Schedule 1 (Persons Eligible to be Treated as an Accredited Investor):**

<b><u>Individual</u></b>
<ul style="list-style-type: none"><li>• his net personal assets exceed in value S\$2 million (or its equivalent in a foreign currency), where the computation of the value of his primary residence is calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence and capped at S\$1 million;</li><li>• his financial assets<sup>1</sup> (net of any related liabilities) exceed in value S\$1 million (or its equivalent in a foreign currency); or</li><li>• his income in the preceding 12 months is not less than S\$300,000 (or its equivalent in a foreign currency).</li></ul>
<b><u>Corporation</u></b>
<ul style="list-style-type: none"><li>• its net assets<sup>2</sup> exceed S\$10 million in value (or its equivalent in foreign currency); or</li><li>• its entire share capital is owned by one or more persons, all of whom are accredited investors.</li></ul>
<b><u>Entity (other than a corporation)</u></b>
<ul style="list-style-type: none"><li>• its net assets exceed S\$10 million (or its equivalent in a foreign currency) in value.</li></ul>
<b><u>Partnership (other than a limited liability partnership)</u></b>
<ul style="list-style-type: none"><li>• every partner is an accredited investor.</li></ul>
<b><u>Trustee of trust, when acting in that capacity</u></b>
<ul style="list-style-type: none"><li>• all beneficiaries of the trust are accredited investors;</li><li>• all settlors of the trust are accredited investors, and have reserved all investment and asset management powers and revocation powers; or</li><li>• subject matter of the trust exceeds S\$10 million (or its equivalent in a foreign currency) in value.</li></ul>

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<sup>1</sup> "financial asset" means:

- (a) a deposit (as defined in section 4B of the Banking Act);
- (b) an investment product (as defined in section 2(1) of the Financial Advisers Act (which are currently any capital markets products, spot foreign exchange contracts other than for the purposes of leveraged foreign exchange trading, any life policy, or any other product as may be prescribed)); or
- (c) any other asset as may be prescribed by regulations.

<sup>2</sup> As determined by the most recent audited balance sheet of the corporation or where the corporation is not required to prepare audited accounts regularly, a balance sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months.

## **Schedule 2 Explanation of the Effect of being an Accredited Investor under the Consent Provisions:**

1. If you consent to be treated by us as an accredited investor by Opting-In or not withdrawing your consent, you will be afforded less regulatory protection. We will enjoy exemptions from or will not have to comply with various business conduct and other obligations set out in the statutory provisions outlined below (as amended from time to time, and collectively, the “**Consent Provisions**”). We have explained below the effect of your being treated by us as an accredited investor, under the respective Consent Provisions, to assist you to make an informed decision whether to Opt-In. However, the explanations in this Schedule 2 are not a comprehensive discussion of the various Consent Provisions or all consequences and risks you may face if you consent to be treated as an accredited investor, and do not serve as legal advice. If you have any queries or require further details on any of the Consent Provisions, please contact [your Relationship Manager] immediately before deciding whether to consent to be treated as an accredited investor. If you require advice, please consult a professional adviser.

### **Custody of Customer Moneys and Assets:**

- (i) **(a) Regulation 16(1)(ba), 17(2), 19 of the SF(LCB)R<sup>3</sup> (Money received on account of customer and maintenance of trust account with specified financial institutions);**

**(b) Regulation 26(1)(a) of the SF(LCB)R (Duties of holder on receipt of customer’s assets)**

If you are treated as an accredited investor, we may either deposit your moneys into a trust account or assets into a custody account, with an approved clearing house, a recognised clearing house, a member of an organised market or a member of clearing facility, or simply in any other accounts of your choice. You do not have the protection for retail investors whose moneys and assets may only be deposited into a trust account or custody account maintained with certain specified institutions or custodians.

- (i) **(a) Regulation 18A of the SF(LCB)R (Disclosure to customers in relation to moneys received on account of customers);**

**(b) Regulation 27A of the SF(LCB)R (Disclosure to customer in relation to assets received on account of customers)**

If you are treated as an accredited investor, prior to depositing your moneys or assets received into a trust account or custody account, we do not have to comply with this regulation to disclose to you, amongst others, whether your moneys and assets will be commingled with the moneys and assets of other customers and the risks of such commingling, the consequences for your moneys and assets if the custodian becomes insolvent, and the difficulty in recovering your moneys and assets deposited in a trust account or custody account outside Singapore. This means that as an accredited investor, you have to independently determine the risks involved in relation to depositing your moneys and assets in custody with or through us and safeguard your own interests.

- (ii) **(a) Regulation 20A of the SF(LCB)R (Moneys received from retail customer);**

**(b) Regulation 34A of the SF(LCB)R (Assets received from retail customer)**

If you are treated as an accredited investor, the prohibition in these regulations against our entering into any arrangement to transfer ownership or any right, interest, benefit in your

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<sup>3</sup> Securities and Futures (Licensing and Conduct of Business) Regulations.

moneys or assets to us or any other person<sup>4</sup> will not apply. This means we may, for example, request you to transfer ownership of your moneys or assets to us or any other person for collateral purposes. In the event of insolvency, you may be an unsecured creditor in respect of your claim for return of your moneys and assets, and may not be able to recover your moneys and assets.

- (iii) **Regulation 21(2) of the SF(LCB)R (Withdrawal of money from trust account);**

**Regulation 35(2) of the SF(LCB)R (Withdrawal of customer's assets)**

If you are treated as an accredited investor, the prohibition against transferring your moneys from the trust account or assets from the custody account to meet any of our obligations in relation to any arrangement for our benefit does not apply. This means that if we do withdraw your moneys from the trust account or assets from the custody account, and we become insolvent, you may be an unsecured creditor in respect of your claim for return of your moneys or assets, and may not be able to recover your moneys or assets.

- (iv) **Regulation 34(2) of the SF(LCB)R (Mortgage of customer's assets)** – If you are treated as an accredited investor, we are not required to comply with this regulation to explain to you that we may mortgage, charge, pledge or hypothecate your assets for a sum not exceeding what you owe us and the risks, and obtain your written consent to do so.

**Our Dealing As Agent:**

- (v) **Regulation 47BA of the SF(LCB)R (No dealing as agent)** – If you are treated as an accredited investor, we may act as an agent of your counterparty in OTC derivatives contracts or spot foreign exchange contracts on a leveraged basis. You will be exposed to the credit and other counterparty risks of the counterparty.

**Prescribed Risk Disclosure Statements and Disclosure Regarding Acting as Principal or Agent:**

- (vi) **Regulation 47DA(3)(a) of the SF(LCB)R (read with Regulation 47DA(1) and (2) of the SF(LCB)R) (General risk disclosure requirements)** – if you are treated as an accredited investor, you are not protected under this regulation as we will not be required to provide you with a risk disclosure statement (and receive your acknowledgement) before opening any trading account for investing in capital markets products<sup>5</sup> or disclose whether we act as principal to or agent for you before your entering into transactions of these products<sup>6</sup>. This means that you will have to solely identify and assess the risks involved in trading in these products and safeguard your own interests. Further, we must not enter any transaction of sale or purchase of any such capital markets products unless we have informed you whether we are acting in that transaction as a principal or agent and/or our intention to do so. This requirement does not apply to dealings with a customer who is an accredited investor.

**Temporary or Provisional Representatives:**

- (vii) **(a) Regulation 3A(5)(c), (d) and (e) of the SF(LCB)R read with section 99H(1)(c) of the SFA (Undertaking of responsibilities for representative);**

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<sup>4</sup> Unless such arrangement is in connection with the lending of the retail customer's securities, specified securities-based derivatives contracts or funds in compliance with Regulation 45 of the SF(LCB)R.

<sup>5</sup> Securities, units in funds, derivatives contracts, spot FX contracts for the purposes of leveraged foreign exchange trading.

<sup>6</sup> Such disclosure applies to securities, units in funds, derivatives contracts (other than futures contracts and FX OTC derivatives contracts).

**(b) Regulation 4A(6) of the FAR<sup>7</sup> for the purposes of Regulation 4A(4)(c), (d) and (e) of the FAR read with section 23F(1)(c) of the FAA<sup>8</sup> (Undertaking of responsibilities for representative**

These regulations require a capital markets intermediary or exempt financial adviser to restrict and supervise the interactions of any of their provisional or temporary representatives with their clients. However, these regulations will not apply in respect of any interactions of such representatives with any person who is treated as an accredited investor.

**Statement of Accounts:**

- (viii) **Regulation 40(1A)(b) of the SF(LCB)R (read with Regulations 40(1), (3) and (4)(b) of the SF(LCB)R (provision of statement of accounts to customers)** – If you are treated as an accredited investor, we need not send monthly and quarterly statements of accounts to you as long as you consent to the various required particulars (including status and movement of your assets, balance of moneys etc etc) to be made available to you electronically on a real-time basis, or you have requested in writing not to receive these statements.

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<sup>7</sup> Financial Advisers Regulations.

<sup>8</sup> Financial Advisers Act (Cap. 110 of Singapore).