

PHILLIP SECURITIES PTE LTD Investment Custodian Account

Phillip Investment Custodian Account is a trading account that allows you to trade Shares, Unit Trusts and Treasury Bills.

1. Custody of Shares

All securities transacted through this custodian account will be cleared through the Phillip Nominees Account. All Share purchases and subsequent sales must be conducted through this account.

2. Trading

Share trading can be done through POEMS Internet, POEMS Mobile (WAP/GPRS), Telebroker as well as via your Trading Representatives.

3. Excess Funds

If you opt for the excess funds management feature, your excess funds will be invested on a discretionary basis in Money Market Funds. Your excess SGD funds will be invested in the Phillip Money Market Fund and excess USD funds in the Phillip USD Money market Fund. Please also refer to the important notice on Excess Funds Management.

To opt in for excess fund management facility, please log in to your POEMS, click on <STOCKS> then <acct mgmt> then <online forms> then <excess fund authorization> to submit the online application.

If you do not opt for the excess funds management feature, your excess funds will be placed in interest-bearing accounts which earn interest as follows:

| Deposit Amount | Interest* |
|---|------------|
| > S\$50,000 | 0.10% p.a. |
| > US\$50,000 | 0.15% p.a. |
| > HK\$50,000 | 0.10% p.a. |
| > AUD\$50,000 | 0.50% p.a. |
| No interest paid on MYR, JPY and GBP credit balances**. | |

* Phillip Securities reserves the right to change the rates without prior notice.

** Withdrawal and deposit of JPY, AUD and GBP by way of TT only

4. Multi-currency Facility (US\$/HK\$/RM\$/JPY) – Optional

As an added advantage, you also have the option of maintaining foreign currency balances (**USD, HKD, MYR and JPY**) in your account for ease of trading and efficient management of your foreign currency-denominated investments. Settlement for shares can either be in the traded currency or in SGD. However, you must have sufficient funds in the settlement currency to avoid incurring interest on debit balances.

Rates on Debit balances are as follows:

| Currency | Interest* on Debit Balance |
|----------|----------------------------|
| SGD | 6.00% p.a. |
| USD | 7.00% p.a. |
| HKD | 9.25% p.a. |
| JPY | 4.20% p.a. |
| AUD | 8.75% p.a. |
| GBP | 4.50% p.a. |
| MYR | No debit balance allowed |

5. Settlement of Trades

As long as you have sufficient funds (base amount) in your custodian account, you enjoy **automatic settlement** for trades done in shares, unit trusts, treasury bills and more.

You may make use of any of the payment modes set out in section 6 of this info sheet to top up your custodian account before you do a purchase or latest by contract due date.

Clients with multi-currency ledgers may settle their (USD, HKD, MYR, and JPY)-denominated trades in the settlement currency or in SGD.

For non-multiple currency account holders, trades will be settled in SGD.

Settlement of purchase contracts:

Purchase contracts will be settled on contract due date + 1. There will be no partial settlement. Therefore a full

default in settlement will occur if there are insufficient funds in the account.

Settlement of Sale Contracts:

Settlement of sale contracts will be performed on contract due date + 1 day, and the sale proceeds will be credited to the custodian account (provided you have sufficient shares to deliver).

Settlement of Contra Gains / Losses:

Contra gains will be credited to the custodian account on contra note date + 1 day. Contra losses will be debited to the custodian account from contra note date + 1 day if you maintain sufficient funds.

Dividends:

All dividends will be credited to your custodian account.

6. Payment Modes

(i) Cheques:

Cheques should be crossed and made payable to "Phillip Securities Pte Ltd." Please state your trading account number and name on the back of the cheque. If payment is in USD, HKD or MYR, cheques must be drawn in Singapore, Hong Kong and Malaysia respectively. JPY payment can only be made through telegraphic transfer (T/T). Bank charges are to be borne by account holder.

(ii) EPS (Electronic Payment for Shares):

One trading account can only be linked to one bank account for the purpose of EPS. Payment should be made latest by 9:00pm on the contract due date. When doing EPS, client should choose 'lump sum' payment only. GIRO facilities are not available for custodian account.

(iii) Bill Payment

You may make payment via your bank's Bill Payment function. It takes 2 working days for us to receive your payment through this mode of settlement.

The consumer/bill reference code required for Bill Payment through the various participating banks is as follows:

DBS/ POSB/ OCBC:
20<TR Code><Last 6 digits of trading a/c no.>

UOB:

20<Full 7 digits of trading a/c no.>

Standard Chartered Bank/ MayBank:

<Full 7 digits of trading a/c no.>

“TR” stands for Trading Representative. To find out your TR code, please log in to POEMS, go to stocks, select acct mgmt, click on update particulars and see remisier’s code. The remisier’s code is the TR code. If the TR code is more than 2 alphabets, please key TR code as TT.

(iv) Telegraphic Transfer:

Please state your trading account number and name along with the telegraphic transfer.

Currency: Singapore Dollars

Bank: Citibank N.A. Singapore

Beneficiary: Phillip Securities Pte Ltd - Trust A/C

A/C No: 0-700104-109

Swift Code: CITISGSG

Currency: US Dollars

Bank: Standard Chartered Bank

Beneficiary: Phillip Securities Pte Ltd - Trust A/C

A/C No: 01-7-402559-9

Swift Code: SCBLSGSG

Currency: HK Dollars

Bank: Standard Chartered Bank

Beneficiary: Phillip Securities Pte Ltd - Trust A/C

A/C No: 01-7-404043-1

Swift Code: SCBLSGSG

Currency: Japanese Yen

Bank: HSBC

Beneficiary: Phillip Securities Pte Ltd - Trust A/C

A/C No: 260-283775-178

Swift Code: HSBCSGSG

Currency: Malaysian Ringgit

Bank: Maybank

Beneficiary: Phillip Securities Pte Ltd - Trust A/C

A/C No: 514-011-392-951

For AUD and GBP telegraphic transfer details, please contact your Trading Representative or email cashmgmt@phillip.com.sg

(iv) Cash

Cash payments in SGD can be made at our Head Office cashier counter. Cash payments in any other currency except Singapore Dollars are not accepted.

7. Withdrawal

Sales proceeds, foreign share dividends and contra gains will be credited to the custodian account. You can request to withdraw your available funds through POEMS (please refer to POEMS online trading guide for the procedures) or by contacting your designated Trading Representative.

You can choose to collect your cheque personally, request to have it mailed to you or have the funds credited to your bank account directly. If you give instructions to your Trading Representative in the morning before 9.30am, you may collect the cheque on the same day.

For security reasons, crossed cheques will only be issued in your name. No cash withdrawals are allowed. You will also not be allowed to transfer funds from your custodian account into any bank accounts other than your own.

8. Letter of Authorization (LOA) – optional:

For your convenience, you may authorize your Trading Representative to act on your behalf in giving instructions in respect to your account. However, as such authorization gives rise to certain risks and legal consequences of which you should be aware, we require that you sign the letter of authorization in the presence of our marketing officer and confirm to him that you both wish to give the authorization, and appreciate and accept the risks in so doing.

9. Monthly Statement:

A detailed monthly statement of account will be mailed to you at the end of the month if you have made a transaction in that month. If you choose to receive electronic statements, they will be sent to you monthly by email instead. Where there is no transaction in the account, a quarterly statement will be issued.

You will also be able to view your outstanding positions, account details and up to past 12 months of your transaction history online in POEMS.

10. Schedule of Charges

| Type of Service | Charges | Remarks |
|---|--|--|
| Quarterly Maintenance Charge | \$16.05 (inclusive of GST) per quarter | (Quarterly trading activity is accessed at Mar, Jun, Sep, and Dec month end) |
| Foreign Share Custody Charges | \$2.14 (inclusive of GST) per counter per month | (subject to max \$160.50 per quarter) |
| Dividend Charges | <S\$100 - \$1.07 (inclusive of GST) >S\$100 - 1% of Net Dividend (Max S\$53.50, inclusive of GST) | *In addition, handling charges are also imposed by foreign custodians for foreign shares |
| Corporate Actions | | |
| Cash offer, Capital Distribution, Redemption of Loan Stock/ Bonds, Scriptless Conversion | \$10.70 (inclusive of GST) | (For scriptless conversion, there is an additional charge by CDP of \$21.40) |
| Rights Issue | S\$5.35 handling fee + S\$5.35 cashier’s order per SGX counter | (inclusive of GST) |
| CDP Charges | | |
| Share Transfer Charges | \$10.70 (inclusive of GST) transfer fee per counter charged by CDP | Additional \$10.70 (inclusive of GST) handling charge per counter for transfer out of Phillip. |
| Sub to Sub Transfer Charges | \$10.70 (inclusive of GST) per counter per 1000 shares charged by CDP | (subject to max S\$107) |

IMPORTANT NOTICE

1. The provisions above and these notes form part of the terms and conditions for opening and operating your account in addition to our general Terms & Conditions. In making your application for a custodian account, we will be assuming that you **agree** to this. Terms & Conditions can be obtained from Phillip Securities Pte Ltd or downloaded from www.poems.com.sg.
2. Account holders are responsible for maintaining adequate funds in the account for settlement of their purchase contracts and any contra losses. Insufficient funds in the account may result in force-selling of overdue purchase contracts.
3. Account holders should ensure that they have sufficient shares to deliver against their sale contracts to avoid a buying-in and penalty by SGX.
4. For online foreign currency-denominated share transactions, account holders should carefully specify the settlement currency at the point of submitting a trade. After which, he/she should ensure that there are sufficient funds in the settlement currency to avoid force selling. In the event that the account holder has funds in another currency in equivalent value to his/her deficit in the settlement currency, his/her shares will not be force sold but a debit balance interest will start to accrue on the settlement currency until he orders a currency conversion from the other currency to offset the debit balance in full. Account holder can do a currency conversion through POEMS or by giving instructions to his Trading Representative. PSPL will **not** do the currency conversion on behalf of the client without any given instruction from him/her.
5. Phillip Securities Pte Ltd reserves the right to revise the published rates and charges from time to time.
6. For account closure with credit balance of S\$1.00 or below, an administrative charge of up to S\$1.07 (inclusive of GST) will be levied.
7. You may wish to seek advice from a financial adviser before opening this account. In the event that

you choose not to seek advice from a financial adviser, you should consider whether this account is suitable for you.

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

Excess Funds Management

When you opt for custodian account's excess funds management feature, you authorize Phillip Securities to invest your surplus funds on a discretionary basis in Money Market Funds.

Presently, clients' excess SGD funds are placed in the Phillip Money Market Fund and excess USD funds are invested in the Phillip USD Money Market Fund. For more information on these two funds, please visit

<http://www.phillipcapitalmanagement.com.sg>

The minimum amount of placement in the money market fund (MMF) each time per client is \$100 and the minimum redemption amount is \$10. However, should the invested amount in the MMF fall below \$100, the amount in the respective currency will be automatically and fully redeemed. For example, if a client has USD90 and SGD110, his SGD will remain invested in the MMF but his USD will be automatically and fully redeemed.

Equivalent dollar value of MMF units will be automatically redeemed at no extra charge for settlement of contracts or for withdrawal. For the settlement of the shares you buy, redemption of MMF units will take place automatically on contract due date+1. Similarly, excess cash arising from sales proceeds will be designated for placement in MMF by 2pm on the same business day.

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

- a. MMFs are unit trusts that invest in short-term deposits and high quality debt securities. Both local and foreign issuers may issue permissible debt securities;
- b. Although the fund managers may seek to maintain or preserve the principal value of the MMFs, there can be no assurance that the funds will be able to meet their objectives;

- c. MMFs are **not principal guaranteed** unit trusts in that there is no guarantee as to the amount of capital invested and/or return received;
- d. Past performance figures as well as any projection or forecast regarding the MMFs are not necessarily indicative of the future or likely performance of such funds;
- e. A purchase of a unit in MMFs is not the same as placing funds on deposit with a bank or deposit-taking company. Investments are subject to investment risks including the possible loss of the principal amount invested;
- f. Unlike bank deposits, MMFs do not pay interest. Investors enjoy returns from the MMFs in the form of capital gains, which are generally not taxable under the current Singapore income tax laws;
- g. The value of units in MMFs and the income from them may rise as well as fall;
- h. For the MMFs invested through custodian account, an annual management fee of 0.5% of the net asset value is built into the unit price. Phillip Securities earns a trailer fee of 0.3% p.a. from fund managers (out of the 0.5% annual management fee).
- i. The Money Market Funds are not intended for US citizens.
- j. Clients may wish to seek advice from a financial adviser before opening this account. In the event that client chooses not to seek advice from a financial adviser, he/she should consider whether this account is suitable for him/her.

This information sheet is provided to you for information only and does not constitute an offer or solicitation to purchase or sell the product mentioned. It does not have any regard to your specific investment objectives, financial situation and any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of you acting based on this information. Investments are subject to investment risks. The information is correct as at the date of print & the company reserves the right to amend any of the information as well as revise the rates and charges.

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INFORMATION SHEET

PHILLIP INVESTMENT CUSTODIAN ACCOUNT



輝立証券私人有限公司

PHILLIP SECURITIES PTE LTD

A member of PhillipCapital

250 North Bridge Road #06-00

Raffles City Tower Singapore 179101

Tel: 65336001 Fax: 65353834 www.phillip.com.sg

Co. Reg. No. 197501035Z GST Reg. No. M2-0021956-2

For more information, please visit www.poems.com.sg

or drop us an email at poems_enquiry@phillip.com.sg