

# INVESTMENT SERVICE AGREEMENT MALAYSIA

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## INVESTMENT SERVICES AGREEMENT

This Investment Services Agreement sets out the terms upon which Hong Leong Bank Berhad (Company No. 193401000023)(97141-X)) (“Bank”) will provide investment services to the Customer. This Agreement will apply to all Investments (as defined herein) made and Services (as defined herein) obtained unless otherwise specified. Please read the terms and conditions contained in this Agreement carefully before proceeding to place an Investment.

By using and continuing to use the Services and/or maintain Investments with the Bank, the Customer agrees to be bound by this Agreement and any amendments or additions as may be made thereto by the Bank at any time and from time to time.

### PART A: INTERPRETATION AND SCOPE

#### DEFINITIONS

In this Investment Services Agreement, the following terms and expressions shall have the respective meanings given to them below, save where the context otherwise requires:

"**Account**" means the account opened or maintained with the Bank to hold any Investments in connection with any Service.

"**Account Opening Form**" means, in relation to an Account or Accounts, an account opening form addressed to the Bank signed by the Customer in a form specified by the Bank from time to time.

"**Affected Instruction**" means an Instruction which the Bank determines is ambiguous, conflicting, erroneous, not authentic, unauthorised, is or would be illegal or in violation of any applicable law, rule, regulation or order of any jurisdiction, or is in a form or containing content which does not comply with the requirements of the Bank as notified to the Customer from time to time.

"**Agreement**" means this Investment Services Agreement, as supplemented or amended by any supplemental agreement thereto, the applicable offering document, term sheet or documentation and Confirmations pertaining to a Transaction in respect of an Investment or Service and other ancillary documents thereto..

"**Applicable Laws**" means all laws, rules, regulations and guidelines of any regulatory, governmental, quasi-governmental or other authority or body or exchange or clearing house, in each case as supplemented and amended from time to time.

"**Appropriate Authority**" means any government or taxing authority in the relevant Jurisdiction.

"**Authorised Signatory**" means any person authorised by the Customer to operate an Account for and on his behalf.

"**Bank**" means Hong Leong Bank Berhad and/or Hong Leong Islamic Bank Berhad.

"**Business Day**" means a day, other than Saturday, Sunday and public holidays on which the Bank is open for the transaction of ordinary banking business in Kuala Lumpur, Malaysia generally, unless otherwise specified under the relevant terms of a Transaction, Investment, Services and/or the Confirmation.

**"Collateral"** means any asset, in whatever form, including the Securities, acceptable to the Bank standing to the credit of any of the Customer's Accounts or accounts maintained or charged by third parties with the Bank as security for the Customer's Liabilities hereunder, together with all attendant rights and interests under any contract (where applicable) for the sale, purchase, custody or management of such asset to the income, dividends, interest thereon, whether now or hereafter held by the Bank or in a transit to the Bank or to the Bank's nominee.

**"Confirmation"** means any written document issued by the Bank to the Customer from time to time once the Bank has executed the Customer's Instructions, which evidences or confirms a Transaction in respect of the relevant Investment and contains the details and terms and conditions of the relevant Investment.

**"Custodian"** means any person as may be appointed by the Bank from time to time to act as the custodian of the Investments of the Client, including, where the context permits, its sub-custodian.

**"Customer"** or **"you"** means the person identified in the relevant Account Opening Form(s) and in whose name an Account or Accounts is opened and maintained with the Bank.

**"Customer Risk Profiling Form"** means the form or document by whatever name called, that the Customer has to complete in order for the Bank to assess the Customer's suitability for the Investment.

**"Deposit"** means the principal amount payable by or on behalf of the Customer into the Settlement Account for the subscription of the Investment.

**"Events of Default"** means any event or circumstance specified under Clause 14.

**"FATCA"** means sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended, any current or future regulations or official interpretations thereof, any agreement entered into thereunder, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation thereof.

**"Force Majeure"** means:

- (a) any flood, storm, earthquake, tsunami, typhoon or other acts of God;
- (b) any war (whether declared or not and including existing wars), hostilities, terrorism, revolution, riot or civil disorder;
- (c) any strike, lockout or other industrial action carried out by all or part of the workforce of the Bank or any other public or private body or company;
- (d) any change in Applicable Laws or any change in the interpretation or enforcement thereof;
- (e) any act or order of any governmental or regulatory body or authority;
- (f) any order of a court or other judicial body (which is not issued pursuant to legal proceedings between the Customer and the Bank);
- (g) any system or computer malfunction, damage, destruction, failure, suspension, howsoever caused, or third party interference;
- (h) any default or breach of contract of any agent, contractor or third party service provider; or
- (i) any circumstance or cause beyond the reasonable control of the Bank, which materially affects the performance or provision of the Services.

**"Fund"** means any unit trust, mutual fund or other collective investment schemes that may be offered to the public in Malaysia for subscription or purchase and which are distributed by or made available through the Bank.

**"Instructions"** means the instructions issued by the Customer or an Authorised Signatory to the Bank in relation to any Transaction contemplated in relation to the Account and/or the Services and "to instruct" shall be construed accordingly.

**"Investment"** means the investment instruments offered by the Bank from time to time, which includes Securities, any unit in any Fund and negotiable instruments of deposit.

**"Investment Recommendation Form"** means the Bank's form, by whatever name called, containing the Bank's assessment of the suitability of the Customer's selection of Investments in respect of which the Customer wishes to effect a Transaction, based on the Customer Risk Profiling Form and, if applicable, the Bank's recommendation of Investments to the Customer.

**"Joint Account"** means an Account which is held by two (2) or more persons.

**"Liabilities"** means all obligations, liabilities or moneys whatsoever at any time now or hereafter owing, due or incurred by the Customer to the Bank on the Account, or pursuant to any Transaction, Investment, Services or Instructions or otherwise, whether present or future, actual or contingent, solely or jointly and whether as principal or surety, including all interest, compound interest, charges, expenses, costs, fees or Taxes.

**"Loss"** means any losses, damages, proceedings, penalties, claims, liabilities, costs (including legal costs) and expenses of any kind suffered, sustained or incurred by the Bank.

**"Mandate"** means the document constituting or evidencing the authority of the Customer's Authorised Signatories to open and operate the relevant Account, sign the relevant Account Opening Form, accept this Agreement, issue Instructions, enter into any Transactions on behalf of the Customer and to obtain any Services from the Bank, and identifying such Authorised Signatories, in such form acceptable to the Bank.

**"Maturity Date"** means, in relation to any Investment, the day specified in the relevant Confirmation or final term sheet, as the case maybe, for payment of any amount due under the relevant Investment. If such a date is not a Business Day, then the Maturity Date will be the next Business Day, unless such date falls on the next calendar month, in which case, the Maturity Date shall be the last Business Day of the same calendar month.

**"Parties"** means the Customer and the Bank, each a **"Party"**.

**"Privacy Notice"** means the Bank's policies and principles pertaining to the collection, use and storage of personal information of existing and prospective individuals and entities dealing with the Bank as may be amended from time to time and made available at the Bank's website or in such manner as the Bank deems appropriate from time to time.

**"Reference Rate"** means the reference rate per annum from time to time stipulated by the Bank as its lending rate for credit/financing facilities, including but not limited to BLR, BR, ECOF, FDR or KLIBOR as the case may be or such other rate by whatsoever name called as quoted by the Bank wherever applicable from time to time. The ECOF is defined as the cost to the Bank of funding the Facilities from whatever source it may select at its absolute discretion plus the cost of maintaining its statutory reserves, liquidity requirements, administrative and credit costs and other related costs of the Bank as

stipulated by the Bank from time to time.

**"Securities"** means any asset of whatever nature of a type commonly referred to as securities. This shall include any unit trust, share, stock and other equities, debenture, debenture stock, loan stock, bonds, notes, certificates of deposit instruments, treasury bills, commercial paper, other equity or debt or other financial instruments, structured or derivative product or instrument related thereto, bills of exchange, promissory notes, financial futures contracts and warrants which may be constituted, evidenced or represented by an entry in the books or other permanent records of the Bank, the issuer, a trustee or other fiduciary thereof or a clearance system or depository system that may be used in connection with transactions relating to Securities.

**"Services"** means the services (financial and non-financial) set out in the schedules attached to this Agreement and includes such other investment services made available from time to time by the Bank to the Customer under this Agreement.

**"Settlement Account"** means the Customer's current or savings account maintained with the Bank which has been designated for the purposes of effecting settlement in relation to any Investment, Transaction and/or Service made available by the Bank.

**"Taxes"** means any present or future tax, direct or indirect, Malaysian or foreign tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, that is imposed by an Appropriate Authority, including, without limitation, any consumption tax and other taxes by whatever name called, and any interest, fines or penalties in respect thereof.

**"Transaction"** means any transaction pursuant to which Securities are acquired purchased and sold which the Bank permits the Customer to carry out pursuant to or in connection with any Account, Services or Investments under the terms of this Agreement.

## INTERPRETATION

- (a) Unless a contrary indication appears, any reference in this Agreement to:
- (i) any **"Party"** or other person will be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (ii) the **"Agreement"** means this Agreement as may be amended, supplemented, replaced or restated from time to time;
  - (iii) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
  - (iv) a provision of law is a reference to that provision as amended or re-enacted;
  - (v) any reference to the masculine gender shall also include the feminine and neutral genders;
  - (vi) where the context so requires, words importing the singular shall include the plural and vice versa; and
  - (vii) a **"Clause"** or a **"Schedule"** is a reference to a clause of or a schedule to this Agreement, unless otherwise specified.
- (b) Clause and schedule headings are inserted in this Agreement and its Schedules for convenience only and will not affect the interpretation of any of the provisions of this Agreement.

- (c) The Schedules shall form an integral part of this Agreement and shall be taken, read and construed as an essential part thereof.
- (d) In the event of any conflict or inconsistency between the terms and conditions of the Schedules in relation to an Investment and/or Services and this Agreement, the terms and conditions stated in the Schedules shall prevail to the extent of such conflict or inconsistency.

## **PART B: GENERAL CONDITIONS FOR INVESTMENT SERVICES**

### **1. Account Opening/Services**

- 1.1 This Agreement governs the opening and operation of the Account, the provision of the Services by the Bank to the Customer and the entry into Transactions.
- 1.2 The Services shall be available only upon the Customer's execution of this Investment Services Agreement and the opening of an Account with the Bank. Applications for the opening of an Account shall be subject to the Bank's approval.
- 1.3 The Bank may in its discretion introduce and provide new Services from time to time with 21 days' written notice to the Customer. Such new Services shall be provided on the terms of this Agreement and any other terms and conditions as the Bank may prescribe.

### **2. No Investment Advice**

- 2.1 The Bank may recommend an Investment to the Customer based on the Customer's suitability for the Investment offered via the Investment Recommendation Form and Customer Risk Profiling Form. In this regard, the Customer agrees to provide such information as requested by the Bank in assessing the suitability of the Investment for the Customer.
- 2.2 The Bank does not provide and will not assume any advisory, fiduciary or similar or other duties or act as investment adviser to the Customer, nor does it hold out that any of its officers or affiliates has the expertise to give the Customer any investment advice, other than to assess the suitability of the Investment for the Customer as set out in Clause 2.1 above.
- 2.3 The Customer is responsible to decide whether to invest in, hold or dispose of any Investment or to enter into any Transaction. For the avoidance of doubt, the Customer shall be solely responsible for making its own appraisal and investigations into the risks of the relevant Transaction and Investment, and shall seek its own independent legal, tax, financial or other advice in relation to the Investment.
- 2.4 The Customer acknowledges that the Bank does not advise on the Customer's overall financial position, investment objectives or investment restrictions.
- 2.5 If the Customer wishes to enter into a Transaction without any recommendation from the Bank, the Bank will only perform the Transaction on an execution-only basis, and not have any obligation or duty to assess whether or ensure that the Investment is suitable for the Customer.
- 2.6 The provision of marketing or promotional materials and information in relation to the Investments, Services or markets such as brochures, research, reports, market trends, investment analysis and commentary upon the performance of selected companies by the Bank shall not, by itself constitute recommendation of any Investment or Services.

### **3. Relationship Between Parties**

- 3.1 The Bank may execute any Transactions relating to the Services based on the Customer's Instructions from time to time and will be deemed to be acting as the Customer's agents for the Customer's Account, at the Customer's sole risk and expense. The Bank highlights that there may be

transactions entered into through the Bank with any counterparty which may provide in the Bank's agreement with such counterparty, either expressly or impliedly, that as against the counterparty, the Bank is acting as principal or that the Bank's obligations and rights thereunder are not transferable and/or assignable. Notwithstanding this, the Bank's capacity and authority to act as the Customer's agent and the Customer's obligations to the Bank hereunder shall not be affected in anyway by the Bank's agreement with such counterparty and the Customer agrees to confirm and ratify all the Bank's actions taken in connection with or arising from its performance of the Services. The Customer should also note that, at times, the Bank may be acting as principal in any Transaction with the Customer, including but not limited to when the Customer buys or sells mutual funds and/or units managed by the Bank or the Bank's affiliates, Securities owned, issued or underwritten by the Bank or the Bank's affiliates, or when the Customer borrows or deposits money with the Bank or with the Bank's affiliates.

- 3.2 The Customer acknowledges and agrees that the Bank is authorised to sell to the Customer any newly issued Securities underwritten or distributed by the Bank or as agent with respect to any newly issued Securities underwritten or distributed by the Bank's affiliates. The Bank may retain all fees, commissions, concessions or other income which it may derive from such underwriting or distribution, provided only that the Bank shall sell to the Customer at the best possible terms at which a commitment to sell an equal or lower amount of such Securities could be obtained from its trading desk or from its affiliates at the time the Customer's order is placed by the Bank on the Customer's behalf. This is notwithstanding that the Securities could have been obtained at better terms if the order had been placed at another time during the offer period.
- 3.3 The Bank shall perform and discharge its duties under the Agreement with reasonable care, skill and diligence.

#### **4. Priority of documents**

Unless otherwise indicated, the following documents shall prevail in the order below if there is any inconsistency or discrepancy between the documents in relation to a particular Investment or Service:

- a) Confirmation;
- b) Term sheet relating to the relevant Investment or Services;
- c) Schedules to this Agreement; and
- d) The terms and conditions contained in the main body of this Agreement.

#### **5. Reliability of Information**

- 5.1 Information including but not limited to interest rate, exchange rate, stock price and product information quoted by the Bank in relation to a particular Investment or Service is for indication purposes only. The actual rate or price that shall apply for a particular Transaction can only be determined at the time the Transaction is entered into.

#### **6. Confirmations and Statements**

- 6.1 The Bank will issue a Confirmation to the Customer after the execution of each Instruction, and issue Statements from time to time at such intervals as the Bank may deem necessary. The terms specified in each Confirmation and Statement shall be deemed to be agreed by the Customer unless the Bank receives notice in writing from the Customer of any errors therein within 14 days of its receipt. Subject to any such notice by the Customer, all Confirmations shall be final, conclusive and binding on the Customer.
- 6.2 Notwithstanding Clause 35, any Confirmation and Statements shall be validly given if it is sent



by facsimile, by personal despatch or courier, by ordinary post or by e-mail to the Customer's last known residential/office or the Customer's e-mail address registered with or maintained by the Bank or such other electronic means as may be made available by the Bank with prior written notice to the Customer.

- 6.3 The failure of the Bank to send such Confirmation and Statements in a timely manner shall not be taken as a breach of its obligations hereunder and the Customer agrees that the Transactions executed by the Bank shall remain binding on and enforceable against the Customer notwithstanding that the Customer did not receive such Confirmation or did not receive such Confirmation in a timely manner.

## **7. Payment Obligations**

- 7.1 If on any date, any amounts are due by each party under this Agreement, the amounts owing, unless otherwise mutually agreed, will be automatically satisfied and discharged and only the net amount owing on that day shall be paid by the party owing the larger amount to the other party.
- 7.2 Each party will make payment of the amounts or delivery of the assets in accordance with this Agreement and/or the relevant Confirmation. The Bank shall be under no legal obligation to pay the Customer any amount or deliver any asset under any Confirmation and/or this Agreement or the Services until the Customer shall have delivered to the Bank any amount due and payable by the Customer or any asset to be delivered by the Customer. The Bank's obligation to pay any amount or to deliver any asset under a Confirmation and this Agreement is subject to:
- (a) such condition precedent(s) as may be stipulated by the Bank; and
  - (b) no Event of Default has occurred or is continuing without remedy.
- 7.3 The payment of all monies by the Customer to the Bank hereunder shall be made in immediately available and freely transferable funds and in accordance with Clause 30 of this Agreement.

## **8. Fees, Costs and Charges**

- 8.1 Fees and charges for the Services shall be levied in accordance with the Bank's prevailing rate for the relevant Service as stated in the Bank's website, which may be payable on a per-Transaction basis or in arrears for specified intervals, as the case may be.
- 8.2 The Bank reserves its right at any time and from time to time, to vary or modify the prevailing rate of charges or fees by notice to the Customer. If the Customer continues to make use of the Services subsequent to such notification, the Customer shall be deemed to have agreed to such revised rate of charges or fees without reservation.
- 8.3 The Bank shall be entitled from time to time, to enter into soft commission arrangements with any of the brokers, agents or affiliates whereby the Bank will receive rebates from such parties, a portion of the charges, commission or fees paid. Such rebates or benefits shall not be accountable to the Customer and the Bank shall be entitled to retain such rebates or benefits.
- 8.4 All costs and expenses incurred by the Bank in the course of providing the Services and the operation of Accounts (including legal costs on a full indemnity basis, costs for hedging, Transaction costs, registration fees, stamp fees, fees and other commission, charges, expenses incurred for the enforcement of the Bank's rights or the recovery of any amount due to the Bank and other out-of-pocket expenses) shall be payable by the Customer on demand.
- 8.5 The Customer irrevocably authorises the Bank to debit all such costs and expenses, fees and charges for the Services from its Settlement Account, notwithstanding that the currency in which such costs and expenses, fees and charges are denominated may be different from the currency

of the Settlement Account, in which case the costs and expenses, fees and charges shall be converted into the currency of the Settlement Account of the Customer at the Bank's then prevailing rates of exchange for the relevant currency.

## **9. Custody**

9.1 The Customer acknowledges and accepts that the Bank or the Custodian shall act as bare custodian of the Investments. Nothing in this Agreement shall have the effect of constituting any of them as a fiduciary of the Customer or otherwise with respect to the Investments, any relationship of trustee and beneficiary between the Bank / Custodian and the Customer, or any further relationship other than as expressly contemplated in this Clause 9.

9.2 For the purpose of this Agreement, the Bank reserves the right to make such arrangements as it may think fit for the holding of Customer's Investments in safe custody, including the appointment of a Custodian. If the Customer's Investments are registered in the name of the Custodian, the Bank shall procure that the Custodian shall record and hold in a separate account in its books all Investments received and held by it from time to time for the account of the Customer and shall arrange for all such Investments to be held in safe custody on such terms and in such manner as the Bank may in its determine as agreed between the Bank and the Customer.

9.3 The Customer hereby consents that the Bank and the Custodian shall be entitled to appoint such persons as may be permitted under the Applicable Laws to act as (a) a sub- custodian of any of the Investments of the Customer held by the Bank and/or the Custodian pursuant to this Agreement; and/or (b) as an administrator to assist in the performance of the Bank's obligations pursuant to this Agreement on such terms as the Bank may, in its absolute discretion, considers appropriate.

## **10. Joint Account**

10.1 Where the Account is in two (2) or more joint names or has two (2) or more Authorised Signatories:

- (a) all agreements, covenants, terms, stipulations and undertakings expressed to be made by and on the part of the Customer shall be deemed to have been made by such persons jointly and severally;
  - (b) if, the Bank receives contradicting Instructions from Joint Account holders or Authorised Signatories, the Bank may only act on the Instructions of all the Joint Account holders or the Authorised Signatories, as the case may be, unless otherwise agreed in writing by all the Joint Account holders;
  - (c) the Joint Account holders, constituting the Customer agree to dispense with giving each Joint Account holder separate notices or communications in relation to the Joint Account and any notices or communications addressed and sent by the Bank to the correspondence address or email address stated in the Account Opening Form (if sent by registered mail or email) or the principal Account holder (for all other modes of communication) shall be deemed to have been served on all the other Joint Account holders;
  - (d) no Joint Account holder shall be discharged, nor shall his liability be affected by, any discharge, release, time, indulgence, concession, waiver or consent at any time given or effected in relation to any other Joint Account holder;
  - (e) any written Instruction may be given by the Joint Account holders in accordance with the Mandate, in one or more counterparts, all of which when taken together shall constitute one Instruction and will be binding on all the Joint Account holders; and
  - (f) any recommendations of Investment provided by the Bank shall be based on the Customer Risk Profiling Form or Investment Recommendation Form or of the principal account holder.
- 10.2 Notwithstanding Clause 10.1 (b), if the Bank receives contradictory Instructions from different Joint Account holders or if the Bank believes there is a dispute between any of the Joint Account holders in relation to any Instructions or to the Joint Account, the Bank may, but shall not be obliged to:
- (a) Suspend the Joint Account until the Bank receives written instructions from all Account holders together for the future operation of the Joint Account;
  - (b) Proceed to close the Joint Account herein; and/or
  - (c) Take any other action as may be appropriate with notice to the Customer.
- 10.3 In the event of bankruptcy of any one of the Joint Account holders, the Joint Account shall be suspended with written notice to the Joint Account Holders. The Bank shall only allow operation of the Joint Account if the prior written authorization from the Director General of Insolvency.

## **11. Interest**

- 11.1 The Bank shall be entitled to levy interest (both before and after any demand or judgment) at a rate of interest not exceeding 4% above the Bank's prevailing Reference Rate or such other rate at the Bank's discretion ("Prevailing Rate of Interest"), in the event the Customer fails to make any payment required to be made under the relevant Transaction or this Agreement. Such interest on overdue amounts shall be capitalized at the end of the month and shall accordingly be subject to the payment of interest on such capitalized amount at the Bank's Prevailing Rate of Interest. All interest shall accrue on the basis of the total number of days

elapsed based on a 365 day year or such number of days depending on the applicable currency, as the case may be.

## 12. Representations and Warranties

12.1 The Customer represents and warrants the following (which representations and warranties shall be deemed repeated on each date the Customer enters into a Transaction or accepts the provision of Service or otherwise provides an Instruction of any kind to the Bank and on a continuous basis for so long as the Customer has any Account or any outstanding Transaction with the Bank):

- (a) where the Customer is a company, it is a company duly incorporated and validly existing under the laws of Malaysia and has full power and authority to carry on business in Malaysia.
- (b) it has the power and capacity to enter into, execute, deliver and perform the Customer's obligations under this Agreement and under each Transaction that it is entering into with the Bank pursuant to this Agreement;
- (c) the entry into execution and delivery of this Agreement and the entry into each Transaction in relation to an Investment or Service pursuant to this Agreement does not (i) require any consent or approval of any person which has not already been obtained; (ii) violate any Applicable Laws having jurisdiction over the Customer, or (iii) result in the breach of or would constitute a default under any agreement to which the Customer is a party or a surety in particular under any agreement relating to any loan, mortgage, bond, deed, guarantee or flawed asset arrangement;
- (d) all information supplied by the Customer in connection with this Agreement, Account, Investment and Services and the Transactions is true, complete and accurate in all material respects and shall remain true, complete and accurate;
- (e) that the Investments, Securities, Collateral and/or other assets given as Collateral and all monies now or hereafter paid to the Bank come from lawful sources and does not breach the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 or similar legislation applying in the jurisdiction where the monies or Securities are derived;
- (f) no Event of Default has occurred or which, with the passage of time or the giving of notice, or both, has occurred or is continuing or would occur in consequence of the Customer's entering into any Transaction or this Agreement;
- (g) no dissolution, bankruptcy or administrative proceeding or winding up proceeding or no appointment of a receiver or a receiver and manager or liquidator is currently taking place or pending or threatened against the Customer or the Customer's business or assets;
- (h) the opening and maintenance of each Account, the utilization of the Services, the entering into the Transactions by the Customer, the Instructions given to the Bank and the performance by the Customer of its obligations will not contravene any Applicable Laws applicable to the Customer;
- (i) The Customer may have been introduced to the Bank by a third party. The Bank has and will accept no responsibility for any conduct, action, representation or statement of such third party. Where such third party also undertakes any advisory and/or marketing functions in relation to transactions carried out pursuant to this Agreement, the Customer hereby acknowledges and agrees that in doing so, such third party acts as an independent contractor to the Bank, and is not the Bank's agent or partner, and in particular, has no right or power or

authority to make any representation on behalf of the Bank, or commit the Bank to any transaction or agreement. Accordingly, and without prejudice to the generality of this Clause 12, the Bank's responsibility in connection with any such transaction is limited to the execution of the transaction and the Bank shall not be liable for any advice given in respect of such transaction. The Customer further acknowledges and agrees that, in consideration of such introduction and/or undertaking of advisory and/or marketing functions by such third party, the Bank may, where legally permissible, share its fees, commissions and/or other charges with such third party or any other third party, with prior notice to the Customer in accordance with all applicable laws, as well as regulations of Bank Negara Malaysia and/or any other relevant regulatory authority; and

- (j) the Customer is familiar with the risks set out in the Risk Disclosure section under each schedule to this Agreement and/or any risk disclosure statements that may be provided by the Bank to the Customer from time to time as well as the transactions on which the Customer instructs the Bank.

### **13. Undertaking and Affirmative Covenants**

#### **13.1 The Customer undertakes:**

- (a) to ratify and confirm all acts done or caused to be done on the Customer's behalf in relation to a Transaction or Services entered into pursuant to the terms of this Agreement;
- (b) if required by the Bank at any time and from time to time, to execute, sign, seal and deliver such additional documentation, agreements or deeds in furtherance of the purpose and transactions contemplated by this Agreement and to procure the execution of the same by any third party;
- (c) that the Customer will comply in all material aspects with all Applicable Laws, the non-compliance of which may affect its ability, authority or capacity to perform its obligations under this Agreement or any Transactions entered into pursuant to this Agreement. In this connection, the Customer undertakes to obtain all necessary approvals, authorisations and do all necessary filing in order to perform its obligations under this Agreement or any Transaction;
- (d) that the Customer will forthwith notify the Bank of the occurrence of any Event of Default or the occurrence of any event which or with the passage of time or the giving of notice would constitute an Event of Default;
- (e) the operation and maintenance of each Account shall be in accordance with the relevant laws, regulations, guidelines and directives on international and domestic transactions by whatever name called issued by Bank Negara Malaysia, which is currently the Foreign Exchange Notices, as may be amended or supplemented from time to time;
- (f) not to sell, transfer, assign, encumber or otherwise create any security interest over, dispose of or otherwise deal with the Collateral without the Bank's prior written consent; and
- (g) to promptly inform the Bank in writing of any change in:
  - (i) the Customer's particulars, circumstances, including any change in citizenship, residence, tax residency, address on record, telephone and facsimile numbers and email addresses; and
  - (ii) where, applicable, the Customer's constitution, shareholders, partners, directors or

company secretary, or the nature of the Customer's business.

#### **14. Events of Default**

14.1 The following shall be deemed to be an Event of Default:

- (a) the commencement, presentation, filing or institution by petition, application, order for relief or otherwise of any bankruptcy, insolvency, composition, dissolution, reorganisation, arrangement, liquidation receivership, judicial management or other analogous event relating to the Customer or any provider of Collateral under any applicable law;
- (b) if the Customer is insolvent or unable to pay its debts as and when they fall due or if the Customer threatens to stop or stops or suspends payment of all or a material part of its debts, begins negotiations or takes such further steps with a view to deferring, rescheduling or re-arranging all or any part of its indebtedness or makes or proposes to make a general assignment or composition for the benefit of its creditors or a moratorium is declared in respect of all or substantially all its indebtedness;
- (c) the appointment of a receiver, custodian, judicial manager or trustee in respect of part or substantially the whole of the Customer's property or undertaking;
- (d) if the Customer fails to pay or deliver to the Bank any amount, any asset or Securities due under this Agreement;
- (e) if the Customer fails to observe any condition or perform any obligation under a Transaction or this Agreement;
- (f) if the Customer fails to maintain the value of any Collateral or fail to provide additional Collateral if requested by the Bank to do so at any time and from time to time;
- (g) substantial part of the Customer's assets are transferred or otherwise disposed of by the Customer or are seized, nationalised, expropriated or compulsorily acquired by any government or agency;
- (h) legal prosecution or administrative proceedings instituted against the Customer which in the Bank's sole opinion may materially affect the Customer's ability to perform its obligations under this Agreement;
- (i) any representation is or turns out to be incorrect or misleading in any material aspect;
- (j) an event of default (howsoever described) has occurred under any agreement, debenture, mortgage or instrument which results in any of the Customer's liability or indebtedness becoming or being declared or is capable of being declared due and payable prior to its stated date of payment or if the Customer fails to duly pay any amount under any such arrangement when due or on demand;
- (k) there is material adverse change in the Customer's financial position which, in the Bank's reasonable opinion, may affect the Customer's ability to perform its obligations under the Agreement;
- (l) if the Customer (for individuals) shall become deceased or incapacitated;
- (m) any legal or regulatory requirement prohibits or renders illegal or unlawful the maintenance or operation of the Account or the performance of this Agreement; or
- (n) the Account is being used or is suspected of being used for unlawful activities including

illegal gambling, money-laundering, terrorism financing, fraudulent or any other illicit purposes.

14.2 Following an Event of Default, all Liabilities shall become immediately payable on demand and any Collateral shall be immediately enforceable.

14.3 Without prejudice to any other right or remedy which the Bank may have under this Agreement, if an Event of Default shall occur, the Bank shall be entitled to take one or more of the following actions by giving notice to the Customer:

- (a) terminate this Agreement forthwith pursuant to Clause 22;
- (b) Suspend or terminate all or any Account pursuant to Clause 22;
- (c) satisfy any Liabilities the Customer may have to the Bank out of any Collateral;
- (d) cancel any or all outstanding orders or any other commitments made to or on behalf of the Customer;
- (e) close out and liquidate all outstanding Transactions or Investments; or
- (f) borrow or buy in property deemed necessary by the Bank or required to make delivery against any sale effected for the Customer.

14.4 If there are any remaining Liabilities after any action referred to in Clause 14.3 above is carried out, the Customer shall promptly upon demand and notwithstanding that the time originally stipulated for settlement may not then have arrived pay to the Bank such sum. The Customer further agrees that any remaining Liabilities can be set off in accordance with Clause 18.

## **15. Credit Inquiry/References**

15.1 The Customer agrees that the Bank may at any time conduct credit enquiries and contact other banks, financial institutions and credit agencies for the purposes of verifying the information provided by the Customer and ascertaining the Customer's financial situation, provided that such acts of the Bank will be done in accordance with the Applicable Laws.

## **16. Indemnity**

16.1 The Customer shall indemnify and keep the Bank fully indemnified from and against all losses, damages, liabilities, reasonably incurred costs, expenses, charges, fees or penalties suffered by the Bank as a consequence of:

- (a) complying with any Instructions by the Customer;
- (b) protection and enforcement of the Bank's rights hereunder or by reason of unpaid calls on shares and loan securities;
- (c) the Customer's inability or failure to perform the Customer's obligations hereunder (whether before or after declaration of an Event of Default); and/or
- (d) the Customer's infringement of any laws (including any applicable tax laws in or out of Malaysia) or regulations applicable to this Agreement, the Services and/or the Transactions.

16.2 If Customer is required to execute any additional indemnities in favour of the Bank, the indemnity shall be executed by all the Account holders where the Customer comprises more

than one person.

## **17. Limitation of Liability**

17.1 Save and except for damages caused by the Bank's willful default or gross negligence, the Bank will not be responsible or liable in any circumstances for:

- (a) any loss of profit, revenue, anticipated savings, business, contracts or goodwill or similar loss (whether direct, indirect or consequential) suffered or incurred by the Customer ;
- (b) any indirect or consequential loss or damage suffered or incurred by the Customer even if such loss or damage was reasonably foreseeable or the Bank had been advised of the possibility of such loss or damage;
- (c) any diminution in the value of any Collateral due to Taxes, deductions, withholdings, imposts, duties or depreciation;
- (d) any loss, theft, accident, destruction or damage to or of any Collateral or documents relating thereto; or
- (e) any failure to take or delay in taking any action required to be taken in the event of and to the extent that the taking of such action is prevented or delayed by any Force Majeure event or any other cause whatsoever beyond the Parties' reasonable control, including any disruption to, or suspension of, trading in any relevant markets or any unusual market conditions, failure or breakdown of any dealing, clearing, settlement or other systems, lead times or price availability due to market liquidity or time zone differences, failure or malfunction of transmission or communications facilities or computers.

17.2 In addition to Clause 17.1 above, the Bank will not be liable for any loss or damage suffered or incurred by the Customer (including any direct, indirect and consequential loss or damage) save where the same arises directly from the Bank's gross negligence, wilful misconduct or fraud, arising in connection with:

- (a) any error, failure, interruption, delay or non-availability of services (including Services), goods, software, communication and other networks or information supplied to the Customer or to the Bank by a third party or controlled by a third party or that the Customer uses in connection with the Account and/or the Services;
- (b) any fluctuation in currency exchange rates between the time the Bank receive an Instruction and the time the Bank acts on it; or
- (c) any computer viruses, trojan horses, worms, logic software, other bombs or similar programs or routines (including hacking);

to the extent permitted by the Applicable Laws.

17.3 In the event the Bank is held liable for any damages notwithstanding Clause 17.1 and 17.2 above, the total amount of the Bank's entire liability shall not exceed the principal amount of the transaction involved which gave rise to the claim.

## **18. Set-off and the Right of Consolidation**

18.1 Notwithstanding anything contained in this Agreement, the Bank shall, with prior written notice to



the Customer, be entitled to set off, sell or realize the Collateral and all the Customer's moneys, Securities, and other property now, or which may hereafter be held or maintained with the Bank, either solely or jointly, whether in the same currency as the Customer's obligation hereunder and whether for safe custody or otherwise, against payment of the Liabilities. In the event that the sale proceeds or the amount available in the Customer's Accounts is insufficient, the Customer shall accordingly be liable to pay the Bank the shortfall forthwith.

## **19. Amendments**

19.1 The Bank reserves the right at its discretion to add, delete or otherwise change any of the Services (as well as related operating and other requirements), the Bank's fees and charges and/or this Agreement from time to time by giving 21 days written notice. For the avoidance of doubt, the Customer's continued usage of the Account and/or Services after such notice has been provided shall be deemed acceptance of the changes.

## **20. Instructions**

20.1 The Services are provided by the Bank on a non-discretionary basis. The Bank must receive complete and unequivocal Instructions from the Customer before the Bank may perform the Services on the Customer's behalf.

20.2 All Instructions must be given in accordance with the relevant Mandate and in such form and medium as agreed between the Parties. Notwithstanding anything contained in this Agreement, the Customer hereby agrees and undertakes that the Customer's Mandate for the Account in respect of the Investment shall be the same as the Customer's Mandate for the Settlement Bank Account for the time being in force and as may be amended by the Customer at any point in time.

20.3 The Customer may provide the Bank with an amended or replacement Mandate from time to time. The Bank will be entitled to a reasonable period of time (of not less than seven (7) Business Days from receipt of such notification) to process any such new Mandate, and in the meantime may continue to act in accordance with the previous Mandate.

20.4 All Instructions shall be subject to any per-transaction, daily or other monetary limits, or such operating procedural or other limits from time to time required by the Bank and the Bank shall provide prior notice before any change in the relevant limits take place.

20.5 Any request from the Customer to cancel any Instructions in respect of a Transaction ("Cancellation Request") is subject to the Bank's receipt of the Cancellation Request within the relevant cut-off time as notified to the Customer and the relevant terms and conditions of the relevant Investment. However, no request for partial cancellation of a Transaction is allowed.

20.6 Upon the execution by the Bank of any Instructions or if the Bank quotes terms for any of the Services or products offered, and the Customer accepts such terms, such acceptance shall constitute a binding Transaction, and the Customer shall be bound to perform the Transaction according to its terms which may include placing a deposit with the Bank and the Bank shall be bound to accept the deposit on the terms agreed. Such Transaction will not be subject to receipt by the Bank of any written confirmation from the Customer or receipt by the Customer of a Confirmation issued by the Bank and if the Customer fails to perform its obligations following agreement on the terms, the Customer will be liable for all costs and losses incurred or suffered by the Bank acting in reliance upon the Instructions given by the Customer.

20.7 The Customer hereby authorizes the Bank to rely upon and act on the Customer's and/or the Authorised Signatory's Instructions, whether oral or written and whether given by telephone, post, facsimile transmission, e-mail or other electronic means. Without prejudice to the generality of the foregoing, the Bank shall be entitled to rely and act on any notice or Instructions based on

signatures which appear to the Bank, by reference to the names and signatures of such persons filed with the Bank to be signatures of:-

- (a) the Customer; or
- (b) any Authorised Signatory,

without enquiry on the part of the Bank as to the identity of the person giving or purporting to give such notice or Instructions or as to the authenticity of such Instructions or notice. The Bank is entitled to treat all such Instructions or notices which are given in accordance with the Mandate, as binding upon the Customer and the Bank shall be entitled (but not bound) to take such steps in connection with or in reliance upon such communication.

- 20.8 The Bank shall be under no duty to enquire into the genuineness or authenticity of the Instructions given to the Bank and the Bank's rights under this Agreement shall not be affected by any mistaken Instruction or unauthorised Instruction. The Customer shall be responsible and liable for all costs and losses suffered or incurred by the Bank if such mistaken Instruction or unauthorized Instruction, unless due to the gross negligence or wilful default of the Bank.
- 20.9 The Bank may decline any Instruction without liability and with notice to the Customer.
- 20.10 The Customer bears the risks of Instructions given in the manner set out in this Clause 20, including the risk of such Instructions being given by unauthorized persons and/or any error, loss or delay resulting from the use of telecommunication devices, networks or electronic means.
- 20.11 Any security identification numbers issued by the Bank for use by the Customer in communicating or giving Instructions to the Bank are dispatched to the Customer at its own risk and the Customer undertakes to keep such numbers strictly confidential.
- 20.12 Any act done pursuant to this Agreement and all Transactions executed pursuant to the Customer's Instructions shall be solely for the Customer's account and risk.
- 20.13 The Customer agrees that the Bank is only required to carry out Instructions in accordance with the Applicable Laws and/or the Bank's established and regular business practices, procedures and policies and insofar as the Bank believes, in good faith, is practicable and reasonable.
- 20.14 Where the Bank considers (acting in good faith) that any Instruction is an Affected Instruction, the Bank may decline to act on such Instruction with written notice to the Customer. The Bank will not be liable to the Customer or any other person for any Loss suffered as a result of the Bank declining to act upon an Affected Instruction.
- 20.15 The Bank may at any time implement any security and other procedures including the Bank's "know your customer" procedures (pursuant to its own internal guidelines or any applicable laws or regulations in the relevant Jurisdiction on customer due diligence) for the verification of the identity of the Customer and verification that any particular transaction is authorised by the Customer or is not illegal.
- 20.16 When acting on any Instruction, the Bank shall be allowed such amount of time to act and implement any Instruction as may be reasonable, having regard to the systems and operations of the Bank and any other circumstances then prevailing, and shall not be liable for any loss or damage arising from any delay on the part of the Bank in acting on any such Instruction.

20.17 The Bank shall not be liable to the Customer for any loss or damage suffered by the Customer arising from any loss or delay in the transmission or wrongful interception of any Instruction through any equipment or system whether owned and/or operated by or for the Bank or otherwise beyond the reasonable control of the Bank.

## **21. Right to Reject Transactions**

21.1 The Bank may reject any Instruction or Transaction with prior notice to the Customers.

## **22. Termination**

22.1 Notwithstanding any other provision of this Agreement, the Bank may at any time suspend any or all Accounts and the Bank shall give prior written notice to the Customer.

22.2 The Bank's right to terminate this Agreement and/or any Account at any time may be exercised upon (i) the occurrence of an Event of Default; or (iii) by giving the Customer seven (7) Business Days' notice.

22.3 The Customer may also terminate this Agreement and/or any Accounts or Services upon giving to the Bank at least seven (7) Business Days' written notice and the Account will be closed upon the Bank receiving written instructions/authorisation from the Customer to do either of the following at the Customer's costs and expense :

(a) transfer any Securities held by the Bank on the Customer's behalf to such other custodian or nominee designated by the Customer; and/or

(b) redeem and/or sell any Securities held by the Bank on the Customer's behalf and credit the sales or redemption proceeds (whichever is applicable) into the Settlement Account.

22.4 Where the Account is a Joint Account, the Bank may act on written Instructions from any one of the Account holders or an Authorised Signatory (without further authorisation or notification to the other Account holders) to terminate this Agreement and/or close the Account and the Bank is hereby authorised to do so, unless stated otherwise in the Mandate.

22.5 Upon termination of this Agreement and/or any Account, the Bank shall have no further obligation to honour any Instructions issue in respect of this Agreement and/or any Account or Service which may be presented to the Bank, whether such Instruction is dated before or after the date of termination and notwithstanding that there may then be sufficient funds in the Account to cover the payment of such Instructions.

22.6 Termination of this Agreement and/or any Account shall not discharge or affect the Liabilities accrued prior and up to the date of such termination. The Bank's authority or the authority of any of the Bank's nominees or agents to arrange for settlement or closing of any outstanding Transaction shall not be affected thereby.

22.7 In the event of any termination or closure of any Account, this Agreement shall continue to apply until all obligations and liabilities owed by the Customer to the Bank, whether actual or contingent in relation to the Account or this Agreement (as the case may be), are fully and properly satisfied and discharged. Termination shall not affect any legal rights and obligations which may have arisen on or before the date of termination, including the rights and liabilities of

the parties in respect of transactions or foreign exchange contracts for which there is an outstanding liability.

### **23. Non-Reliance Representation and Acknowledgement of Risks**

The Customer confirms that it is acting for its own account and it is capable of evaluating the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Services and each Investment. The Customer acknowledges that (a) the Bank is not acting as a fiduciary for or an adviser to the Customer in respect of the Services and each Investment shall be deemed to have been entered into by the Customer in reliance only upon its own judgement; (b) although the Bank may provide the Customer access to recommendations and research relating to the Services and/or Investments, all orders are placed and the Transactions are entered at the Customer's sole responsibility and risk in reliance of the Customer's own judgement and based on the Customer's own independent evaluation of the suitability of such recommendations. The Bank does not hold itself out as advising, or any of its employees or agents as having its authority to advise the Customer as to whether or not the Customer should enter into any Transactions or as to any subsequent actions relating thereto or on any other commercial matters concerned with any Transaction and the Bank shall have no responsibility or liability whatsoever in respect of any advice of this nature given or view expressed, by it or any of such persons to the Customer, whether or not such advice is given or such view are expressed at the Customer's request.

### **24. Collateralisation**

- 24.1 Collateral may be required by the Bank as security for the Customer's obligations pursuant to an Account, Transaction or Service. The Customer shall maintain at all times sufficient Collateral as determined by the Bank.
- 24.2 The Bank may require, from time to time, additional Collateral to meet the Customer's obligations and Liabilities pursuant to an Account, Transaction or Service, and the Bank shall where reasonably possible, provide advance notice to the Customer before such requirement takes effect.
- 24.3 The Customer shall not sell, transfer, assign, encumber, pledge, create any charge or other security interest (other than the security interest granted by the Customer in favour of the Bank under this Agreement) over, dispose of or otherwise deal with the Collateral or any part hereof or any interest therein.

### **25. Other Documentation**

- 25.1 The provisions of this Agreement are in addition to the provisions of any other agreement, charge, mortgage, deed or documentation (hereinafter collectively referred as "Documentation") that may be signed, sealed or delivered by the Customer now or hereafter in connection with the collateralisation of the Customer's Liabilities or in furtherance of any other purpose or transactions contemplated under this Agreement. Where there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Documentation, the provisions of the Documentation shall prevail.

### **26. Recording and Document Retention**

- 26.1 The Customer hereby authorizes the Bank to record all telephone conversations and Instructions given over the telephone. All such recordings shall remain the property of the Bank

and shall be conclusive evidence of the Instructions given. The Customer further agrees that such recordings shall be binding on the Customer and the Bank shall be entitled to use such recordings and transcripts of the said telephone conversations as evidence in any dispute.

- 26.2 The Customer hereby acknowledges and agrees that the Bank's records may be stored in any form or manner (including electronic forms) as the Bank deems appropriate and can be used in any court proceedings as proof of its contents. The Customer agrees that such records shall be final and conclusive of the information contained therein save and except for obvious or clerical error. Subject to any Applicable Laws, the Bank may set retention periods for such records after which the same may be destroyed.

## **27. Complaints**

- 27.1 If the Customer has any suggestions or complaints regarding the Services provided by the Bank, the Customer can call the Bank or write to the Bank. Complaints will be dealt with under the Bank's complaint handling procedures.

## **28. Tax Declaration**

- 28.1 The Customer declares and confirms the following:-

- (a) the Customer is responsible for his own tax affairs and ensuring that his Account maintained with the Bank is in compliance with the tax laws of the relevant jurisdiction within which the Customer resides, is domiciled or is tax citizen of;
- (b) to the best of the Customer's knowledge, the Customer has not wilfully committed nor has been convicted of any serious tax crimes;
- (c) the Customer acknowledges and agrees that that he should take advice from a tax expert in the jurisdiction of his tax residence in relation to the Services and this Agreement and acknowledges that the Bank does not provide tax advice to him; and
- (d) the Customer agrees to provide copies of the relevant documents where necessary to the Bank upon request.

- 28.2 Should there be any change in any of the items set out in Clause 28.1, the Customer undertakes to immediately notify the Bank immediately.

- 28.3 The Customer also agrees to hold harmless, release and agrees to indemnify the Bank, its shareholders, officers, owners, directors, employees, successors, heirs and assigned from any and all liability arising from the Bank's reliance on the declaration made by the Customer.

## **29. Government Taxes and/or statutory/regulatory imposed charges, fees, etc.**

- 29.1 The fees and all other monies to be paid by the Customer to the Bank under this Agreement, including any amount representing reimbursements to be paid by the Customer to the Bank, is exclusive of any Taxes, and shall be paid without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding.

- 29.2 In the event the Customer is required by law to make any deduction or withholding from the fees and/or all other monies payable to the Bank under this Agreement in respect of any Taxes or otherwise, the sum payable by the Customer in respect of which the deduction or withholding

is required shall be increased so that the net fee and/or the net amount of monies received by the Bank is equal to that which the Bank would otherwise have received had no deduction or withholding been required or made. The Bank may perform, or cause to be performed withholding of any monies payable to the Customer, deposit any such monies into a sundry or other account and/or retain such monies pending determination of the applicability of such withholding tax requirement, foreign exchange restriction or control. The Bank shall not be liable for any losses that may be incurred by reason of such withholding, retention or deposit.

- 29.3 The Customer shall in addition to the fees and all other monies payable, pay to the Bank all applicable Taxes at the relevant prevailing rate and/or such amount as is determined by the Bank to cover any Taxes payments/liabilities/obligations in connection therewith, without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding, apart from any Taxes which may be required under any laws to be paid by the Customer directly to any Appropriate Authority, which the Customer shall remit directly to the Appropriate Authority.
- 29.4 If at any time an adjustment is made or required to be made between the Bank and the Appropriate Authority on account of any amount paid as Taxes as a consequence of any payment made or deemed to be made or other matter in connection with this Agreement by the Bank, a corresponding adjustment may at the Bank's discretion be made as necessary to give effect to the adjustment shall be made.
- 29.5 All Tax as shall be payable by the Customer to the Bank as herein provided shall be paid at such times and in such manner as shall be requested by the Bank.
- 29.6 The Customer hereby agrees to do all things reasonably requested by the Bank to assist the Bank in complying with its obligations under any applicable legislation under which any Taxes is imposed. In the event a new Tax is introduced and such Tax is required to be charged on the transaction contemplated in this Agreement, the Customer agrees to provide its fullest cooperation to the Bank in assisting the Bank in complying with its obligations under the relevant laws.
- 29.7 For the avoidance of doubt, the parties agree that any sum payable or amount to be used in the calculation of a sum payable expressed elsewhere in this Agreement has been determined without regard to and does not include amounts to be added on under this Clause 29 on account of Taxes.

### **30. Disclosure**

- 30.1 In addition to the permitted disclosure provided under Schedule 11 of the Financial Services Act 2013 ("FSA"), the Customer irrevocably authorizes and permits the Bank, its officers and employees to disclose and furnish all information concerning the Account(s), this Agreement, present and future accounts of the Customer and any other matters relating to the Customer or its business and operations to:
- (a) other financial institutions granting or intending to grant any credit facilities to the Customer(s), the Credit Bureau or any other central credit bureau established by Bank Negara Malaysia, Cagamas Berhad, Credit Guarantee Corporation, the Employees Provident Fund, any other relevant authority as may be authorized by law to obtain such information or such authorities/agencies established by Bank Negara Malaysia or any agency established by the Association of Banks in Malaysia;
  - (b) any current or future corporation which may be associated with or related to the Bank

(as defined in the Companies Act 2016), including representative and branch offices and their respective representatives as well as subsidiaries of the Bank's holding company;

- (c) the security parties or any party intending to provide security or Collateral in respect of the Account(s) or under the terms of the relevant Investment and this Agreement,;
- (d) the Bank's auditors, solicitors and/or other agents in connection with the recovery of moneys due and payable hereunder; and
- (e) the Bank's professional advisers, service providers, nominees, agents, contractors or third party service providers who are involved in the provision of products and services to or by the Bank and its related or associated companies.

The Customer hereby irrevocably consents to such disclosure and confirms that save and except for damages arising directly from the Bank's willful default or gross negligence, the Bank, its officers and employees shall be under no liability for furnishing such information or for the consequences of any reliance which may be placed on the information so furnished in accordance with this Agreement.

- 30.2 The Customer shall cooperate fully in respect of any enquiry that the Bank may make for the purposes of compliance with any applicable law including FATCA (as the same may be amended, superseded or replaced from time to time) and/or any other reporting and/or withholding requirements of any government including promptly providing all relevant information, details and/or documents as may be necessary to enable the Bank to comply with any applicable law. In this regard the Customer consents to the disclosure of information on the Customer to local and foreign regulatory and/or tax authorities including those in the United States.

### **31. Partnerships**

- 31.1 All partners (on a joint and several basis) or the sole proprietor (as the case may be) shall be:

- (a) bound by this Agreement; and
- (b) liable for all debts and other liabilities owed by the Customer to the Bank from time to time,

notwithstanding any change in the persons who constitute the Customer or a change of the name of the Customer.

- 31.2 Any person who ceases to be a partner of the Customer (whether as a result of death, retirement, resignation, replacement, addition, bankruptcy or otherwise) will remain liable for all debts and other liabilities owed by the Customer to the Bank in accordance with Clause 31.1(b) which have accrued up to and including the date that such person ceases to be a partner.

- 31.3 Without prejudice to Clause 31.2, if there is a change in the partners of the Customer (whether as a result of death, retirement, resignation, replacement, addition, bankruptcy or otherwise), the Bank may, in the absence of written notice to the contrary, treat the remaining and/or new partner as having full power to carry on the business of the Customer, to deal with any Account and to continue the Customer's use of any Service.

- 31.4 The Customer will promptly notify the Bank in writing of any change in the partners of the Customer or change of the name of the Customer.

### **32. Transfer of Securities**

- 32.1 Transactions involving transfer of Securities between the Account(s) and other account(s) of the Customer and/or third parties held with the Bank can only be accepted if the necessary

arrangements have been established by the Bank. Such transfer of Securities shall, whenever practicable be processed on the same day or otherwise on the next Business Day at the discretion of the Bank. The Customer is solely responsible for ensuring that correct Instructions (including transferee details) are given.

32.2 The Bank may from time to time to determine and impose any limit whether in amount, frequency of use or otherwise on the use of the transfer of Securities services.

32.3 The Bank shall notify the Customer of any changes concerning the use of the transfer of Securities services in accordance with Applicable Laws.

### **33. Force Majeure**

33.1 To the extent that the Bank is prevented or restricted by a Force Majeure event from operating any Account, carrying out any request or Instruction from the Customer or otherwise complying with any of its obligations under this Agreement, the Bank may suspend the operation of that Account, postpone the carrying out of any such request or Instruction or suspend any such obligation until the contingency is removed. The Bank will, if it is practicable to do so, take reasonable steps to remove or mitigate the effect of any Force Majeure event.

### **34. Death**

34.1 Upon the death of a Customer, all rights in and to the Account shall automatically pass and be vested in the Customer's personal representatives who shall be liable to the Bank for all charges, obligations and liabilities of all Accounts of the Customer. Subject to any applicable legal obligations in the relevant Jurisdiction, the Bank shall hold any Securities in Accounts and other assets, property and documents deposited with the Bank to the order of the Customer's personal representatives and may release the same (without any liability or obligations) in accordance with the written instructions of any such personal representative.

34.2 In the case of Joint Accounts, in the event of death of any one of the Customer(s), the Bank is authorised to accept the authority of the survivor(s) or any one of them (if more than one) and the Bank may allow the survivor(s) to deal with the Joint Account. However, the Bank is not obliged to allow the survivor(s) such access to the Joint Account if any fees and charges in is in arrears and due and owing to the Bank under this Agreement or if a court order directs otherwise. It is further confirmed that in complying with this clause herein, the Bank shall neither be responsible nor incur any liability whatsoever to the Customer, the Customer's legal representative(s) or estate or any other person for any losses howsoever caused.

### **35. Communication to Customers**

35.1 Without prejudice to the Bank's rights to utilize any other effective mode of communications, the Bank may send any notices or correspondence to the Customer by:

- (a) post, facsimile, short message service ("SMS"), electronic mail ("email") or other electronic transmission, personal delivery, facsimile;
- (b) incorporating notices into the Bank's statement forwarded to the Customer periodically;
- (c) notice in the Bank's internet/electronic banking facilities and/or services for the Bank's Customers;
- (d) general advertisement in any form(s) of mass communication (including but not limited to placing in one issue of a daily newspaper a general notice of change addressed to the public generally); and/or
- (e) notice in the Bank's website and/or placed at the Bank's branch premises.



35.2 Notices issued by or on behalf of the Bank (including computer generated notices/statements that do not require any signature) will be directed to the Customer at the Customer's address, facsimile number or email address stated in the Account Opening Form or the last known address, facsimile number or email address notified by the Customer.

35.3 Communications will be deemed to have been delivered to the Customer:

- (a) (where delivered personally), at the time of personal delivery;
- (b) where sent by registered or ordinary post, 48 hours after posting if the address is in Malaysia and seven(7) Business Days after posting if the address is outside Malaysia;
- (c) where sent by facsimile transmission and subject to confirmation that the full document is transmitted successfully, on the date of dispatch respectively; and
- (d) where sent by email and/or SMS and/or any electronic means, on the day of transmission.

35.4 All communications sent to the Customer or delivered to an authorised representative are sent or delivered at the Customer's risk. It is the Customer's responsibility to ensure that the Bank is kept informed of the Customer's most up to date address and other contact details.

### **36. Further Assurance**

36.1 The Customer shall at the request of the Bank, promptly execute and deliver such documents and perform such acts as the Bank or its nominee or agent may request to allow the Bank to provide the Services and operate and/or enforce this Agreement.

### **37. Responsibilities for Security**

37.1 The Customer shall exercise reasonable care, take reasonable precautions and (where any Authorised Signatory, attorney or other agent is appointed) establish adequate controls and security arrangements to prevent unauthorised fund withdrawal Instructions or other misuse of or forgery in relation to any Account, Service, or other services or products provided (as applicable). The Customer must notify the Bank immediately upon becoming aware of any actual or possible unauthorised use, misuse, or forgery. The Bank does not assume any liability or responsibility to the Customer or any third party for the consequences arising out of or in connection with such actual or possible unauthorised use, misuse, or forgery, save only for direct losses to the extent directly due to negligence wilful misconduct or fraud by the Bank or its employees.

### **38. Severability**

38.1 If any provision, term or condition of any of this Agreement or any security document taken is or becomes illegal, void, invalid, prohibited or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness, invalidity, prohibition or unenforceability without invalidating in any manner whatsoever the remaining provisions of this Agreement or the respective security document, as the case may be.

### **39. Data Protection**

39.1 The Customer hereby represents and warrants that the Customer has/have obtained the consent of all persons named in the Customer(s)' application for the Account(s) or such other document submitted to the Bank in support of such application and/or their authorized representatives, including but not limited to the Customer's directors, shareholders, authorized signatories or such other persons as specified by the Bank ("**Relevant Data Subjects**"), for HLB/HLISB's collection, holding and use of the personal information of the Relevant Data Subjects in accordance with

HLB/HLISB's Privacy Notice as may be amended from time to time. The Customer hereby agrees and consents to the holding, collection and use of all personal data provided to HLB/HLISB by the Customer or acquired by HLB/HLISB from the public domain, as well as personal data that arises as a result of the provision of services to the Customer in connection with the Account in accordance with the Privacy Notice of HLB/HLISB as may be amended from time to time.

**40. General**

- 40.1 Time shall be of the essence in respect of this Agreement.
- 40.2 The Customer is not entitled to and may not assign any of its rights or transfer or novate any of its rights or obligations under this Agreement or in relation to any Account or Service.
- 40.3 No failure or delay by the Bank in exercising any right or remedy under this Agreement will operate as a waiver, nor will any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights provided in this Agreement are cumulative and not exclusive of any rights provided by law.
- 40.4 If the Customer's Account or Settlement Account becomes inactive and/or the Bank is unable to obtain Instructions from the Customer on Securities or monies payable to the Customer (whether arising from corporate actions in respect of the Securities or otherwise) resulting in the Bank being unable to deliver and/or credit such Securities and/or monies to the Customer's Account and/or Settlement Account, as the case may be, the Bank shall be entitled to hold such Securities or monies on behalf of the Customer in a non-interest bearing account until the Bank is able to obtain fresh Instructions from the Customer or the Bank is required to remit such Securities or monies to the relevant regulatory authorities under the Applicable Laws.
- 40.5 The Terms will be binding on and be for the benefit of the Bank and the Customer and their respective successors and permitted assigns.
- 40.6 In general, this Investment Services Agreement shall be governed by the laws of Malaysia. The Customer irrevocably agrees that the courts of Malaysia shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Services.
- 40.7 Notwithstanding Clause 40.5 above, the Bank is at liberty to initiate and take actions or proceedings or otherwise in other jurisdictions as the Bank deems fit.
- 40.8 Save as expressly provided or to the contrary in any relevant agreement relating to Services or otherwise, this Agreement, as they may be amended, supplemented or replaced from time to time, set out the entire agreement between the Customer and the Bank in relation to any Account and supersede all prior agreements and terms relating to any Account to which the Customer is bound.

## SCHEDULE 1

### STRUCTURED PRODUCTS

#### **PART A: INTERPRETATION AND SCOPE**

1. This Schedule 1 governing Structured Products (“Schedule 1”) supplements and forms part of the Investment Services Agreement (“**Agreement**”) and sets out certain terms, conditions and definitions that will apply to any Structured Product transacted or invested with, the Bank from time to time..
2. Capitalised terms not otherwise defined in this Schedule 1 shall have the meanings specified in the Agreement.
3. All references to a document in this Schedule 1 shall include any supplements, modifications and amendments thereto from time to time.

#### **PART B: DEFINITIONS**

In this schedule, the following words and phrases have the following meanings:

“**Alternate Currency**” means the currency or any one of the currencies agreed between the Customer and the Bank as the alternative currency for a Structured Product, as specified in the Confirmation and/or the Term Sheet;

“**Base Currency**” means the currency in which a Structured Product is initially invested or transacted with the Bank, as specified in the Confirmation and/or the Term Sheet;

“**Base Prospectus**” means the base prospectus, as may be amended, supplemented or replaced from time to time by any supplementary or replacement prospectus, which has been lodged with, and registered by, the relevant authority in Malaysia in relation to a Programme.

“**Calculation Agent**” means the party who is named as the calculation agent under Clause 7 of this Schedule 1;

“**Cut-off Date and Time**” means the latest date and time by which the Bank must receive the funds for or subscription of, as the case may be, a Structured Product, as notified by the Bank to the Customer;

“**Delivery Date**” means, in relation to a Structured Product, such date as specified in or determined in accordance with the provisions of the Confirmation and/or the Term Sheet. If Delivery Date is not so specified or determinable, then the Delivery Date would be customary in accordance with market practice, on which the Underlying Financial Instrument is to be delivered to the Customer on the maturity or, where Early Termination Event is applicable, early redemption or termination prior to its Maturity Date in accordance with this Schedule 1, the Confirmation and/or the Term Sheet;

“**Early Termination Event**” means an early termination event or any other event of similar nature for a Structured Product as specified in and/or to be determined in accordance with the terms of the Confirmation and/or the Term Sheet. If an Early Termination Event occurs, this may automatically or provide the Bank with an option to, terminate such Structured Product in whole or, if applicable, in part prior to the Maturity Date;

“**Early Termination Date**” means the date on which a Structured Product is terminated in whole or, if applicable, in part on or prior to the Maturity Date due to an Early Termination Event, in accordance with Clause 7 of this Schedule 1 and/or the Confirmation and/or the Term Sheet;

“**Exchange**” means the exchanges on which the Underlying Financial Instrument of a Structured Product is listed and quoted, as specified in the Confirmation and/or the Term Sheet;

“**Exchange Business Day**” means any trading day of the Exchange;

**“Expiry Date”** means the expiry date of an Option, as specified in the Confirmation and/or the Term Sheet;

**“Expiry Time”** means the expiry time of an Option, as specified in the Confirmation and/or the Term Sheet;

**“Interest Amount”** means the amount of interest or return which is payable in connection with a Structured Product, as determined by the Bank in accordance with Clause 6.1 of this Schedule 1;

**“Interest Payment Date”** means the date on which the Interest Amount is payable in connection with a Structured Product, as specified in the Confirmation and/or the Term Sheet;

**“Interest Period”** means, unless otherwise provided in the Confirmation and/or the Term Sheet, each period commencing on the Start Date or an Interest Payment Date and ending on (but excluding) the next following Interest Payment Date or, if the relevant Structured Product has matured, the Maturity Date, or if terminated prior to such Interest Payment Date, the Early Termination Date;

**“Interest Rate”** means the rate of interest or return applicable to a Structured Product from time to time, as specified, or determined in accordance with the formula specified in the Confirmation and/or the Term Sheet;

**“Maturity Date”** means the date of maturity of a Structured Product which reference shall include any modification, revision or extension to its initial date of maturity, as specified in the Confirmation and/or the Term Sheet;

**“Market Disruption Event”** means the occurrence or existence on an Exchange Business Day of any suspension of or limitation imposed on trading in the Underlying Financial Instrument of a Structured Product during the one-half hour period that ends at the Valuation Time on the Valuation Date or the Expiry Time on the Expiry Date;

**“Merger Event”** means in respect of any relevant underlying shares, any (i) reclassification or change of such shares that results in a transfer of or an commitment to transfer all of such shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the issuer with or into another entity or person, (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by an entity or person to purchase or otherwise obtain 100% of the outstanding shares of the issuer that results in a transfer of or an irrevocable commitment to transfer all such shares (other than shares owned or controlled by such other entity or person) or (iv) consolidation, amalgamation, merger or binding share exchange of the issuer or its subsidiaries with or into another entity in which the issuer is the continuing entity and which does not result in a reclassification or change of all such shares outstanding but results in the outstanding shares (other than shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding shares immediately following such event.

**“Nominal Value”** means the nominal value of a Structured Product, as specified in the Confirmation and/or the Term Sheet;

**“Option”** means any option(s) or other right(s) of any nature in favour of the Bank in connection with a Structured Product, as specified in the Confirmation and/or the Term Sheet;

**“Principal Amount”** means the amount in the Base Currency as specified in or calculated in accordance with the Confirmation and/or the Term Sheet which is to be or has been paid or invested by the Customer, and accepted by the Bank for a Structured Product pursuant to this Schedule 1;

**“Redemption Amount”** means, unless otherwise provided in the Confirmation and/or the Term Sheet, (a) the Principal Amount, the Nominal Value or such other amount (whether in the Base Currency or the Alternate Currency) to be paid on the maturity or early redemption or termination of a Structured Product, and/or (b) the selected Underlying Financial Instrument in such quantities and containing such variations (as applicable), each as specified in and/or determined by the Calculation Agent in accordance with the provisions of, such Confirmation and/or Term Sheet;

**“Reference Value”** means the relevant market price of a share or a basket of shares or the level of a stock market **index** or the basket of stock market indices to which the investment is linked.

**“Settlement Date”** means, (a) in relation to payment of the Redemption Amount in cash, (i) the Maturity Date or (ii) if early termination or redemption of such Structured Product is applicable, the Early Termination Date, (b) in relation to physical delivery of the Redemption Amount, the Delivery Date, or (c) such other dates as specified in or determined in accordance with the Confirmation and/or the Term Sheet;

**“Start Date”** means the date agreed between the Customer and the Bank as being the first Business Day on which a Structured Product shall commence, as specified in the Confirmation and/or the Term Sheet;

**“Strike Price”** means the strike price(s) of a Structured Product, as specified in the Confirmation and/or the Term Sheet;

**“Structured Product”** means any investment product, including, without limitation, structured financial instruments, whether or not such investment product is referenced to the price(s), or value(s) of any one or more securities, commodities, currencies or financial instruments, or any other product issued by the Bank, which the Customer agrees to transact or invest with, or to subscribe for or purchase from the Bank, and which is designated by the Bank to be governed by this Schedule 1 from time to time;

**“Tender Offer”** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by an entity or persons that results in such entity or persons purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 10% of the outstanding voting shares of an issuer of the underlying shares, as determined by the Bank, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Bank deems relevant.

**“Term”** means, in relation to a Structured Product, the period commencing on, and including, the Start Date and ending on, but excluding, the Maturity Date, as specified in or determined in accordance with the provisions of in the Confirmation and/or the Term Sheet;

**“Term Sheet”** means the term sheet(s) containing the key contractual terms of the Investment issued by the Bank to the Customer in respect of a Structured Product;

**“Underlying Financial Instrument”** includes any one or more currencies, foreign exchange forwards, equities, bonds, interest rate futures, index futures, commodities and any other money market or financial instruments, underlying or forms part of a Structured Product, as specified in, in the Confirmation and the Term Sheet;

**“Valuation Date”** means the valuation date of a Structured Product, as specified in the Confirmation and/or the Term Sheet; and

**“Valuation Time”** means the valuation time of a Structured Product, as specified in the Confirmation and/or the Term Sheet.

## **PART C: TERMS AND CONDITIONS**

### **1. Transacting in Structured Products**

- 1.1 In relation to Structured Products, the Customer agrees to pay or invest the Principal Amount for a transact Structured Product which the Customer has agreed (whether orally or otherwise) to with the Bank for its corresponding Term. The Customer further agrees to forthwith pay the Bank, where applicable, any sum(s) in connection with a Structured Product as specified in or determined in accordance with the Confirmation and/or the Term Sheet which is or are due and payable by the Customer.
- 1.2 The foregoing funds shall be received by the Bank before the respective Cut-off Date and Time in full and freely transferable funds in the required currency without set-off, counterclaim, restriction or condition.
- 1.3 The Customer hereby authorises the Bank to open and maintain one or more Accounts for the Customer's Structured Products transactions, where necessary.
- 1.4 In relation to Structured Products, the Bank reserves the right, on or before the Start Date, or, if the funds are not received in accordance with Clause 2.1 of this Schedule 1, at any time, not to accept any funds received (or to accept only part of such funds) for a Structured Product. In such event, the Bank will notify the Customer as soon as practicable and any funds received but not accepted for the purposes of the Structured Product will be paid to such account as notified by the Customer to the Bank.
- 1.5 Without prejudice and in addition to the foregoing, the Customer agrees to indemnify the Bank for any loss or costs suffered or incurred in unwinding a Structured Product transaction if the funds are not received in accordance with Clause 2.1 of this Schedule 1.

### **2. Confirmations**

- 2.1 In relation to Structured Products, the Bank will, as soon as practicable after the Customer agrees to transact or invest in a Structured Product, issue and send to the Customer a Confirmation.
- 2.2 The Customer shall (i) examine all entries in each Confirmation, (ii) report promptly to the Bank any error or omission therein, (iii) return each Confirmation duly signed when requested by the Bank and (iv) notify the Bank should the Customer not receive any Confirmation that should, in the ordinary course of events have been received by the Customer. The Customer further agrees that the Bank shall have the right to make adjustments at any time and/or from time to time to any Confirmation if there is any error or omissions therein.
- 2.3 The Customer agrees that if he does not object in writing to the contents in any Confirmation or returns such Confirmation duly signed within the stipulated period stated on such Confirmation such Confirmation shall be conclusive and binding on the Customer.

### **3. Interest on Structured Product**

- 3.1 In relation to Structured Products, the following shall apply:
  - (a) the Bank shall, where applicable, notify the Customer of any price(s), rate(s) and/or date(s) applicable to a Structured Product required to be determined by the Bank on or after its Start Date;
  - (b) unless otherwise specified in the Confirmation and/or the Term Sheet, interest or return for a Structured Product shall accrue on its Principal Amount or such other amounts as specified in the Confirmation and/or the Term Sheet at the Interest Rate for the Interest Period and shall be calculated on the basis of the actual number of days elapsed in such Interest Period divided by the day count convention as specified

in the Confirmation and/or the Term Sheet; and

- (c) each Interest or other amount(s) (if any) shall be subject to all applicable withholding taxes and shall be payable in arrears in accordance with this Schedule 1.

#### **4. Exercise of Option underlying Structured Product**

- 4.1 In relation to Structured Products, unless otherwise specified in the Confirmation and/or the Term Sheet, the Bank, where applicable, has the absolute right but not the obligation to exercise the Option in connection with a Structured Product on or by the Expiry Date at the Expiry Time, subject to the value(s) of the Underlying Financial Instrument(s) relative to the Strike Price(s) on or during a specified date or period respectively and/or such other determining factors as specified in the Confirmation and/or the Term Sheet.

#### **5. Payments on Structured Product**

- (a) In relation to Structured Products, unless otherwise specified in the Confirmation and/or the Term Sheet, subject to the payment by the Customer of the Principal Amount and other sums (if any) in accordance with Clause 2 of this Schedule 1:- on each Interest Payment Date of a Structured Product, the Bank shall pay to the Customer the relevant Interest Amount (calculated in accordance with Clause 6 of this Schedule 1) for the Interest Period to which such Interest Payment Date relates and any other amounts (if any) as specified in the Confirmation and/or the Term Sheet; and
- (b) on the Settlement Date of a Structured Product, the Bank shall pay to the Customer the Redemption Amount and, where applicable, the relevant Interest Amount (calculated in accordance with Clause 4 of this Schedule 1) for the immediately preceding Interest Period and any other amounts (if any) as specified in the Confirmation and/or the Term Sheet.

#### **6. Early Termination**

- 6.1 In relation to Structured Products, upon the occurrence of an Early Termination Event on a specific date or, if applicable, during a specific period, as specified in the Confirmation and/or the Term Sheet, the Bank may at its sole discretion terminate the relevant Structured Product, or if automatic termination is specified in the Confirmation and/or the Term Sheet, such Structured Product shall automatically be terminated, and the Redemption Amount shall be paid in accordance with Clause 6.1(b) of this Schedule 1.
- 6.2 Without prejudice to the generality of Clause 6.1 of this Schedule 1, upon the occurrence of any Event of Default, the Bank shall be entitled by notice specifying occurrence of any such events and declare that any one or more of the Structured Products be terminated as of the date specified in such notice and pay the Redemption Amount in accordance with Clause 5.1(b) of this Schedule 1.

#### **7. Calculation Agent**

- 7.1 In relation to Structured Products, unless otherwise provided in the Confirmation and/or the Term Sheet, the Bank shall be the calculation agent for the purposes of determining the various amounts payable and the exercise of any discretion granted in connection with each Structured Product. The Bank shall discharge its duty as calculation agent in good faith and all determinations as calculation agent, in particular, determination(s) pursuant to Clauses 16 to 18 of this Schedule 1, shall be binding and conclusive in the absence of manifest error.

#### **8. Early Withdrawal of the Principal Amount**

- 8.1 In relation to Structured Products, withdrawal of the Principal Amount or termination by the Customer of any Structured Product, or any part thereof, prior to the Maturity Date ("Early Withdrawal"), may only be made upon such terms and conditions as the Bank may impose. Early termination charges (if any) and/or administrative fees ("Early Termination Charges"),

calculated in accordance with such formula as the Bank may prescribe from time to time, may apply when the Customer applies for Early Withdrawal. Early Withdrawal Charges may be more than the returns earned on the Structured Product investment and may be deducted by the Bank from the Principal Amount or other amounts (if any) which are otherwise payable to the Customer in connection with that Structured Product.

## **9. Unavailability of Funds**

- 9.1 The Bank shall not be liable for unavailability of the funds credited to any account due to restrictions on convertibility or transferability, requisitions, involuntary transfers, distrains of any character, exercise of governmental or military powers, acts of war or civil strife, or other similar causes beyond its control, in which circumstances none of its branches, subsidiaries, or affiliates shall be responsible therefor.

## **10. Payments and Deliveries**

- 10.1 In relation to Structured Products, the Bank shall be discharged from its entire liability in connection with a Structured Product or, if only partially redeemed or terminated, such part thereof on its Settlement Date when the amounts payable or deliverable under Clause 5.1 of this Schedule 1 in connection with such Structured Product are credited to such account as notified by the Customer or if the Bank has not been notified of such account or that such account notified by the Customer has ceased to be operative, to any of the Customer's account maintained with the Bank as the Bank shall in its absolute discretion determine or by way of cheque or in some other form as determined by the Bank.

## **11. Set-Off**

- 11.1 The Bank shall be entitled to deduct or set-off any amounts due by it to the Customer in connection with the Structured Products against any amounts due by the Customer to it (howsoever arising, matured or contingent and irrespective of currency or place of payment) with prior written notice to the Customer. If any payment or delivery obligation is unascertained, the Bank may in good faith estimate that obligation and set-off in respect of that estimate.

## **12. Exemption from Liability**

- 12.1 Save and except for damages arising directly from the Bank's willful default or gross negligence, the Bank shall not be responsible or liable for any expense, loss, damage, liability or other consequences suffered or incurred by the Customer:-

- (a) Provided that the Bank has acted in good faith on the Customer's Instructions;
- (b) in connection with the Bank's refusal to accept the funds in accordance with this Schedule 1;
- (c) for any loss or damage caused by any delay or failure in any transmission or communication facilities;
- (d) arising from the Bank's inability to detect any irregularity in the Customer's signature through no fault of the Bank;
- (e) arising from the Customer or the Customer's agent's negligence, default or misconduct; and

## **13. Currency Indemnity**

- 13.1 The Customer's obligation under this Agreement shall be to make payment to the Bank in the currency in which payment is expressed to be contractually made under the Confirmation and/or Term Sheet ("Contractual Currency").



13.2 If any sum due from the Customer or any order or judgment given or made in relation to or in connection with this Schedule 1 and each Structured Product has to be converted from the Contractual Currency into another currency (the "Payment Currency") for the purpose of making or filing a claim or proof against the Customer, obtaining an order or judgment in any court or other tribunal or enforcing any order or judgment given or made in relation to or in connection with this schedule governing Structured Products and/or a Structured Product, the Customer shall, as a separate independent debt, indemnify and hold harmless the Bank from and against any shortfall in the amounts due under or in connection with the relevant Structured Product and any loss suffered as a result of the conversion of the actual payment received in the Payment Currency into the Contractual Currency at the applicable rate of exchange. For the purposes of this Clause, "rate of exchange" means the rate at which the Bank is able to purchase on or about the date of such payment, in accordance with its normal practice, the Contractual Currency with the Payment Currency and shall take into account (and the Customer shall be liable for) any premium and other costs of exchange including any taxes or duties incurred by reason of any such exchange.

**14. Adjustment upon the Occurrence of an Event having a Diluting or Concentrative Effect on the Theoretical Value of the Underlying Financial Instrument**

14.1 In relation to Structured Products, upon the occurrence of :

- (a) an extraordinary event through which the Underlying Financial Instrument is affected without the holder of the Underlying Financial Instrument having a choice in the matter, such as, a Merger, Tender Offer, a nationalisation, the initiation of insolvency proceedings against the issuer of the Underlying Financial Instrument, a delisting of the Underlying Financial Instrument on the relevant securities exchange (if applicable), changes in the legal or tax rules which significantly limit the acquisition, ownership, exercise of sale of the relevant Underlying Financial Instrument, trading restrictions, illiquidity or the suspension of trading of the Underlying Financial Instrument; and/or
- (b) an event having, in the sole and absolute determination of the Calculation Agent, an economic or a diluting or concentrative effect on the theoretical value of the Underlying Financial Instrument(s) of a Structured Product,

the Calculation Agent shall, in good faith, be entitled to take any one of the following actions with notice to the Customer:

- (i) make the corresponding adjustment(s), if any, to the Strike Price(s) and the number of such Underlying Financial Instrument(s), each as specified in the Confirmation and/or the Term Sheet;
- (ii) where practicable and appropriate to do so, substitute the affected Underlying Financial Instrument with another appropriate Underlying Financial Instrument as selected by the Calculation Agent as of the date determined by the Calculation Agent; or
- (iii) terminate the relevant Structured Product with effect from the day of such extraordinary event.

In any case, the Calculation Agent

14.2 If any of the events in Clause 14.1 (1) of this Schedule 1 occurs, the Calculation Agent may with notice to the Customer, make adjustments as the Calculation Agent determines appropriate to any other variable relevant to the settlement or payment terms of such Structured Product to account for such economic, diluting or concentrative effect and determine the effective date(s) of the adjustment(s).

## **15. Market Disruption Event**

- 15.1 In relation to Structured Products, the Calculation Agent shall determine the existence of a Market Disruption Event.
- 15.2 If the Calculation Agent determines the existence of a Market Disruption Event, then, in respect of such Structured Product, the Valuation Date and/or the Expiry Date (whichever one is or both are applicable) shall be the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the eight Exchange Business Days or such other number of days as stipulated in the Term Sheet and/or the Confirmation immediately following the original Valuation Date and/or Expiry Date (whichever one is or both are applicable). In that case, the eighth Exchange Business Day or such other day as stipulated in the Term Sheet and/or the Confirmation shall be deemed to be the Valuation Date and/or the Expiry Date (whichever one is or both are applicable), notwithstanding the Market Disruption Event. The Calculation Agent shall, then determine in good faith the estimate of the price of the Underlying Financial Instrument that would have prevailed but for that Market Disruption Event as of the Valuation Date and/or the Expiry Date (whichever one is or both are applicable) on that eighth Exchange Business Day or such other day as stipulated in the Term Sheet and/or the Confirmation.

## **16. Modifications of Structured Products Where the Underlying Financial Instruments of consist of shares or a basket of shares**

- 16.1 If a Merger Event or Tender Offer occurs and the Merger Date or, as the case may be, the Tender Offer Date is on or before the Maturity Date of the Structured Product, the Calculation Agent shall in its sole discretion: (a) make such adjustments to the terms of the Structured Product as it shall deem appropriate to account for the economic effect on the Structured Product of such Merger Event or Tender Offer (including but not limited to adjustments to account to changes in volatility, expected dividends, stock loan rate or liquidity relevant to the affected underlying shares) and determine the effective date of such adjustment. Such adjustments may include, without limitation, replacing the relevant underlying shares with such other shares, securities or assets as may be consideration for the transfer of the relevant underlying shares pursuant to the Merger Event or Tender Offer and making consequent amendment to the method of fixing the Reference Value of the underlying shares on the Valuation Date; or (b) substitute the affected shares with appropriate substitute shares as selected by the Calculation Agent as of the date determined by the Calculation Agent (and in the case of a share basket, the Calculation Agent/Bank shall be entitled to substitute a share/shares of the share basket with another share/shares which were not previously in the share basket).
- 16.2 The Bank will notify the Customer as soon as practicable of:
- (i) any Merger Event or Tender Offer and of what adjustment (if any) it makes to the terms of the Structured Product; and/or
  - (ii) the selection of the substitute shares in the event the Bank/Calculation Agent chooses to substitute the relevant underlying shares or basket of shares pursuant to Clauses 14 and 16 of this Schedule 1, provided that any failure or delay on the part of the Bank in giving such notice shall not affect the validity of the determination it makes.

## **PART D: RISK DISCLOSURE**

### **17. Preamble**

- 17.1 Customers who transact in Structured Products with or through the Bank should be aware of the risks which may be involved in such transactions. The objective of these disclosures are to highlight the risks pertinent to the transactions in this particular product to assist the Customer in making an informed assessment of the suitability of the product to their financial resources, experience, investment needs and risk profile prior to transacting. The risk of loss, in all instances, may be substantial.
- 17.2 The disclosures cannot be used and are not sufficient to explain all the risks and other significant aspects of entering into Structured Products. The Customer should therefore fully understand the nature of the transaction, the nature and scope of the contractual relationship between the Customer and the Bank, the legal terms and conditions in the transaction documents, the extent of the Customer's risk exposure and the potential losses that can be incurred, and the tax, accounting and regulatory treatment of the product. The disclosures cannot be construed as financial advice provided by the Bank. Instead, the Customer should seek advice from a professional adviser prior to entering into transactions if the Customer has any doubts regarding any aspect of the product/transaction.
- 17.3 Structured Products are not treated as bank deposits for the purposes of deposit insurance, and will not be subject to deposit insurance protection in the jurisdictions in which they are offered.

### **18. Price/Return Risk**

- 18.1 Structured Products can be volatile instruments and may be subject to considerable fluctuations in value. The value of a Structured Product may fall as rapidly as it may rise due to numerous factors, including, but not limited to macroeconomic conditions, systematic risks, variations in the frequency and magnitude of changes in interest rates and the price/level of any underlying reference instrument to which the Structured Product relates (e.g. securities, commodities, funds, rates and/or indices).
- 18.2 Potential return on Structured Products may be less than returns on other investments regardless of whether they are more or less volatile. It is possible that the Customer may receive no return for the entire tenor of the investment.
- 18.3 Structured Products may not be principal protected and it is therefore possible that the redemption proceeds for such products at maturity are lower than the initial principal, resulting in losses to the Customer. In the worst-case scenario, there is a possibility that, at maturity, the Customer will not receive any of the Principal Amount invested.

### **19. Credit Risk**

- 19.1 The Customer should be aware that receipt of any sums due at maturity by the Customer is subject to the credit risk of the issuer of the Structured Product ("**Issuer**"). The Customer faces the risk that Issuers will not be able to satisfy their obligations. Except where specifically provided otherwise, Structured Products will constitute general and unsecured contractual obligations of Issuers and such obligations will rank equally with other unsecured contractual obligations of Issuers. Structured Products will also rank pari passu with subsequent unsecured obligations of the Issuer. In the case of an insolvency of the Issuer, preferred liabilities of the Issuer will have priority over unsecured obligations such as Structured Products. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer. Any downgrading of the credit ratings of the Issuer or its parent or affiliates, by any rating agency could result in a reduction in the value of Structured Products. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on Structured Products may be substantially reduced or delayed.

## **20. Foreign Exchange Risk**

- 20.1 The Customer should be aware that the profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Customer's or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency. The potential for profit or loss from transactions on foreign markets or in foreign currency-denominated contracts will be affected by fluctuations in foreign exchange rates.

## **21. Liquidity Risk**

- 21.1 The Customer may not be able to liquidate or sell some or all of his investment in Structured Products as and when the Customer requires or at an amount equal to or more than the principal. There are no active or liquid secondary trading markets for these Structured Products as they are not traded on any regulated markets or listed on any exchange. There can be no assurance that any the Customer will be able to obtain a firm bid price for the Structured Products for an amount at which they wish to sell. Therefore, these Structured Products may not be marketable and as such may not be able to be liquidated or sold before maturity, or if liquidated/sold, may only realise an amount that is at a significant discount to the Principal Amount paid by the Customer. Liquidity on these investments is relatively less than similar grade non-structured fixed coupon bonds. Mark to market valuations on Structured Products may not be available or provided to the Customer on any regular basis prior to maturity.

## **22. Tax Risk**

- 22.1 Income or profit from any investments made by the Customer may be subject to withholding tax, capital gains tax or other taxes imposed by the country in which the investment was made or issued. Taxation may lead to a reduction in principal amounts and/or profit.

## **23. Early Termination/Withdrawal Risk**

- 23.1 The Customer must hold his investment in Structured Products until maturity to benefit from any repayment of the Principal Amount invested. Unless otherwise specified, repayment of the Principal Amount at maturity does not apply if the Structured Product is prematurely terminated by the Issuer before the maturity date.
- 23.2 In the event of such early termination, the market value of Structured Products may be substantially less than the Customer's initial investment. Additionally, the Customer should be aware that, as may be described in detailed Offer Documents, Issuers may, at their discretion, redeem or terminate Structured Products prior to maturity upon notice to the Customer under a variety of conditions and/or circumstances, which may include, where the Bank determines that at any time, by reason of any event or circumstances it is, or may be, impossible to make a reliable determination of the reference value of the Underlying Financial Instrument.
- 23.3 The Customer should note that Issuers may, with the provision of irrevocable notice to the Customer in accordance with the relevant terms and conditions, redeem all outstanding units of the Structured Product on a date specified in such notice. Issuers are typically authorised to do so if there have been changes in relevant laws or regulations that Issuers consider to be materially onerous to comply with in respect of the Structured Product.

## **24. Sovereign Risk**

- 24.1 In the event any of the underlying referenced link/asset/security is issued by a sovereign or governmental entity or quasi-governmental entity, repayment of Structured Products and applicable coupon/interest may be subject to sovereign risks. This includes the potential default by such sovereign, government/quasi government issuer or the occurrence of political or economic events resulting in governmental action such as declaration of a moratorium on debt repayment or negating repayment obligations of the sovereign issuer. If any such event were to occur, the Customer may lose up to all of their initial investment in Structured Products.

## **25. Legal Risk**

- 25.1 In investing in Structured Products through the Bank, the Customer should ensure that it is not in breach of any laws, regulations, contractual or other legal limitations that would otherwise prevent the Customer from entering into such investment. The Customer should be aware that the Bank is, in respect of any Structured Product, subject to applicable laws, regulations and guidelines issued by regulatory authorities in the relevant jurisdiction. In the event of any change in such laws, regulations or guidelines, the Bank may be required to alter some or all of the terms and conditions of the Structured Product or forced to impose early termination on the Customer.

## SCHEDULE 2

### NEGOTIABLE INSTRUMENTS OF DEPOSIT

#### **PART A: INTERPRETATION AND SCOPE**

1. This Schedule 2 governing Negotiable Instruments of Deposit (“Schedule 2”) supplements and forms part of the Investment Services Agreement (“**Agreement**”) and sets out certain terms, conditions and definitions that will apply to any Negotiable Instrument of Deposit (“NID”) transacted or invested with the Bank from time to time.
2. Capitalised terms not otherwise defined in this Schedule 2 shall have the meanings specified in the Agreement.
3. All references to a document in this Schedule 2 shall include any supplements, modifications and amendments thereto from time to time.

#### **PART B: DEFINITIONS**

In this schedule, the following words and phrases have the following meanings:

“**Business Day**” means a day (other than a Saturday, a Sunday or a banking holiday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Malaysia and, for the purposes of payment by the Bank, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency in which payment is to be made;

“**Calculation Agent**” means the party who is named as the calculation agent under Clause 7 of this Schedule 2;

“**Final Confirmation Letter**” means a document issued by the Bank confirming placement of the Principal Amount and certain terms in respect of the NID as set out therein;

“**Fixing Date**” means the date on which the Bank determines the relevant amounts, prices, values or rates as specified in the Confirmation;

“**Government Authority**” means any nation, state or government, any province or other political subdivision thereof, anybody, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

“**Interest Amount**” and “**Interest Payment Date**” each has the meaning given in the Term Sheet;

**“Interest Period”** means the period from (and including) the NID Value Date to (but excluding) the first Interest Payment Date, and each successive period (if any) from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date;

**“Interest Rate”** means the rate(s) specified or determined by the Bank in the manner as set out in the Term Sheet which is payable in respect of the NID if held until maturity and may be fixed, floating or zero;

**“Negotiable Instruments of Deposit” or “NID”** means a negotiable instrument issued by the Bank whether in scripless form or otherwise, evidencing that the Principal Amount has been deposited with the Bank for a specified Tenure at a specified Interest Rate and such other specific terms set out in the Term Sheet and **Confirmation** in accordance with this Schedule 2. In the case of scripless NIDs, the Customer will not hold any physical certificate. The scripless NID will be deposited and cleared through the Bank’s book entry system;

**“NID Maturity Date”** means the date specified in the Final Confirmation Letter representing the end of the tenure of the NID;

**“NID Settlement Date”** means the date specified in the Final Confirmation Letter on which the Bank shall pay, subject to this Schedule 2, the Redemption Amount to the Customer;

**“NID Value Date”** means the date specified as such in the Term Sheet;

**“Principal Amount”** means the principal amount placed by the Customer with the Bank to invest in NID upon the terms specified in the Term Sheet and the Deposit Confirmation in accordance with this Schedule 2;

**“Redemption Amount”** the amount payable if the NID is held until NID Maturity Date calculated in accordance with the provisions set out in, the Final Confirmation Letter;

**“Reference Financial Instrument”** means any or more currencies, foreign exchange forwards, equities, bonds, interest rate futures, index futures, commodities and any other money market or financial instruments, underlying or forms part of a NID, as specified in the Confirmation and/or Term Sheet.

**“Relevant Currency”** means any of the currencies specified as such in the Term Sheet; and

**“Relevant Currencies”** mean all of them;

**“Tenure”** the tenure of the NID being the period commencing on, and including, the NID Value Date and ending on, but excluding, the NID Maturity Date; and

**“Term Sheet”** a document or other evidence exchanged between the parties containing terms and conditions of the NID.

## **PART C: TERMS AND CONDITIONS**

### **1. Confirmation**

1.1 The Bank will within the time limit prescribed by law after the terms of the NID have been agreed and the Principal Amount deposited, issue and send to the Customer a Confirmation, duly issued on behalf of the Bank confirming that the Principal Amount has been placed to invest in the NID.

## **2. Investment of Principal Amount**

- 2.1 The Customer agrees to invest the Principal Amount in an account specified by the Bank for such purpose, on the NID Value Date and for the nominal value of more than RM60,000 or equivalent value per account on that date or such other minimum amount of Investment as specified by the Bank.
- 2.2 The Principal Amount must be received on or before the close of business on the NID Value Date.
- 2.3 The Bank reserves the right, in its sole discretion on or before the NID Value Date not to accept any funds received (or to accept only part of such funds) as the Principal Amount for the NID. In such event, the Bank will notify the Customer as soon as practicable and any funds received but not accepted as the Principal Amount will be paid to such account as notified by the Customer or if the Bank has not been notified of such account or that such account notified by the Customer has ceased to be operative, to any account for the Customer as the Bank shall determine.

## **3. Early Withdrawal**

- 3.1 Withdrawal of the NID prior to the NID Maturity Date ("Early Withdrawal"), may only be made upon such terms and conditions as the Bank may impose. Early termination charges (if any) and/or administrative fees ("Early Termination Charges"), calculated in accordance with such formula as the Bank may prescribe from time to time, may apply when the Customer applies for Early Withdrawal. Early Withdrawal Charges may be more than the returns earned on the NID and may be deducted by the Bank from the Principal Amount or other amounts (if any) which are otherwise payable to the Customer in connection with that NID.

## **4. Interest**

- 4.1 Interest shall accrue on the Principal Amount at the Interest Rate during the Interest Period and shall be calculated as set out in the Term Sheet.
- 4.2 The Interest Amount (if any) shall be subject to all applicable withholding taxes and shall be payable in arrears on the Interest Payment Date, or, if such day is not a Business Day, the Business Day immediately following such Interest Payment Date, to such account as notified by the Customer to the Bank

## **5. Payment to Customer on NID Settlement Date**

- 5.1 The Redemption Amount will be paid on the NID Settlement Date or, if such day is not a Business Day, the Business Day immediately following the NID Settlement Date, to such account as notified by the Customer to the Bank at least two Business Days prior to the NID Settlement Date.
- 5.2 In the event that the NID Settlement Date is not a Business Day, the Customer shall not be entitled to any payment of interest on the Redemption Amount from, and including, the NID Maturity Date.



## **7. Calculation Agent**

- 7.1 Unless otherwise specified in the Confirmation and/or the Term Sheet, the Bank shall be the calculation agent for the purposes of determining the various amounts payable and the exercise of any discretion granted in connection with each NID. The Bank shall discharge its duty as calculation agent in good faith and all determinations as calculation agent shall be binding and conclusive in the absence of manifest error.

## **8. Adjustment**

- 8.1 Upon the occurrence of an event having, in the sole and absolute determination of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Reference Financial Instrument(s) of a NID, the Calculation Agent shall make the corresponding adjustment(s), if any, to the strike price(s) and/or the number of such Reference Financial Instrument(s) as specified in the Confirmation and/or the Term Sheet. In any case, the Calculation Agent may also make adjustments as the Calculation Agent determines appropriate to any other variable relevant to the settlement or payment terms of such NID to account for such diluting or concentrative effect and determine the effective date(s) of the adjustment(s).

## **9. Tax**

- 9.1 The Bank shall not be liable for any Taxes or similar charges payable in connection herewith. Any amount of Taxes deducted from the Interest Amount, the Redemption Amount or any other amounts payable hereunder will be advised to the Customer each time the Interest Amount, the Redemption Amount or such other amount (if any) is paid.

## **10. Force Majeure**

- 10.1 The Bank shall have the right to terminate the NID at any time, by giving notice to the Customer, if it determines in good faith that:
- (a) its performance under the Terms and Conditions has become unlawful in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise;
  - (b) its performance under the Terms and Conditions is prevented or materially hindered or delayed due to either any act, law, rule, regulation, judgment, order, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or the occurrence of civil war, disruption, military action, unrest, political insurrection, riot or any other financial or economic reasons or any other causes or impediments beyond its control;
  - (c) it has become impracticable, illegal or impossible (i) to convert through the customary legal channels a Relevant Currency into the other Relevant Currency, or (ii) to deliver through customary legal channels any funds in a Relevant Currency from accounts inside the jurisdiction of that Relevant Currency to accounts outside the jurisdiction of that Relevant Currency or (iii) to deliver the Relevant Currency between accounts inside the jurisdiction of that Relevant Currency or to a party that is a non-resident of the jurisdiction of that Relevant Currency, due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise;
  - (d) the currency exchange rate between the Relevant Currencies has split into dual or multiple currency rates or it has become impractical, illegal or impossible for the Bank to determine a currency exchange rate for the Relevant Currencies or the relevant interest

rate or to obtain a firm quote for such rates for payment under the Terms and Conditions;

- (e) it has become impracticable, illegal or impossible in any relevant jurisdiction for the Bank to purchase, sell or otherwise deal (or to continue to do so) in a Relevant Currency or enter into any options or futures contracts or swaps in relation to any Relevant Currency in order to perform its obligations under the Terms and Conditions or in respect of any relevant hedging arrangements in connection with the Terms and Conditions under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise; or
  - (f) any other event beyond the control of the Bank has occurred which makes it impracticable, illegal or impossible for the Bank to perform its obligations under the Terms and Conditions or to effectively hedge its obligations under the Terms and Conditions.
- 10.2 Upon the termination of the NID as aforesaid, the Bank will, in respect of the NID, cause to be paid to the Customer an amount determined to be the fair market value of the NID as at the termination taking into consideration all information which the Bank deems relevant (including the impracticability, illegality or impossibility) less the cost to the Bank of unwinding any related underlying hedging arrangements (including but not limited to selling or otherwise realising any options, futures contracts in relation to the Deposit or any such other property), all as determined by the Bank reasonable discretion. Payment will be made, as the case may be, in such manner as shall be notified to the Customer.

#### **PART D: RISK DISCLOSURE**

##### **11. Preamble**

- 11.1 Customers who transact in NID with or through the Bank should be aware of the risks which may be involved in such transactions. The objective of these disclosures are to highlight the risks pertinent to the transactions in this particular product to assist the Customer in making an informed assessment of the suitability of the product to their financial resources, experience, investment needs and risk profile prior to transacting. The risk of loss, in all instances, may be substantial.
- 11.2 The disclosures cannot be used and are not sufficient to explain all the risks and other significant aspects of entering into NID. The Customer should therefore fully understand the nature of the transaction, the nature and scope of the contractual relationship between the Customer and the Bank, the legal terms and conditions in the transaction documents, the extent of the Customer's risk exposure and the potential losses that can be incurred, and the tax, accounting and regulatory treatment of the product. The disclosures cannot be construed as financial advice provided by the Bank. Instead, the Customer should seek advice from a professional adviser prior to entering into transactions if the Customer has any doubts regarding any aspect of the product/transaction.

11.3 NID are not treated as bank deposits for the purposes of deposit insurance, and will not be subject to deposit insurance protection in the jurisdictions in which they are offered.

## **12. Return Risk**

12.1 Potential return on NIDs may be less than returns on other investments regardless of whether they are more or less volatile. It is possible that the Customer may receive no return for the entire tenor of the investment.

## **13. Credit Risk**

13.1 The Customer should be aware that receipt of any sums due at maturity by the Customer is subject to the credit risk of the Bank. Should the Bank become unable to meet its financial obligations, there is a possibility that the NID in question may lose its value and the associated principal and profits may not be recoverable.

## **14. Foreign Exchange risk**

14.1 The Customer should be aware that the profit or loss in transactions in foreign currency-denominated NID (whether they are traded in the Customer's or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the NID to another currency. The potential for profit or loss from transactions in foreign currency-denominated NID will be affected by fluctuations in foreign exchange rates.

## **15. Early Termination Risk**

15.1 The Customer must hold his investment in NID until maturity to benefit from any repayment of Principal Amount. Unless otherwise specified, repayment of the principal at maturity does not apply if the NID is prematurely terminated before the NID Maturity Date.

15.2 In the event of such early termination, the value of NIDs may be substantially less than the principal amount invested. Additionally, the Customer should be aware that, as may be described in detailed offer documents, The Bank may, at their discretion, terminate NID prior to maturity upon notice to the Customer under a variety of conditions and/or circumstances.

## **16. Legal Risk**

16.1 In investing in NID through the Bank, the Customer should ensure that it is not in breach of any laws, regulations, contractual or other legal limitations that would otherwise prevent the Customer from entering into such NID. The Customer should be aware that the Bank is, in respect of any NID, subject to applicable laws, regulations and guidelines issued by regulatory authorities in the relevant jurisdiction. In the event of any change in such laws, regulations or guidelines, the Bank may be required to alter some or all of the terms and conditions of the NID or forced to impose early termination on the Customer by prior written notice to the Customer.

## **17. Tax Risk**

17.1 Income or profit from any investments made by the Customer may be subject to withholding tax, capital gains tax or other taxes imposed by the country in which the NID was made or issued. Taxation may lead to a reduction in principal amounts and/or profit.

## **SCHEDULE 3**

### **UNIT TRUST**

#### **PART A: INTERPRETATION AND SCOPE**

This schedule supplements and forms part of the Investment Services Agreement (“**Agreement**”). Capitalised terms not otherwise defined in this schedule shall have the meanings specified in the Agreement. The purpose of this schedule is to set out certain terms, conditions and definitions that will apply to transactions in respect of unit trust transactions. In the event of any conflict or inconsistency between the terms and conditions governing unit trust and the Agreement, this schedule shall prevail.

1. This Schedule 3 governing unit trust transactions by the Customer (“Schedule 3”) supplements and forms part of the Investment Services Agreement (“**Agreement**”) and sets out certain terms, conditions and definitions that will apply to any unit trust transaction entered into by the Customer through the Bank from time to time.
2. Capitalised terms not otherwise defined in this Schedule 3 shall have the meanings specified in the Agreement.
3. All references to a document in this Schedule 3 shall include any supplements, modifications and amendments thereto from time to time.

#### **PART B: DEFINITIONS**

In this schedule, the following words and phrases have the following meanings:

“**Application Form**” means the relevant administrative or application form as determined by the Bank for the investment in Unit Trust in accordance with this Schedule 3;

“**Business Day**” means a day other than Saturday, Sunday and public holidays on which the Bank, the custodian and Issuer are open for business unless otherwise specified in the respective Unit Trust Prospectus.

“**Unit**” shall mean a unit in a Unit Trust and/or an undivided share in the beneficial interest and/or right in the Unit Trust;

“**Issuer**” means the fund manager or other entity that is issuing and managing the Unit Trust;

“**Law**” means all applicable (a) laws, rules and regulations of the relevant jurisdictions where the transactions in respect of Unit Trust took place and (b) constitution, rules, regulations, rulings, interpretations, customs, usages, protocols of governmental bodies and self-regulatory organisations including all relevant securities and commodity exchanges and domestic or foreign market (and its clearing house, if any);

“**Prospectus**” in relation to any Unit Trust means the most recently published version from time to time of the prospectus, supplementary prospectuses (if any) and/or product highlight sheet, and/or (where applicable) information memorandum, governing the relevant Unit Trust;

“**Unit Trust**” means a unit trust, investment fund, mutual fund, wholesale fund or other collective investment schemes that have been duly registered and approved by the relevant regulatory authority in the relevant jurisdiction and distributed by the Bank from time to time.

## **PART C: TERMS AND CONDITIONS**

### **1. Information**

- 1.1 The information to be provided to the Customer by the Bank may comprise:-
- (a) information produced and provided to the Bank in connection with or relating to the Unit Trust by the Issuer or any representative, agent or adviser to such Unit Trust; and/or
  - (b) statistical information in respect of past performance of the Unit Trust generated by the Bank.
- 1.2 If the Customer wishes to raise any questions or seek further details in respect of the information provided, the Customer shall address such questions to the Bank in writing and the Bank will use reasonable endeavours to obtain a written response to such questions from the relevant Issuer.
- 1.3 The Customer acknowledges and agrees that his investment in a Unit Trust is made only on the basis of information in the relevant Prospectus. All other information or representation must be regarded as unauthorised and must not be relied on. The Bank's distribution of a Unit Trust is not to be seen as a recommendation of that Unit Trust.
- 1.4 The Customer acknowledges that a Unit Trust is not a deposit. Participations in Unit Trust are subject to investment risks including possible loss of the entire of the principal amount invested.
- 1.5 The Customer acknowledges and understands that Unit Trusts and Units in such schemes are not deposits and are not protected by deposit insurance schemes of any jurisdiction.

### **2. Subscriptions**

- 2.1 The Customer may place orders for a Unit Trust or send requests for subscription, holding, redemption, cooling off, transfer or switching of a Unit Trust by completing the Application Form and producing the relevant documents required by the Bank.
- 2.2 On receipt of such written instructions, the Bank will on behalf of the Customer place such instructions for subscription, holding, redemption, cooling-off, transfer or switching to the relevant Issuer.
- 2.3 The Customer hereby acknowledges that in placing such instructions for subscription, holding, redemption, cooling-off, transfer or switching, the Bank may if it has received similar instructions from other customers, aggregate the Customer's instructions with such instructions and place an aggregate order with the relevant Issuer.
- 2.4 Where the Bank has placed an order (aggregate or otherwise) for the subscription or switching of units in a particular Unit Trust with the Issuer, the Issuer will issue the relevant units to and register the units in the name of the custodian. The units so issued will be allotted or allocated among the relevant customers including the Customer in any order or manner as determined by the Bank.
- 2.5 The Customer hereby expressly acknowledges and agrees that:
- (a) any Issuer which receives an order from the Bank will not be obliged to accept such orders in whole or in part and neither the Bank nor the custodian shall have any responsibility or liability for ensuring that the relevant Issuer allots the Unit Trust or for any losses including any loss of investment opportunity which the Customer may suffer or incur as a result of any refusal to accept or delay in accepting such orders by any such Issuer.
  - (b) having subscribed for the Unit Trust by means of the Services provided by the Bank, the Bank's responsibility is solely to implement the Instructions of the Customer given, subject

to this Schedule 3.

- 2.6 Under the Customer's instruction, the Bank is authorized to debit the Settlement Account with an amount equal to the moneys required for subscription of the Unit Trust and any other charges, costs and expenses as required. In such cases, the Customer undertakes at all times to maintain sufficient funds in the Settlement Account for the purpose of making payments for any purchase of Units in accordance with the Instructions on the Application Form and /or for paying fees, costs or other expenses that the Customer is liable to pay hereunder.
- 2.7 The Customer acknowledges and agrees that if at any time there are in the Bank's reasonable opinion (having regard to other payments debited or due to be debited) insufficient funds in the Settlement Account for these purposes, the Bank may:
- (a) decline to place an order on the Customer's behalf; or
  - (b) at the Bank's own discretion and without any obligation to do so on the its part and without any instruction from or notice from the Customer, transfer the requisite funds from any other accounts maintained by the Customer with the Bank; or
  - (c) at any time, from time to time and with prior notice to the Customer, combine, consolidate or merge all or any of the Customer's accounts with, and liabilities to, the Bank and may without notice to the Customer set-off or transfer any credit balance (whether or not then due) to which the Customer is at any time beneficially entitled on any account in or towards the satisfaction of any of the Customer's obligations and liabilities to the Bank (whether actual or contingent, alone or jointly with any other person anywhere, primary or collateral, and whether or not such obligations or liabilities are accrued or not) and may do so notwithstanding that the accounts in credit are expressed in quantities of gold, silver or other precious metal or the balances on such accounts is in a currency other than the currency of drawing and the Bank is authorized to effect any necessary conversions at the Bank's rate of purchase or exchange then prevailing. The Bank shall not be obliged to exercise any of its rights under this clause, which shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which the Bank is at any time otherwise entitled whether by operation of law, contract or otherwise.
- 2.8 The Customer will receive a confirmation notice from the custodian and/or the Bank in respect of any subscriptions, holding, redemption, cooling-off, transfer and switching of Unit Trust issued to or switched by or to, or transferred by or to or redeemed by the Bank for the Customer.
- 2.9 Payment shall be in the form prescribed by the Issuer and/or the Bank which will be informed to the Customer from time to time.
- 2.10 Redemption proceeds received by the Bank will be paid or credited in the manner specified in the Instruction. The redemption proceeds will be net of any fees, charges or expenses incurred in connection with the redemption. Neither the Bank nor Custodian will be under any duty or obligation to ascertain or have any responsibility for the adequacy of the redemption monies received.
- 2.11 Subscription, redemption, cooling off, switching or transfer instructions received from the Customer by the Bank on any Business Day before the cut-off time specified or determined by the Bank at its discretion, may at the Bank's sole discretion be aggregated with other instructions (if any) and the Bank will use all reasonable endeavours to place an aggregated order or request to the relevant Issuer for the same Business Day if payment in respect of the instruction is received in cleared and available funds on the Business Day before the cut-off time. If such instructions are not or cannot be carried out on the same Business Day for any reason the Bank shall be entitled to place or to carry out such instructions on the next Business Day or the date when the payment is cleared (whichever is later) and any such transactions shall be binding on the Customer. Instructions received after the specified cut-off time or non-Business Day shall be deemed to be an Instruction received by the Bank on the next Business Day and the above conditions will apply.

### **3. Custody of Units**

- 3.1 The Bank shall arrange for all units of Unit Trust received and held by it from time to time for the account for the Customer to be held in safe-custody in such manner as the Bank deems appropriate.

### **4. Bank's relationship with Issuer**

- 4.1 In all transactions involving Unit Trust, the Bank acts as an agent of the Issuer.

### **5. Authorisation**

- 5.1 The Customer explicitly authorises the Bank:

- (a) to provide such information in connection with the Units including the name of the owner(s), as may be required under any applicable Law to any relevant authority along with any documentation relating thereto and also authorize the Bank's delegates/ agents to do the same; and
- (b) to commingle any Units held by the Bank with other units, securities and properties owned by it, its other customers or other parties.

### **6. Redemption**

- 6.1 If, at any time, the Customer wishes to redeem Units in the Unit Trust acquired pursuant to this Schedule 3, the Customer may request the Bank to apply or procure that an application is made to the relevant Issuer for such redemption of Units in the Unit Trust and the Bank will make the necessary application.
- 6.2 Redemption of the Units in the Unit Trust shall be in such minimum amount as may be imposed by the Issuer or the Bank from time to time.
- 6.3 For cash investments, a redemption confirmation note will be sent to the Customer by the Bank indicating the amount of redemption proceeds due.
- 6.4 For redemption proceeds and/or other payments in relation to the Unit Trust, such proceeds and/or payments will be paid in the currency in which the Unit Trust is denominated unless restricted or prohibited under the Law. In the event of such restrictions or prohibitions, the Bank shall have the right to pay the redemption proceeds in any other tradable currency as it shall, in its discretion, deem fit. The Customer shall not hold the Bank responsible or liable for any losses suffered (including foreign exchange losses, if any) in relation to the payment of redemption proceeds and/or other payments in relation to the Unit Trust.
- 6.5 All charges and expenses incurred in connection with redemption of Units of the Unit Trust shall be borne by the Customer.
- 6.6 For cash investments, if, at any time, for any reason whatsoever, any Issuer instructs the Bank to divest itself, transfer or otherwise dispose of such investments in a Unit Trust in accordance with the trust deed and the prospectus constituting the relevant Unit Trust, the Bank shall promptly seek the Customer's instructions as to how (subject to this Schedule 3) the Customer wishes to proceed and if no instructions are received by the Bank within the time allotted for receipt of the same and/or satisfactory course of action cannot be agreed with the relevant Issuer within any time period specified for this purpose, the Bank shall redeem the relevant investments in the Unit Trust and credit the redemption proceeds to the Settlement Account.

## **7. Switching**

- 7.1 Subject to the terms and conditions set out in the trust deed and the Prospectus of the relevant Unit Trust and as may be permitted by the Bank, the Customer may only switch units between opened-ended funds managed by the same Issuer. Switching of funds denominated in foreign currency is subject to the relevant Issuer's approval.
- 7.2 Switching is subject to the Issuer's terms and conditions. In the event where switching is permitted and the Customer chooses to switch, the Customer acknowledges that:
- a) the Customer will not receive any refund of initial sales charges in relation to the purchase agreement in respect of the original Unit Trust;
  - b) it is not certain whether the Customer would be in a better or worse position if the Customer switches Unit Trust (as opposed to cancelling);
  - c) the Customer may incur switching related fees (which vary depending on the applicable Issuer); and
  - d) the Customer will not have the right to cancel in respect of any Unit Trust that he switches into if the application to switch is submitted by the Customer to the Bank after the relevant cut-off time notified by the Bank..

## **8. Acknowledgements**

- 8.1 The Customer acknowledges that the Bank does not have any authority on behalf of any Unit Trust to accept applications or requests for subscriptions, switching, transfer or redemption of Units and that receipt of completed applications or requests, payments or other materials by the Bank does not constitute acceptance of the application or request by the Bank.
- 8.2 The Customer acknowledges and agrees that the Bank shall have no liability whatsoever to the Customer in relation to any error, misstatement, representation or omission in any memorandum or prospectus or any report prepared by the relevant Issuer.
- 8.3 The Customer acknowledges and agrees that the Issuer has appointed the Bank to perform certain functions in connection with the provision of Unit Trust Services to the Customer and the Customer undertakes not to hold the Bank responsible or liable in any way for any act or omission of the Issuer in connection therewith provided that the Bank has exercised such care in appointing the Issuer to perform the said services as it would employ in the usual course of its own business.
- 8.4 The Customer acknowledges and agrees that the Bank may receive a commission (howsoever designated) from relevant Issuers in connection with the Customers' subscription for Unit Trusts. The Customer acknowledges and agrees that the Bank shall be entitled to retain the benefit of any such commission and shall have no obligation to account to the Customer for all or any part of such commission.

## **9. Right Not to Act**

- 9.1 Notwithstanding anything in this Schedule 3 to the contrary, whether express or implied, the Bank shall be entitled at any time to decline to act on the Customer's instructions or application with respect to any Transaction or application for Unit Trust without assigning any reason for doing so. In particular, the Bank reserves the right to reject instructions or applications which are, in the Bank's opinion:
- (a) incomplete, unclear or ambiguous; or
  - (b) which may cause the Bank to contravene any Law for the time being in force; or
  - (c) received after the relevant cut-off time for subscription; or
  - (d) if the Customer and/or Authorised Signatory's signature differs from that given as a specimen to the Bank.



9.2 The Bank shall not incur any liability to the Customer as a result of the Bank's refusal to act save and except for damages arising directly out of the Bank's willful default or gross negligence.

## **10. Other Provisions**

10.1 No failure, delay or indulgence on the Bank's part in exercising any right or power under this schedule shall operate as a waiver of such right or power, nor shall any single exercise of any such right or power preclude any further or other exercise thereof or the exercise of any other right or power under this schedule.

10.2 Subject to such terms and conditions as the Bank may impose at the Bank's absolute discretion, the Bank may, if so requested by the Customer, act as a facilitator in making or redeeming investments in Unit Trusts on the Customer's behalf under an Employees Provident Fund Scheme in the relevant jurisdiction. If the Bank agrees to so act on the Customer's behalf, the Customer agrees that the Bank assumes no liability whatsoever in relation to or in connection with the making or redemption of such investment.

## **PART D: RISK DISCLOSURE**

### **11. Preamble**

11.1 Customers who transact in Unit Trusts with or through the Bank should be aware of the risks which may be involved in such transactions. The objective of these disclosures are to highlight the risks pertinent to the transactions in this particular product to assist the Customer in making an informed assessment of the suitability of the product to their financial resources, experience, investment needs and risk profile prior to transacting. The risk of loss, in all instances, may be substantial.

11.2 The disclosures cannot be used and are not sufficient to explain all the risks and other significant aspects of purchasing Unit Trusts. The Customer should therefore fully understand the nature of the transaction, the nature and scope of the contractual relationship between the Customer and the Bank, the legal terms and conditions in the transaction documents, the extent of the Customer's risk exposure and the potential losses that can be incurred, and the tax, accounting and regulatory treatment of the product. The disclosures cannot be construed as financial advice provided by the Bank. Instead, the Customer should seek advice from a professional adviser prior to entering into transactions if the Customer has any doubts regarding any aspect of the product/transaction.

### **12. Price Risk**

12.1 Unit Trusts can be volatile instruments and may be subject to considerable fluctuations in value. The value of a unit trust may fall as rapidly as it may rise due to numerous factors, including, but not limited to systematic risks, variations in the frequency and magnitude of changes in interest rates, inflation outlook (and the price/level of any underlying reference instrument to which the unit trust relates (e.g. securities, commodities, funds, rates and/or indices)).

### **13. Credit Risk**

13.1 Should the Bank, Issuer or trading counterparty for a unit trust become unable to meet its financial obligations, there is a possibility that the investment may lose its value and the associated trading costs and profits may not be recoverable. The Customer should be aware that in making any Investment, the Customer is potentially subject to the credit risk of the Bank or the Issuer, and their abilities to meet their respective financial liabilities in respect of the investment.

### **14. Foreign Exchange Risk**

14.1 The Customer should be aware that the profit or loss in transactions in foreign currency-denominated Unit Trusts (whether they are traded in the Customer's or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the unit trust to another currency. The potential for profit or loss

from transactions in foreign currency-denominated Unit Trusts will be affected by fluctuations in foreign exchange rates.

## **15. Risk of Foreign Markets**

15.1 Foreign markets may involve different risks to the markets in the Customer's Jurisdiction. For example, investments made in an asset or issued by a party subject to foreign laws, receipt of profits and/or recovery of the sums invested may be reduced, delayed or prevented by measures imposed by foreign governments or other official bodies. Other risks include lower levels of investor protection measures and disclosure standards in foreign countries. In some countries, these risks will be greater than in others, and the local regulatory authority may not be able to compel the enforcement of the laws and rules of other jurisdictions where transactions have been effected. The Customer should be familiar with the rules governing transactions in foreign markets prior to investing in such market

15.2 In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.

## **16. Liquidity Risk**

16.1 Under certain market conditions, it may be difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move" or trading is suspended by the relevant exchange. In addition, there may not be a ready market for certain investments or market traders may not be prepared to deal in certain investments leading to difficulties in liquidation.

## **17. Tax Risk**

17.1 Income or profit from any investments made by the Customer may be subject to withholding tax, capital gains tax or other taxes imposed by the country in which the investment was made or issued. Taxation may lead to a reduction in principal amounts and/or profit.

## **18. Fund Management Risk**

The selection of securities of a fund / placement of cash / deposits which make up the assets of the fund is a subjective process and depends on the expertise of a fund manager in carrying out the investment management function of a fund. The securities selected / deposits placed by the fund manager may perform better or worse than the overall market, or as compared to portfolios of a similar mandate.

## **19. Non-Compliance Risk**

Risk arises from non-conformance with applicable laws, rules, regulations and deeds by the manager or its fund management delegate. The possibility of a breakdown in the manager's or the fund management delegate's prescribed practices and internal policies and procedures may have an impact on the fund's net asset value.

## **20. Loan Financing Risk**

If a loan is obtained to finance the purchases of units of any unit trust funds, Customers will need to understand that borrowing increases the magnitude for gains or losses. Hence, the risk of using loan financing should be carefully assessed.

## **SCHEDULE 4**

### **SECURITIES TRADING**

#### **PART A: INTERPRETATION AND SCOPE**

1. This Schedule 4 governing any transaction in relation to the trading in Securities by the Customer (“Schedule 4”) supplements and forms part of the Investment Services Agreement (“**Agreement**”) and sets out certain terms, conditions and definitions that will apply when the Customer trades in Securities through the Bank from time to time.
2. Capitalised terms not otherwise defined in this Schedule 4 shall have the meanings specified in the Agreement.
3. All references to a document in this Schedule 4 shall include any supplements, modifications and amendments thereto from time to time.

#### **PART B: DEFINITIONS**

In this schedule, the following words and phrases have the following meanings:

“**Agent**” means any custodian, sub-custodian, nominee, delegate, execution agent or other agent (other than a Clearance System and the Bank) appointed by the Bank at any time pursuant to this Schedule 4 or otherwise employed or engaged by the Bank to provide all or part of the services to be provided to the Customer pursuant to this Schedule 4, and shall include any such person appointed, employed or engaged by an Agent;

“**Application Monies**” means any amount (excluding Fees) payable by the Customer upon or in connection with the exercise of any option, warrant, or similar right, or the subscription for, or purchase of, any security;

“**Business Day**” means (as the context may require):

- (a) any day other than a Saturday, Sunday or public holiday on which registered banks are open for normal banking business in Kuala Lumpur, Malaysia and which is a Business Day for the purposes of the Participant Rules;
- (b) in respect of any other jurisdiction, any day in that jurisdiction other than a Saturday or Sunday on which the relevant securities exchange in that jurisdiction is open for trading;

“**Buy Order**” means an order to the Bank placed, or purporting to be placed, by the Customer to buy or subscribe for specified Securities (and, where permitted by the Bank, may include such orders placed by telephone, fax or email);

“**Clearance System**” means any recognised central clearing or depository system and other clearing agency or settlement system as may be used under this Schedule 4 from time to time, including the clearing and depository system operated by the relevant depository and clearing house respectively;

“**Clearing and Settlement Rules**” means the relevant rules of the clearing houses of the jurisdiction where securities trading occur;

“**Confirmation**” means, in relation to any Order, a written confirmation for that Order;

“**Custody Securities**” means Securities, and any other type of assets, of which the Customer is the legal or beneficial owner that the Bank agrees to hold (or to have held by an Agent) on the Customer’s behalf;

“**Debt Securities**” means debentures and units of debentures, bonds, Islamic bonds or sukuk, notes, certificates of deposit instruments and other debt instruments, including rights and obligations over any of the same;

**“Equity Securities”** means shares, stocks, options, warrants and other rights or interests in or in respect of such shares or stocks;

**“Fees”** means the brokerage, fees and commissions applicable to Orders or the custody service and as may be amended and updated by the Bank from time to time together with any costs and expenses incurred in executing Orders or providing the custody service and includes the brokerage, fees, margins and commission referred to in Clause 2.1 of Schedule 4;

**“Government Agency”** means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity;

**“Order”** means either a Buy Order or Sell Order that the Customer places;

**“Participant Rules”** means the relevant rules of the jurisdiction where the transaction takes place as may be amended from time to time;

**“Securities”** means Debt Securities and Equity Securities.

**“Sell Order”** means an order placed, or purporting to be placed by the Customer to the Bank, to sell specified Securities (and, where permitted by the Bank, may include such orders placed by telephone, fax or email);

**“Trade”** means the execution of Orders by the Bank pursuant to this schedule and “Trading” shall have a corresponding meaning.

## **PART C: TERMS AND CONDITIONS**

### **1. General**

- 1.1 The Bank may (but is not obliged to) provide all or any of the following services to the Customer in connection with Equity and/or Debt Securities:
- (a) to purchase or subscribe any Equity and/or Debt Securities in accordance with Instructions following receipt of the funds required for such purpose;
  - (b) to sell or otherwise dispose of Equity and/or Debt Securities and to deal with the proceeds and to enter into any agreement or instrument on behalf of the Customer in connection with Equity and/or Debt Securities, in each case either in accordance with Instructions or pursuant to provisions of this Schedule 4;
  - (c) to deliver the documents of title and any other instruments relating to Equity and/or Debt Securities to the Customer or to the order of the Customer; and
  - (d) to provide such other services as the Bank may from time to time offer and which the Customer accepts or requests.
- 1.2 The Bank undertakes to notify the Customer of any material changes to the nature of services provided hereunder, fees and charges, changes in the name and address where the Bank carries out its business, or its registration status with the relevant regulatory bodies, in such manner and form as the Bank in its discretion deems fit.
- 1.3 It should be noted that the Equity and/or Debt Securities are issued by the issuers and accordingly, the issuers (and not the Bank) will be liable for all obligations and liabilities under and in respect of the Equity and/or Debt Securities. Unless otherwise disclosed to the Customer, the Bank will act as agent and not as principal in relation to any transaction made between the Bank and the Customer in connection with Equity and/or Debt Securities.
- 1.4 The Customer may instruct the Bank to buy and sell Equity and/or Debt Securities on behalf of the Customer. The Customer must place all Sell Orders and all Buy Orders in accordance with this schedule.

- 1.5 The Customer represents that the Customer has met the minimum regulatory requirements to be allowed to buy or sell Equity and/or Debt Securities.
- 1.6 If the Customer wishes to amend or cancel an Order, the Customer must do so only by giving specific Instructions to the Bank for the amendment or cancellation of that Order. In the event that part of the Customer's Order is executed prior to the amendment or cancellation Instruction being effected, the Customer will be liable to settle the partially executed Order.
- 1.7 Unless the Bank agrees to the contrary or the Customer gives specific Instructions to the Bank, the Customer acknowledges that each Instruction may be treated by the Bank as good for the day only and as lapsed at the end of the official trading day of the relevant exchange.
- 1.8 Each transaction made or entered into by the Bank on behalf of the Customer shall be subject to the constitution, rules, regulations, customs, usages, rulings and interpretations from time to time in force of the relevant exchange and clearing house through which the transaction is conducted and any other authority having jurisdiction and to the applicable laws and regulations in the jurisdiction where the transaction takes place. The Customer will not place Orders that will breach, or are likely to cause the Bank or any Agent to breach, any of the Participant Rules, the Clearing and Settlement Rules, or any other rule, regulation or law which is binding on the Customer, the Bank or any Agent, including, without limitation, rules, regulations or laws relating to insider trading, market manipulation or similar conduct.
- 1.9 The Customer must, immediately upon receipt of a Confirmation from the Bank, check the details on the Confirmation and advise the Bank immediately of any errors or omissions.

## **2. Brokerage, Fees and Charges**

- 2.1 The Customer agrees:
  - (a) to pay all Fees and all other applicable Taxes, duty, levy, expenses, costs and charges payable by the Customer under this Schedule 4 and in connection with transactions effected for the Customer, the custody service and any fees and interest charged under Clause 2.2 of this Schedule 4;
  - (b) that it will incur foreign exchange charges and other fees on all transactions under this schedule that requires funds to be converted to or from the currency specified by the Bank; and
  - (c) that such amounts will be deducted from the Settlement Account by direct debit or by deduction from Equity and/or Debt Securities sale proceeds, as the case may be.
- 2.2 Where any amount owing from the Customer to the Bank is overdue, the Bank may at its option charge the Customer an administration fee to cover incidental costs that result or that are incurred in recovering this amount and may charge interest in accordance with Clause 11 of this Agreement.

## **3. Customer Liability and Indemnities**

- 3.1 The Customer will, on demand, indemnify the Bank and its affiliates from and against any and all losses, costs, claims, damages, penalties, fines, expenses and liabilities which the Bank and their respective affiliates may incur or suffer as a result of or in connection with this Schedule 4, including as a result of or in connection with:
  - (a) any breach of any provisions of this schedule on the Customer's part, or on the part of any person for whom the Customer is responsible in terms of this Schedule 4;
  - (b) the Bank having to pay funds to any other person in settlement of an Order where the Customer has failed to provide the Bank with funds for that Order by the relevant due date;

- (c) a failure to settle or pay any amount due in respect of a Transaction, Instruction, Order or Custody Securities; and/or
  - (d) any giving unauthorised or incorrect Instructions or Orders or failing to comply with the terms and conditions of this schedule.
- 3.2 The Customer will be liable for any or all loss suffered by the Bank arising from any security breach caused or permitted by the Customer or the Customer's failure to comply with this Schedule 4.
- 3.3 The indemnities in this Clause 3 are continuing obligations, independent of the other obligations of the parties under this Schedule 4 and shall survive the termination of this Agreement. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this schedule.

#### **4. The Bank's Obligations**

- 4.1 The Bank may debit the Settlement Account with:
- (a) the amount(s) notified to it by the Bank as the amount(s) required to cover and settle the full value of any Order or Instruction placed or given by the Customer; and
  - (b) the Fees and any other costs associated with any Orders or Instructions placed or given by the Customer or with services provided by the Bank under or in connection with this Schedule 4, provided that if such amount to be debited would exceed the amount of any minimum balance or agreed overdraft on the Settlement Account, the Bank may decline to debit the Settlement Account and, if applicable, the Buy Order will not be settled until the Settlement Account has sufficient available cleared funds to meet such payments.
- 4.2 The Bank agrees to credit the Settlement Account with the amount(s) received from the Bank which the Bank advises are:
- (a) the proceeds of any Sell Order, less the Fees and any other costs and expenses associated with that Sell Order; and/or
  - (b) interest, dividends, distributions or other amounts payable on or in connection with any Custody Securities, less the Fees and any other costs and expenses associated with such amounts.
- 4.3 The Bank may receive all or a share of the Fees (net of third party costs and charges). The Bank will collect the Fees and credit to the Bank its share of such Fees.

#### **5. Sale Process**

- 5.1 Orders:
- (a) Any failure by the Customer to settle a transaction by the due date may result in charges, the reversal of the Order at the Customer's expense and liability and/or the Customer being suspended from Trading on the Customer's Account.
  - (b) The Bank is under no obligation to accept any Order or Instruction from the Customer and reserves the absolute right to decline to act on the Customer's behalf in relation to any particular Order or Instruction without explanation or notice. Additionally, where the Bank believes an Order or Instruction to be ambiguous, incomplete or unclear, the Bank reserves the right not to act on that Order or Instruction. Where an Order or Instruction is accepted, the Bank will act only within the parameters of the Customer's Order or Instruction and the Customer agrees to pay all brokerage, fees, costs and charges relating to that Order or Instruction in accordance with Clauses 2 and 4.1 of this Schedule 4. All Orders shall remain until the Order is completed or cancelled by the Customer or the Bank.

- (c) When the Customer places a request to cancel an Order, the cancellation of that Order is not guaranteed. Orders will only be cancelled if the Customer's request is received during the trading hours or relevant "cut off" time in respect of any relevant exchange or market as advised by the Bank from time to time and matched up with the Order before the Order is executed. The Customer may not treat any Order as having been executed or cancelled until the Customer has received a transaction confirmation from the Bank via mail or other means (the choice of which shall be determined by the Bank at its sole discretion).
- (d) Any other regulatory body may withdraw an Order or the Bank may withdraw an Order from the Bank's Order processing system or via its Agent. While the Bank may endeavour to notify the Customer if an Order is withdrawn, the Bank does not guarantee that the Bank will be successful and accepts no responsibility for any expenses, costs or losses (including any consequential loss and any loss of income, profit, business or saving) suffered or incurred directly or indirectly by the Customer as a result of the withdrawal or expiry of an Order.
- (e) Instructions and Orders to purchase or sell Equity and/or Debt Securities shall be attended to by the Bank in the order in which they are received.
- (f) Unless the Customer instructs otherwise, the Bank will implement the Customer's Orders by placing them to the market in such manner as the Bank considers appropriate having exercised this discretion with reasonable care. This means the Bank may:
  - (i) accumulate or bundle Orders coming to market;
  - (ii) delay executing the Customer's Orders; or
  - (iii) delay Orders to satisfy crossings.
- (g) The Bank shall have no obligation or liability to the Customer, whatsoever and howsoever arising, for failing or being unable to comply with the terms of any Instructions of the Customer or inability to effect transactions at the prices or rates quoted at any specific time or any delay in executing the Customer's Orders save and except for damages suffered by the Customer arising directly from the Bank's willful default or gross negligence.
- (h) The Customer may at any time give the Bank an Instruction either generally, or in relation to a particular transaction, as to how the Customer wishes an Order to be implemented.
- (i) In relation to Debt Securities, the Customer hereby acknowledges that :
  - (i) the Bank need only act on Orders from the Customer in respect of any part of or all of the Debt Securities held in the Customer's Account; and
  - (ii) the Bank is not obliged to purchase the Debt Securities back from the Customers.

## 5.2 Sale Proceeds:

- (a) Sale proceeds will be paid by direct credit to the Settlement Account.
- (b) Where the Customer submits a Sell Order with respect to Equity and/or Debt Securities quoted in a foreign currency, sale proceeds will be converted to the currency specified by the Bank in accordance with Clause 2.1(b) of this Schedule 4 and the conversion price will be shown on the Confirmation, unless the Customer has the Instructions and facilities in place and the Bank is willing and able to make payment in the foreign currency.

## 5.3 Purchase Process:

- (a) All Buy Orders will attract the brokerage whether fully or partially completed. Application Monies on rights transactions attract brokerage.

- (b) Where the Customer submits a Buy Order with respect to Equity and/or Debt Securities quoted in a foreign currency, the purchase price (and any Fees) will be converted from the currency of the Account to the relevant foreign currency in accordance with Clause 2.1(b) of this Schedule 4 and the conversion price will be shown on the Confirmation, unless the Customer has the Instructions and facilities in place and the Bank is willing and able to receive payment in the foreign currency.
- (c) When the Customer places a Buy Order, the Customer owes the Bank all settlement obligations in relation to the Buy Order directly to the Bank and the Customer must ensure that the amount of funds the Customer is at that time able to withdraw from the Settlement Account for the purposes of Trading is sufficient to cover the full value of the Order (including brokerage and other fees and charges). The Bank is under no obligation to check the balance of the Settlement Account and the Customer will remain liable for all settlement obligations arising out of Buy Orders whether or not the Customer had sufficient funds available in the Settlement Account to cover the Buy Order.
- (d) Where the Customer fails to meet a delivery obligation, the Bank shall have the right to pass on, and the Customer shall have the obligation to meet, any charge or levy incurred by the Bank as a result of the Customer's failure to make delivery of funds within the time needed to enable the Bank to meet the time limits imposed by the Participant Rules and/or the Clearing and Settlement Rules. Where the Customer has failed to settle with the Bank, the Parties shall have the rights and obligations imposed by the Participant Rules and/or the Clearing and Settlement Rules (or the settlement rules in the applicable market regarding cancellation of the transaction and mitigating any loss relating to that failure to settle). Any payment made by the Customer or on the Customer's Account to the Bank will be applied in the following order, that is to pay the Bank's brokerage and fees, then to pay any charges incurred in settling the purchase, including debt recovery and finally to pay the purchase price for the Equity and/or Debt Securities. Any profit made by the Bank exercising such rights will be retained by the Bank but any loss incurred will be to the Customer's Account.
- (e) Where any amount owing from the Customer to the Bank in relation to any purchase of Equity and/or Debt Securities remains unpaid after the purchase has settled, the Bank is authorised by the Customer to instruct the relevant securities registry to transfer the purchased Equity and/ or Debt Securities from the Customer's holding/account to the Bank and the Bank will have the rights referred to clause 5.4(c) of this Schedule 4 in respect of the Customer's failure to settle or complete a transaction or failure to pay any amount due in respect of an Instruction or Order.
- (f) In relation to Debt Securities, the Customer acknowledges that:
  - (i) a bid to subscribe and/or purchase Debt Securities by the Customer does not constitute an acceptance by the issuer of the Debt Security or the Bank for the Customer to subscribe or purchase the said Debt Security from the issuer. The Bank does not guarantee the success of the Customer's subscription/purchase for the whole or any part of the said Debt Security. In the event that the issuer decides to allot/sell any lesser number of Debt Securities or not to allot or sell any of the said Debt Security to the Customer, the Customer agrees to accept any such decision of the issuer as final; and
  - (ii) in the event the Customer withdraws the Order during the bookbuilding period (i.e. before the relevant closing date for purchase or subscription as advised by the Bank or announced by the issuer of the Debt Security and before the relevant cut-off time for Order cancellation in the relevant Jurisdiction), the monies will be refunded to the Customer free of interest.



#### 5.4 Security Interest, Set Off and Lien:

- (a) Without prejudice to the Bank's rights under the Participant Rules, the Clearing and Settlement Rules, or other provisions of this Agreement, at law or otherwise, the Customer agrees that the Bank shall have a lien and charge over and security interest in all the Customer's present and future Equity and/or Debt Securities acquired and any other securities, documents and moneys from time to time held by or under the control of the Bank (but for the avoidance of doubt excluding any of the Customer's bank accounts with the Bank or funds standing to the credit of such bank accounts), as security for the due payment of all amounts (including interest and damages) now or at any time hereafter owing or payable by the Customer to the Bank on any account whatsoever.
- (b) The Customer undertakes to pay the Bank any outstanding Liabilities under this Agreement upon the Bank's written demand, failing which the Customer agrees and irrevocably authorises the Bank to use any amount held on the Customer's behalf, or sell any Equity and/or Debt Securities held on the Customer's behalf and use the proceeds, to repay the Liabilities.

#### 5.5 Confirmation:

- (a) The Bank will deliver to the Customer an advice or contract note or written Confirmation in respect of each transaction for the purchase or sale of Equity and/or Debt Securities effected on the Customer's behalf within the time limit prescribed by Applicable Laws.
- (b) Every Transaction indicated or referred to in any notice, statement, Confirmation or other electronic communication and every statement of account shall be deemed and treated as authorized and correct and as ratified and confirmed by the Customer unless the Bank receives from the Customer written notice to the contrary within fourteen (14) Business Days after the date after such notice, statement, confirmation or other communication is deemed to have been received by the Customer. The Customer shall not treat the Bank's confirmation telephone call as final notification or confirmation of the transaction.

### 6. **Accrued Interest (Debt Securities)**

- 6.1 All Buy and Sell Orders involving Debt Securities will include accrued interest, which is the interest that is earned from the last coupon payment to the date of buying or selling the Debt Security.

### 7. **Limitation of the Bank's Liability**

- 7.1 Placing an Order with or giving Instructions to the Bank does not guarantee acceptance of the Order or Instruction or execution of the Order, and the Customer agrees that the Bank shall not be responsible or liable for any expenses, costs, losses, damages or claims that result where any Order is not executed or an Order is cancelled or Instructions are not accepted.

### 8. **Agents**

- 8.1 The Bank may appoint any other person as its Agent to perform its obligations, or exercise any of its rights, under this Schedule 4.
- 8.2 The Bank shall exercise reasonable care in the selection of such person, and save and except for damages arising directly from the Bank's gross negligence or wilful default, neither the Bank nor any of its employees, officers or directors are liable to the Customer for the solvency, acts or omissions of any Agent, but the Bank will make available to the Customer, when and to the extent reasonably so requested, any rights that the Bank may have against such Agent.

## **9. Rights to Force Sell**

- 9.1 The Customer understands that if it does not pay for any Equity and/or Debt Securities which it purchases by the due date of the purchase transaction, the Bank has the right to force sell any or all of these Equity and/or Debt Securities. The Bank may (without prejudice to its rights under this Schedule 4) but shall not be obliged to exercise this right on any day after the day on which the right to force sell first arose. The Bank will not be liable to the Customer for any loss suffered by the Customer as a result of any fall in the market price of the Equity and/or Debt Securities between the time the right to force sell arose and the time it actually sells the Equity and/or Debt Securities.

## **10. Buying-In**

- 10.1 Before placing a Sell Order, the Customer shall ensure that the relevant Equity and/or Debt Securities are available for delivery and will constitute good delivery thereof on the settlement date of the transaction. If delivery of the Equity and/or Debt Securities is not made on the settlement date, the Bank shall have the right to buy-in immediately and bill the Customer for the difference. The Bank will not be liable to the Customer for any loss suffered by the Customer as a result of any rise in the market price of the Equity and/or Debt Securities between the time the right to buy-in arose and the time it actually buys the Equity and/or Debt Securities.

## **11. Transaction Limits and Restrictions**

- 11.1 The Bank may impose upon the Customer any position or transaction limits, any trading or transaction restrictions or minimum holding requirement in Equity and/or Debt Securities. Such limits may include the minimum or maximum sizes for transactions.
- 11.2 The Bank may vary the position or transaction limits, any trading or transaction restrictions or minimum holding requirements with prior written notice to the Customer. No previous limit or restriction shall set a precedent or bind the Bank.
- 11.3 The Customer shall not exceed any position or transaction limits, or breach any trading or transaction restrictions imposed by the Bank in accordance with this Schedule 4.

## **12. Early Termination (Debt Securities)**

- 12.1 As Debt Securities are mainly for medium and long term investment, the Customer should be prepared to invest his/her funds in the Debt Security for the full investment tenor. Any redemption prior to the maturity date of the Debt Security (unless called by the issuer of the Debt Security) is subject to marked-to-market cost and may result in the Customer losing part of or all of the principal investment amount.
- 12.2 The Customer is required to enquire from the Bank on the marked-to-market cost before confirming the Early Termination request. Once the marked-to-market cost is known, confirmation on the Early Termination is required from the Customer on the same day the request is received before the relevant cut-off time as advised by the Bank. If the Customer is unable to confirm the Early Termination before the cut-off time, a revised marked-to-market cost is to be obtained from the Bank on the following Business Day. The Customer is required to present such relevant documents as prescribed by the Bank in order to complete the Early Termination. The Early Termination amount will be credited into the Customer's Settlement Account within 3 Business Days after the Early Termination is effected.

## **PART D: RISK DISCLOSURE (ALL SECURITIES)**

### **13. Preamble**

- 13.1 Customers who transact in Equity and/ or Debt Securities with or through the Bank should be aware of the risks which may be involved in such transactions. The objective of these disclosures are to highlight the risks pertinent to the transactions in this particular product to assist the Customer in making an informed assessment of the suitability of the product to their financial resources, experience, investment needs and risk profile prior to transacting. The risk of loss, in all instances, may be substantial.
- 13.2 The disclosures cannot be used and are not sufficient to explain all the risks and other significant aspects of trading in Equity and/or Debt Securities. The Customer should therefore fully understand the nature of the transaction, the nature and scope of the contractual relationship between the Customer and the Bank, the legal terms and conditions in the transaction documents, the extent of the Customer's risk exposure and the potential losses that can be incurred, and the tax, accounting and regulatory treatment of the product. The disclosures cannot be construed as financial advice provided by the Bank. Instead, the Customer should seek advice from a professional adviser prior to entering into transactions if the Customer has any doubts regarding any aspect of the product/transaction.
- 13.3 Equity and/or Debt Securities are not treated as bank deposits for the purposes of deposit insurance, and will not be subject to deposit insurance protection in the jurisdictions in which they are offered.

### **14. Price Risk**

- 14.1 Equity and/or Debt Securities can be volatile instruments and may be subject to considerable fluctuations in value. The value of an Equity and / or Debt Security may fall as rapidly as it may rise due to numerous factors, including, but not limited to systematic risks, variations in the frequency and magnitude of changes in interest rates, inflation outlook (and the price/level of any underlying reference instrument to which the security relates (e.g. other securities, commodities, funds, rates and/or indices)).

### **15. Credit Risk**

- 15.1 Should the Bank or counterparty in a trade become unable to meet its financial obligations, there is a possibility that the investment in question may lose its value and the associated trading costs and profits may not be recoverable. The Customer should be aware that in making any investment, the Customer is potentially subject to the credit risk of the Bank or the counterparty, and their abilities to meet their respective financial liabilities in respect of the investment.

### **16. Risk of Foreign Markets**

- 16.1 Foreign markets may involve different risks to the markets in the Customer's jurisdiction. For example, investments made in an asset or issued by a party subject to foreign laws, receipt of profits and/or recovery of the sums invested may be reduced, delayed or prevented by measures imposed by foreign governments or other official bodies. Other risks include lower levels of investor protection measures and disclosure standards in foreign countries. In some countries, these risks will be greater than in others, and the local regulatory authority may not be able to compel the enforcement of the laws and rules of other jurisdictions where transactions have been effected. The Customer should be familiar with the rules governing transactions in foreign markets prior to investing in such markets.
- 16.2 In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.

## **17. “Stop-Loss” Limits and Orders May Not Limit Loss**

- 17.1 The Customer may place a “stop-loss” order with the Bank, whereby the Bank is instructed and authorised to close out relevant open positions without further notice as and when the mark-to-market loss on such open positions exceeds the pre-agreed levels i.e. the “stop-loss” limit. Placing “stop-loss” orders will not necessarily limit the Customer’s losses to the intended amounts as market conditions may make it difficult or even impossible to execute such orders. The Bank does not accept liability for the non-execution of a “stop-loss” order and execution of such orders is strictly on the basis that the Customer release the Bank from any liabilities and authorize the Bank, in such circumstances, to execute such order at such rate and in such manner as the Bank may deem appropriate.

## **18. Liquidity Risk**

- 18.1 Under certain market conditions, it may be difficult or impossible to sell a security. This can occur, for example, when the market makes a "limit move" or trading is suspended by the relevant exchange. In addition, there may not be a ready market for certain investments or market traders may not be prepared to deal in certain investments leading to difficulties in liquidation.

## **19. Foreign-Exchange Risk**

- 19.1 The Customer should be aware that the profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Customer’s or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency. The potential for profit or loss from transactions on foreign markets or in foreign currency-denominated contracts will be affected by fluctuations in foreign exchange rates.

## **20. Legal Risk**

- 20.1 In making any investment through the Bank, the Customer should ensure that it is not in breach of any laws, regulations, contractual or other legal limitations that would otherwise prevent the Customer from entering into such investment. The Customer should be aware that the Bank is, in respect of any investment, subject to applicable laws, regulations and guidelines issued by regulatory authorities in the relevant Jurisdiction. In the event of any change in such laws, regulations or guidelines, the Bank may be required to alter some or all of the terms and conditions of the investment or forced to impose early termination on the Customer whereby the amount repayable to the Customer shall be determined by the Bank in good faith.

## **21. Tax Risk**

- 21.1 Income or profit from any investments made by the Customer may be subject to withholding tax, capital gains tax or other taxes imposed by the country in which the investment was made or issued. Taxation may lead to a reduction in principal amounts and/or profit.

## **22. Operational Risk**

- 22.1 The Customer’s funds may not move instantly to the intended destination with each instruction to the Bank. This arises as a result of the Bank’s operating hours and other system-related factors. Therefore, there may be mismatches or delays in the timing of cash flows due from or to counterparties in investment transactions which may lead to the Customer not having sufficient cash available to fund outstanding obligations.

## **23. Risks of Electronic Trading**

- 23.1 For Equity and/or Debt Securities which are traded on exchanges, disruption of the normal market operation or conditions of such exchanges and/or the rules of operation of such exchanges may increase the risk of loss by making it difficult or impossible to close out or

liquidate positions. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

- 23.2 Trading on a particular electronic trading system may differ from trading on other electronic trading systems. If the Customer undertakes transactions on an electronic trading system, the Customer will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Customer's order is either not executed according to the Customer's instructions or is not executed at all, which may lead to losses to the Customer. It is likely that such losses will not be recoverable from the relevant exchange as the rules of the relevant exchanges may exempt them from liabilities.

#### **24. Risk of Not Having Clearing House Protection**

- 24.1 On many exchanges, the performance of a transaction by the Bank (or a third party with whom the Bank is dealing on the Customer's behalf) is "guaranteed" by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover the Customer, and, if it does not, it will not protect the Customer if the Bank or another party defaults on its obligations to the Customer. On request, the Bank will explain any protection provided under an exchange or clearing house guarantee applicable to any on-exchange transaction in which the Customer is dealing.

#### **25. Correspondent Broker Risk**

- 25.1 Transactions on overseas exchanges or overseas markets are generally effected by the Bank through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon the Customer's instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without the Customer's consent and/or may result in difficulties in recovering the Customer's money and assets held overseas.

### **PART E: RISK DISCLOSURE (DEBT SECURITIES)**

#### **26. Interest Rate Risk**

- 26.1 Changes in interest rates during the term of any Debt Security may affect the market value of the debt security prior to the maturity date.

#### **27. Sovereign Risk**

- 27.1 Payments in relation to Debt Securities that are issued by state governments may be affected by economic and political events in such states. The occurrence of a sovereign risk event could result in the loss of all or a portion of the principal amount invested.

#### **28. Default Risk**

- 28.1 Debt Securities are subject to default risk, which is the risk that an issuer of Debt Securities fails to meet its debt obligations. In such circumstances the entire investment in a Debt Security may become worthless.

#### **29. Liquidity risk**

- 29.1 The risk that the security/instrument invested in cannot be readily sold and converted into cash. This can occur when trading volume for the security is low and/or when there is a lack of demand for the security.

**30. Loan financing risk**

30.1 An investor who intends to purchase security using borrowed/financed monies and pledging those security as collateral for the borrowed/financed monies should be aware that if the price of the security falls below the borrowed/financed amount, the lender may require the investor to provide additional forms of collaterals or pay additional amounts on top of the investor normal instalment.

**31. Currency risk**

31.1 Currency risk is also known as foreign exchange risk. It is the risk associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against the local currency, the investments will face currency losses in addition to the capital gain/losses.

**32. Country risk**

32.1 The foreign investment of a Fund may be affected by risks specific to the country which it invests. Such risks include changes in a country's economic fundamentals, social and political stability, currency movements and foreign investment policies etc.

**33. Regulatory risk**

33.1 The investments of the Fund would be exposed to changes in the laws and regulations in the countries the Fund is invested in. These regulatory changes pose a risk to the Fund as it may materially impact the investments of the Fund.

## **SCHEDULE 5**

### **CUSTODY SERVICES**

#### **PART A: INTERPRETATION AND SCOPE**

1. This Schedule 5 governing Custody Services (“Schedule 5”) supplements and forms part of the Investment Services Agreement (“**Agreement**”) and sets out certain terms, conditions and definitions that will apply to any Custody Services provided by the Bank to the Customer from time to time.
2. Capitalised terms not otherwise defined in this Schedule 5 shall have the meanings specified in the Agreement.
3. All references to a document in this Schedule 5 shall include any supplements, modifications and amendments thereto from time to time.

#### **PART B: DEFINITIONS**

In this Schedule 5, the following words and phrases have the following meanings:

“**Nominee**” means any person, agent, dealer, broker and/or depository agent appointed or nominated by the Bank for the purposes of performing the duties or obligations of custodian and sub-custodian under this schedule.

“**Securities**” means:

- (a) all scripless shares, stocks, bonds, debentures, certificates of deposit, notes, debt securities, warrants, options and other securities of any kind whatsoever which are now or at any time hereafter delivered, transferred or deposited with the Bank by the Customer or by any other person in the Customer’s name, for the Customer’s account or at the Customer’s request; and
- (b) all scripless securities which are now or hereafter in the custody or control of the Bank. The expression “**scripless securities**” include but shall not be limited to all book entry government securities and all share stocks, bonds, debentures, certificates of deposit, notes, debt securities, warrants options and other securities of any kind whatsoever the trading transactions of which are cleared and settled through any book entry system or any other trading system for the trading, clearance and/or settlement of scripless securities. Any references to the Securities shall include references to any part of them.

#### **PART C: TERMS AND CONDITIONS**

##### **1. Bank’s Obligation as Custodian**

- 1.1 In relation to scripless Securities, the Bank may receive and hold in custody the Securities delivered to or deposited with it and except for the Bank’s wilful default or gross negligence, shall have no liability in respect of such receipt and/or custody.
- 1.2 In relation to scripless Securities, the Bank shall arrange for the Securities to be held by itself, its Nominee or sub-custodian and except for wilful default or gross negligence by the Bank, the Bank shall have no liability in respect of such receipt and/or custody and/or appointment and/or selection of such Nominee or sub-custodian. The Bank’s Nominee or sub-custodian may in turn appoint other nominees, sub-custodians or agents and each such party shall have no liability in respect of its appointment and/or selection and/or use of such nominee, sub-

custodian or agent except in the case of its own wilful default or gross negligence.

- 1.3 All monies held by the Bank shall be non-interest bearing and the Bank shall be entitled to deposit or place such monies or convert them into any currencies at its then prevailing rates of exchange and deposit or place the same with any person as it deems fit and except for wilful default or gross negligence, the Bank shall not be liable for any losses of such monies. Where the deposit carries with it interest entitlement, the Customer acknowledges and agrees the Bank is entitled to appropriate the same to itself in consideration of the services provided by the Bank under this schedule in addition to any payment or remuneration the Bank is entitled to hereunder.
- 1.4 The Customer agrees and acknowledges that the Customer's assets may be co-mingled with those of other customers of the Bank (or any relevant Nominee or sub-custodian) and accordingly, the Customer's interest in the assets may not be identifiable by separate certificates, or other physical documents or equivalent electronic records. The Bank shall maintain records of the Customer's interest in the assets that have been so co-mingled.
- 1.5 The fees and costs for custody services are set out in the Bank's website at: <https://www.hlb.com.my>

## **2. Instructions**

- 2.1 All Instructions shall be given by the Customer to the Bank during such office hours as the Bank may notify the Customer from time to time and in the manner specified in Clause 2.2 of this Schedule 5.
- 2.2 All Instructions to the Bank shall be given in writing at least twenty-four (24) hours or a full Business Day in advance (whichever is longer) for compliance and once given shall be irrevocable.
- 2.3 Where the Customer is a corporation, all Instructions must be given by persons who have been authorised by the Customer's board of directors to give such Instructions and whose specimen signatures have been given to the Bank.
- 2.4 The Bank shall act on Instructions as soon as reasonably possible but shall not be liable for any loss, damage, or expense suffered by the Customer including without limitation any loss, damage or expense suffered or incurred as a result of any change in the price of any Securities between the time of giving or receipt of any Instruction to or by the Bank and the time at which such any Instruction is acted on by virtue of any delay in acting in any Instruction or any partial completion of or failure or inability to act on any Instruction for whatsoever reason (including without limitation any failure or error of any computer or electronic system or equipment), save and except where such loss, damage or expense arises directly out of the Bank's willful default or gross negligence.

## **3. Authority of Custodian**

- 3.1 Until the Bank receives Instructions to the contrary, the Bank is authorised:
  - (a) to receive and collect all income and principal with respect to Securities;
  - (b) to present for payment Securities which are called for redemption or have otherwise matured and all coupons and other income items which call for payment upon presentation to the extent that the Bank is aware of the same;



- (c) to execute in the name of the Customer such ownership and other certificates as the Bank reasonably deems appropriate to obtain payments in respect thereof;
- (d) to exchange interim receipts or temporary Securities for Securities in definitive form (including to exchanging warrants or other document of entitlement to Securities for the Securities themselves);
- (e) to exchange the Securities for other Securities wholly or for any combination of other Securities and cash pursuant to any plan or merger, consolidation, reorganisation, recapitalisation or readjustment and/or upon conversion of Securities pursuant to their terms of issue;
- (f) to exercise subscription, purchase or other similar rights represented by the Securities;
- (g) to sell any right, entitlement or a fractional interest received in respect of Securities resulting from a right issue, stock dividend or stock split where such right(s), entitlement or fractional interest bears an expiration date;
- (h) to convert monies received in foreign currency with respect to any of the Securities into Ringgit Malaysia or any other currency as the Bank in its discretion deems necessary to effect any transaction involving Securities through the facilities of the Bank, its Nominee or any sub-custodian or, through any other customary banking channels, using any method or agency available;
- (i) to submit or present in the Bank's sole discretion any of the Securities in the custody of the Bank for registration in the name of the Customer or any person nominated by the Customer or in the name of the Bank or any sub-custodian; and
- (j) to convert any scrip Securities to scripless Securities and execute all instruments and do all such acts as the Bank deems required for or incidental to the conversion including but not limited to the establishment of a direct securities account in the name of the Customer or the establishment of a securities account with the Bank or its Nominee or sub-custodian.

3.2 Notwithstanding Instructions to the contrary the Bank is authorised (but not obliged):

- (a) to hold registered in the name of the Bank or its Nominee or sub-custodian such Securities as are ordinarily held in registered form, the Customer hereby agreeing to hold the Bank, its Nominee and sub-custodian harmless from any liability as a holder of record of such Securities and including, without limitation any liability as a holder of record in respect of partly paid shares;
- (b) to arrange for the scripless Securities to be held by itself, its Nominee or sub-custodian where the Bank reasonably deems the same to be necessary and the Customer authorises the Bank to execute all instruments for the maintenance and establishment of a securities account for the Securities;
- (c) to hold Securities as are ordinarily held in bearer form; and
- (d) to carry out settlement or securities processing and/or currency transactions in accordance with what the Bank reasonably believes to be the local market practices or procedures in the jurisdictions and/or markets concerned.

- 3.3 Upon the withdrawal of any of the Securities, the Bank shall be entitled to direct the Customer to cause any or all of such Securities to be registered in the name of the Customer or any person nominated by the Customer. If the Customer fails to cause such Securities to be so transferred, then while it is acknowledged that the Customer appears to be (subject to the Bank's rights herein) entitled to any resulting accruals relating to such Securities, the Customer agrees to waive the Customer's entitlement to such accruals (if any) in the Bank's favour in view of the administrative difficulties in appropriating and paying over the same to the Customer and the attendant costs which the Customer would otherwise have to bear.
- 3.4 The Customer acknowledges that the acts of and/or exercise of powers by the Bank pursuant to this Clause 3 of Schedule 5 shall be at the sole risk of the Customer and the Bank shall not be required to make any warranty, whether of title or otherwise, in respect of the Securities and the Customer shall indemnify the Bank against any or all losses, damages and/or adverse consequences that the Bank may incur or suffer arising out of or in relation to the Bank performing its obligations under this Clause 3.
- 3.5 The Customer acknowledges that the Bank will have a lien, security interest and rights of set-off over the Securities and any cash and other assets held with the Bank pursuant to this Schedule 5 and that pursuant thereto the Customer's assets may be applied in discharge of the Customer's obligations to the Bank.

#### **4. Compliance with Legislation, Rules and Regulations**

- 4.1 The Bank shall perform any such duties as set forth herein provided the performance thereof is permitted under the Applicable Laws then currently in force.

#### **5. Holding of Securities for Third Party**

- 5.1 The Customer shall not assign all or any of the Securities in the custody of the Bank to any person and shall not instruct the Bank to hold the same for such person (hereinafter referred to as "that person") unless (a) the Bank has given its prior written consent for such assignment and (b) that person has entered into a custodian agreement with the Bank in such form as the Bank may prescribe. For the avoidance of any doubt, upon the receipt and acceptance by the Bank of such Instruction given pursuant to this clause, the Bank shall only take and accept Instruction thereafter from that person until such time when that person instructs the Bank to hold the same for the Customer.

#### **6. Sub-Custodian and Securities Depositories**

- 6.1 The Bank may delegate all or any of its duties under this schedule to any person whom the Bank may in its discretion deem fit (all of which such entities to be referred to as "sub-custodians", and any of which a "sub-custodian"). The sub-custodian shall have all the powers and authorities that the Bank has under this Schedule 5.

6.2 Where such sub-custodian holds the Securities subject to this Schedule 5 in addition to those set out hereunder, the Customer agrees to also be bound by such terms.

## **7. Obligations/Liability of Custodian**

7.1 The Bank shall have no duty or responsibility:-

- (a) to examine or verify the validity of the ownership of or title to any Securities and shall not be liable in respect of any defect in ownership or title;
- (b) to be a trustee and the Bank shall have no trust or other obligations in respect of the Securities except those contained in this Schedule 5;
- (c) for any taxes or duties payable on or in respect of the Securities nor for the management of or any diminution in value of the Securities;
- (d) to attend any meeting or to exercise any vote pursuant to the Bank's holding of the Securities or to exercise any rights or discharge any obligations conferred or imposed by reason of such holding (including without limitation rights or obligations in connection with any allotment subscription conversion consolidation or reorganisation or any merger receivership bankruptcy winding-up judicial management or other insolvency proceedings or any compromise or arrangement) or to investigate participate or take any affirmative action in connection therewith or otherwise, except in accordance with the Customer's prior written Instructions which the Bank may decline to accept. However, if the Bank accepts such Instructions the Customer agrees that it shall be upon such terms conditions indemnities and provision for fees charges and expenses as the Bank may require. Provided always that if the Bank has not received such Instructions from the Customer, then the Bank shall be entitled (but not obliged) to deal with the abovementioned matters in a manner which the Bank deems fit;
- (e) in respect of any proxy or other document received by the Bank in connection with the Securities, to send any proxy or other document or to give notice of receipt of the same to the Customer;
- (f) to return to the Customer Securities bearing serial numbers identical to those delivered to the Bank so long as the Securities returned are of the same class denomination and nominal account, and rank pari passu with those accepted by the Bank, subject always to any capital reorganisation or share exchange which may have occurred;
- (g) to inform the Customer of the serial numbers of Securities held in custody for the Customer. The Customer may request the Bank to furnish such information in consideration of the payment of an increased custody fee provided always that the provision of such information shall not oblige the Bank to return to the Customer Securities bearing identical serial numbers to those so furnished;
- (h) subject to Clause 7 of Schedule 5, to recognise any claim in the nature of a trust or equitable claim by anyone other than the Customer in respect of the Securities or any part thereof and the Bank shall only be a bare custodian and not a trustee of the Securities. Further, the Customer also acknowledges that the Bank is not a fiduciary; and

- (i) to insure the Securities and shall not be deemed to be insurer thereof and the Securities whether held by the Bank, its Nominee or sub-custodian are held at the sole risk in every respect of the Customer.

## **8. Customer's Undertakings in relation to Cash Account**

- 8.1 The Customer hereby agrees and undertakes that the Bank shall be entitled to apply the Customer's monies for the provision or payment of the full or estimated amount of any transaction contemplated herein (including without limitation any commission or other charges payable to the Bank) before executing such transaction and the Bank shall have no duty or obligation whatsoever to carry out any Instruction or transaction until the Customer has provided the Bank sufficient funds therefor (taking into account possible foreign exchange fluctuations).
- 8.2 The Customer hereby agrees and undertakes that the Bank may convert monies in its custody into any other currency as the Bank reasonably deems necessary at the Bank's prevailing spot rate of exchange for the currencies in question.

## **9. Records and Statements**

- 9.1 The Customer shall examine all entries in any statement of account the Bank may send to the Customer and shall report promptly to the Bank any error or omission therein and shall notify the Bank should the Customer not receive any statement that should in the ordinary course of events have been received by the Customer. The Customer agrees that if the Customer does not object in writing to the contents of the statement within fourteen (14) days of the date of the statement, the Customer shall be deemed to have accepted the accuracy of the statement. The Customer further agrees that the Bank shall have the right to make adjustments at any time and/or from time to time to the statements if there is any error or omission therein.

## **10. Warranties/Covenants**

- 10.1 The Customer hereby warrants that:
  - (a) the Customer is the legal and beneficial owner of the Securities;
  - (b) all the Securities are fully paid up and paid for, in the required or regular form and in good delivery order;
  - (c) there is no defect in title or any other encumbrance affecting the Securities; and
  - (d) the Customer is (if a corporation) duly authorised to enter into this Agreement, legally entitled to and capable of delivering all Securities that the Customer has instructed the Bank to sell on its behalf.

## **11. Indemnity**

- 11.1 The Customer hereby agrees to fully indemnify and hold the Bank, its Nominee and sub-custodian harmless from and against all loss damage actions claims expenses (including solicitor and client costs) reasonably incurred or suffered for anything done or omitted in the exercise or purported exercise of powers herein or in reliance on Instructions or purported Instructions.

11.2 For the avoidance of doubt, any indemnities, warranties and/or representations given or made by the Customer under this schedule are enforceable by the Bank against the Customer for the benefit of its Nominee or sub-custodian.

## **12. Fees and Expenses**

12.1 The Customer hereby agrees to pay such fees commission interest and charges as the Bank may from time to time prescribe and notify the Customer of the same; and all expenses, cost and duties (including but not limited to any Taxes) paid or incurred by the Bank, sub-custodian, dealer, broker, agent and/or depository agent (whether in Malaysia or elsewhere).

## **13. Disclaimer of Liability**

13.1 The Customer agrees that all Securities now or hereinafter deposited with or held by the Bank, its Nominee and sub-custodian shall be at the Customer's sole risk. The Customer shall not hold the Bank, its Nominee and sub-custodian liable in any way for any loss destruction or damage to the Securities while in transit or resulting from circumstances which are beyond the control of the Bank, its Nominee and/or sub-custodian including without limitation any operational or equipment failure, communication or securities trading system breakdown or any war, riot, civil commotion, requisition by any government or any regional or local authority or any agency thereof, any law regulation edict executive order or mandate of any such body or any act of God fire flood frost storm explosion or force majeure.

## **14. Insurance**

14.1 The Bank shall not be required to insure any of the Securities held by it in custody unless expressly instructed by the Customer in writing, in which event the Customer shall bear all premium and other expenses for such insurance and shall reimburse the Bank immediately upon demand for all amounts incurred by the Bank in connection therewith.

## **15. Lien on Securities**

15.1 The Bank shall also have a general lien on all Securities and monies in the custody of the Bank, its Nominee and sub-custodian as security for the payment of all amounts due to the Bank (whether under this schedule or not).

15.2 Save for the lien mentioned in Clause 15.1 of this Schedule 5, the Customer shall not create nor shall it allow to be created any security interest of whatsoever nature (whether by way of mortgage, charge, pledge, lien or hypothecation) over any part or all of the Securities or any Account without the prior consent in writing of the Bank.

15.3 The security contemplated by this clause and the rights hereby conferred on the Bank shall be additional to and not in derogation of any and all other security rights and/or interests which may be conferred on the Bank by any other agreement or document or by operation of law or howsoever otherwise arising.

## **16. Cancellation of Instructions**

16.1 The Bank shall not be obliged to act on any Instruction for cancellation, variation or amendment of any Instruction already given to the Bank nor be responsible or liable to the Customer for any loss or expense suffered or incurred by the Customer if the original Instruction has already been completed or in the opinion of the Bank, the Bank has insufficient time or is unable to act on such Instruction to cancel, vary or amend the original Instruction.

## **17. Termination**

17.1 Without prejudice to any rights which the Bank may have at law or in equity, the Bank's appointment as custodian may be terminated by either party hereto by giving to the other not less than thirty (30) days' notice in writing.

17.2 Without prejudice to the Bank's rights under Clause 17.3, upon termination of the Bank's appointment as custodian, all Securities and monies held by the Bank shall be delivered or transferred to the Customer or to such other party as the Customer may designate in writing provided that the Bank shall not be required to make any such delivery or transfer unless and until the Bank receives full payment of all monies due and owing by the Customer to the Bank (whether under this schedule or not). The Customer or the party designated by the Customer as aforesaid shall take delivery of the Securities and/or monies, or in the case of scrippless Securities, do all necessary acts such that the Bank may effect transfer of the Securities within two (2) weeks of the termination. Termination of this schedule shall not affect any antecedent rights or liabilities of the parties hereto.

17.3 Upon termination of the Bank's appointment as custodian, the Bank is authorised to sell or dispose of any or all of the Securities in any manner and on such terms as the Bank may deem fit, and to apply the proceeds of any such sale or disposition after deduction of the expenses thereof in payment of all monies now or later due payable actually or contingently (whether under this schedule or not) and in the event that there are proceeds or monies in excess thereof, the Bank shall, unless otherwise instructed by the Customer, despatch a cheque for the amount of the excess by registered mail to the last known address of the Customer.

17.4 Without prejudice to any other rights of the Bank, the Bank shall not be obliged to pay any monies or deliver or transfer any Securities to the Customer at any time until the Bank is satisfied that all liabilities of the Customer actual or contingent (whether under this schedule or not) have been satisfied.

Date this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

<p>Primary Applicant's Signature / Authorised Signatory / Stamp</p>   <p>_____</p> <p>Full Name: NRIC/Passport No: Date:</p>	<p>First Joint Applicant's Signature / Authorised Signatory</p>   <p>_____</p> <p>Full Name: NRIC/Passport No: Date:</p>
<p>Second Joint Applicant's Signature / Authorised Signatory</p>   <p>_____</p> <p>Full Name: NRIC/Passport No: Date:</p>	<p>Third Joint Applicant's Signature / Authorised Signatory</p>   <p>_____</p> <p>Full Name: NRIC/Passport No: Date:</p>

**FOR BANK USE ONLY**

<p>Attended By</p>	<p>Name</p>	<p>Signature &amp; Date</p>
<p>Original Identification Document Sighted</p>	<p>Name</p>	<p>Signature &amp; Date</p>
<p>Input By</p>	<p>Name</p>	<p>Signature &amp; Date</p>
<p>Authorised By:</p>	<p>Name</p>	<p>Signature &amp; Date</p>

