



Maybank Securities Pte. Ltd.

Terms & Conditions

Part X: Securities Borrowing and Lending Arrangement

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Part X: Securities Borrowing and Lending Arrangement

1 General

1.1 Part X governs any transactions entered into by the Parties from time to time in which Maybank (as borrower) will borrow from the Client (as lender) certain Securities against a transfer of Collateral. Each such transaction shall be referred to as a loan ("Loan"). The terms in Part X shall be read together with and form a part of the terms in Part I.

1.2 All Loans shall be subject to Applicable Laws and the terms in Part X at all times.

1.3 In entering into each Loan, the Parties agree to be liable as principal with respect to their obligations under each Loan.

2 Interpretation

2.1 In this Part X:

- (a) "**Alternative Collateral**" means Collateral of a value equal to or greater than the Collateral delivered pursuant to Clause 5 and provided by way of substitution for Collateral originally delivered or previously substituted in accordance with the provisions of Clause 5;
- (b) "**Borrower**" means Maybank;
- (c) "**Cash Collateral**" means collateral that is in the form of cash;
- (d) "**Collateral**" has the meaning given in the SF(LCB) Regulations and is determined by Maybank as acceptable collateral for a Loan and transferred by Borrower to Lender in accordance with Part X, and includes Alternative Collateral;
- (e) "**Corporate Actions**" means any action taken or declared by an issuer that alters the nature of rights in relation to the relevant Securities, including a conversion, sub-division, consolidation, pre-emption, take-over, rights to receive Securities or a convertible certificate, and any entitlements arising therefrom;
- (f) "**Default**" has the meaning given in Clause 13.1;
- (g) "**Defaulting Party**" has the meaning given in Clause 3.1;
- (h) "**Equivalent**" means, in relation to any Loaned Securities or Collateral, Securities of an identical type, nominal value, description and amount to the Loaned Securities or Collateral. If such Loaned Securities or Collateral consists of Securities that are partly paid or have been subject to a Corporate Action, this expression shall include such Securities to be transferred from one Party to the other Party to take into account the effects of the partial payment or Corporate Action;
- (i) "**Event of Default**" means any of the events mentioned in Clause 13.1;
- (j) "**Income**" means any interest, dividends, or other distributions of any kind with respect to any Loaned Securities or Collateral, including any arising from Corporate Actions;
- (k) "**Record Date**" means the date fixed by an issuer of securities on which holders of such securities are identified as being entitled to payment of Income;
- (l) "**Insolvency Events**" means (in relation to an individual) the Party has deceased, becomes bankrupt or insane, commits an act of bankruptcy; or an action to place the Party in bankruptcy was commenced against the Party; and (in relation to a corporate entity) the Party is unable to pay its debts as and when they are due; an action is commenced to place the Party in insolvency, judicial management, receivership, administrative management, or any similar or other proceedings; any claim, action or proceeding of any nature is commenced against the Party or steps are taken by any person to enforce any security against the Party; or the Party makes any compromise or arrangement with its creditors;
- (m) "**Lender**" means the Client;
- (n) "**Loan**" has the meaning given in Clause 1;
- (o) "**Loaned Securities**" means Securities which are the subject of an outstanding Loan;
- (p) "**Margin Percentage**" has the meaning given in Clause 7.1;

- (q) **“Market Value”** means, with respect to the valuation of Securities, Equivalent Securities or Collateral (other than Cash Collateral), (i) the last transacted price of such securities on the relevant securities exchange at the close of Business Day, (ii) if such price is not available at the close of Business Day, the immediately preceding Business Day on which such price is available on the relevant securities exchange, or (iii) such price derived from a price information service provider selected by Maybank as its sole discretion;
- (r) **“Non-Defaulting Party”** shall have the meaning specified in Clause 13.1;
- (s) **“Settlement Date”** means the date upon which Securities are due to be transferred to Borrower in accordance with Part X;
- (t) **“SF(LCB) Regulations”** means the Securities and Futures (Licensing and Conduct of Business) Regulations;
- (u) **“specified products”** has the meaning given in the SFA;
- (v) **“Securities”** means specified products which are offered in the relevant market and determined by Maybank from time to time as being eligible to be a transaction contemplated under Part X at its sole discretion;
- (w) **“Transferee”** shall have the meaning specified in Clause 11.3; and
- (x) **“Transferor”** shall have the meaning specified in Clause 11.3.

2.2 Notwithstanding the use of expressions such as, among others, “borrow”, “lend”, “Collateral”, and “Margin”, which are used to reflect terminology used in the market for transactions of the kind provided for in Part X, title to Securities “borrowed” or “lent” and to “Collateral” provided in accordance with Part X shall pass from one Party to another as provided for in Part X. The Party obtaining such title is obliged to redeliver Equivalent Securities or Equivalent Collateral (as the case may be).

2.3 For the purposes of determining any prices, sums or values under Part X, such prices, sums or values stated in currencies other than S\$ shall be converted S\$ at such rate of exchange determined by Maybank.

2.4 Where the context so requires, any reference to “transfer” of Securities, Collateral, Equivalent Securities, and Equivalent Collateral shall be construed so as to include or mean “delivery”, “redelivery” or “retransfer”.

3 Loans of Securities

3.1 Each Party may, from time to time, seek to initiate a transaction in which the Borrower will borrow Securities with a minimum size of 1 Securities from the Lender in accordance with Part X.

3.2 Each Loan shall be for a minimum period of at least 1 Business Day and confirmed in such form or manner as may be agreed between the Parties.

3.3 Notwithstanding any other provision in Part X regarding when a Loan commences, a Loan shall not occur until the Loaned Securities and the Collateral required to support the Loaned Securities have been transferred in accordance with Clause 6 (Title Transfer).

3.4 The Lender may only opt-out of the arrangement contemplated under this Part X by giving the Borrower at least 15 Business Days’ notice in writing.

4 Transfer of Loaned Securities

4.1 The Lender shall procure the transfer of the Loaned Securities to the Borrower or transfer the Loaned Securities to the Borrower in accordance with Clause 4.2 and/or the terms of the relevant Loan (if any).

4.2 The transfer of the Loaned Securities shall take place by book-entry transfer in a computer-based system whereby the Loaned Securities shall be debited from the relevant Account. Any such debiting shall be effected by Maybank.

4.3 The Loaned Securities are deemed to have been delivered by the Lender to the Borrower upon the successful debit of the Loaned Securities from the relevant Account.

4.4 Any request by the Lender for the return of the Loaned Securities shall be subject to such requirements prescribed by relevant market rules.

5 Transfer of Collateral

- 5.1 The Borrower shall, prior to or concurrently with the transfer of the Loaned Securities to the Borrower, but in no case later than the close of Business Day on the day of such transfer, transfer to the Lender Collateral with a Market Value of at least equal to 105% of the Market Value of the Loaned Securities.
- 5.2 The transfer of the Collateral shall take place by book-entry transfer in a computer-based system whereby the Collateral shall be credited into the relevant Account. Any such crediting shall be effected by Maybank.
- 5.3 The Collateral is deemed to have been delivered by the Borrower to the Lender upon the successful crediting of the Collateral into the relevant Account.
- 5.4 The Borrower may from time to time request for the Collateral to be substituted by Alternative Collateral provided that at the time of such transfer the Borrower shall have transferred such Alternative Collateral acceptable to Lender and that satisfies the provisions under Clause 7.

6 Title Transfer

- 6.1 Subject to Part X, the Parties agree that all right, title and interest in relation to the following shall pass from one Party to the other Party free from encumbrance upon the transfer of the same in accordance with Part X:
- (a) any Loaned Securities delivered pursuant to Clause 4;
 - (b) any Equivalent Securities redelivered pursuant to Clause 9;
 - (c) any Collateral (other than Cash Collateral) delivered pursuant to Clause 5; and
 - (d) any Equivalent Collateral redelivered pursuant to Clause 10.
- 6.2 The Party acquiring such right, title and interest shall have no obligation to transfer any of the assets so acquired pursuant to Part X. However, where any Securities are borrowed from or any Collateral is delivered to such Party, such Party shall be obliged to redeliver Equivalent Securities or Equivalent Collateral, as appropriate.
- 6.3 Where title to Loaned Securities, Collateral, Equivalent Securities and Equivalent Collateral is in certificated form, transfer of title shall take place upon the physical delivery of all necessary documents, including certificates representing such securities together with duly executed transfer instruments.
- 6.4 Where title to Loaned Securities, Collateral, Equivalent Securities and Equivalent Collateral is registered in a computer-based system which provides for the recording and transfer of title to the same by way of book entries, transfer of title shall take place in accordance with the rules and procedures of such system as in force from time to time.

7 Mark to Market Procedures

- 7.1 Maybank shall determine the market value of each Loan and the Collateral (other than Cash Collateral) and mark to market on a daily basis each Loan and the Collateral (other than Cash Collateral) for each Loan throughout the period that each Loan is outstanding. The Parties must ensure that the Collateral provided by one Party to the other Party maintains the respective Market Value as prescribed under Clause 5.1 ("Margin Percentage") throughout the period that each Loan is outstanding.
- 7.2 In the event that at the close of any Business Day the Market Value of the Collateral (other than Cash Collateral) in respect of any Loan falls below the applicable Margin Percentage of such Loan, Borrower must before the close of the next Business Day provide additional Collateral so that the Market Value of such additional Collateral, when added to the Market Value of the Collateral for such Loan, shall equal to the applicable Margin Percentage of such Loan.

8 Income and Corporate Actions

- 8.1 Where Income (not in the form of securities) is paid in relation to any Loaned Securities or Collateral (other than Cash Collateral) on a Record Date, the Borrower (in the case of Loaned Securities) and the Lender (in the case of Collateral) shall after the date of the payment of such Income (or on some other date as the Parties may from time to time agree) pay a sum of money equivalent to the type and amount of such Income that (i) in the case of Loaned Securities, the Lender would have been entitled to receive had such Securities not been loaned to the Borrower and (ii) in the case of Collateral, the Borrower would have been entitled to receive had such Collateral not been provided to Lender.
- 8.2 Where Income (in the form of securities) is paid in relation to any Loaned Securities or Collateral (other than Cash Collateral), such securities shall be added to such Loaned Securities or Collateral (and shall constitute Loaned Securities or Collateral, as the case may be, and be part of the relevant Loan) and (subject to Part X) will be transferred to the Lender (in the case of Loaned Securities) or to the Borrower (in the case of Collateral) at the end of the relevant Loan.

8.3 Neither Party shall have any obligation to arrange for the exercise of any voting or Corporate Action rights of that kind to be exercised in accordance with the instructions of the other Party, unless otherwise agreed between the Parties.

8.4 Where in respect of any Loaned Securities or Collateral (other than Cash Collateral) any Corporate Action rights become exercisable prior to the redelivery of Equivalent Loaned Securities or Equivalent Collateral (as the case may be), the Lender or the Borrower (as the case may be) may before the deadline for exercising such right or option give written notice to the other Party that on redelivery of Equivalent Securities or Equivalent Collateral (as the case may be) it would like to receive Equivalent Securities or Equivalent Collateral (as the case may be) in the manner proposed.

9 Redelivery of Equivalent Loaned Securities

9.1 The redelivery of Equivalent Loaned Securities shall take place by book-entry transfer in a computer-based system whereby Equivalent Loaned Securities shall be credited into the relevant Account. Any such crediting shall be effected by Maybank. Equivalent Loaned Securities are deemed to have been redelivered by the Borrower to the Lender upon the successful crediting by Maybank of the Equivalent Loaned Securities into the relevant Account.

9.2 Where a notice is served pursuant to Clause 15.1 **Error! Reference source not found.** in respect of a Loan, the Borrower shall transfer to the Lender Equivalent Loaned Securities in respect of that Loan by the close of Business Day on the second Business Day after such a notice is served.

9.3 Where an Event of Default has occurred in respect of the Borrower, the Borrower shall transfer to the Lender Equivalent Loaned Securities in respect of all the Borrower's outstanding Loan by the close of Business Day on the day on which notice is served pursuant to Clause 13.

10 Redelivery of Equivalent Collateral

10.1 On the date and time that Equivalent Securities are required to be redelivered by the Borrower on the termination of a Loan pursuant to clause 15.1, the Lender shall simultaneously (subject to the relevant terms under Part X) transfer any Cash Collateral and Equivalent Collateral in respect of such Loan.

10.2 Equivalent Collateral shall be redelivered to the Borrower by Maybank debiting the Equivalent Collateral from the relevant Account. Equivalent Collateral is deemed to have been redelivered by the Lender to the Borrower upon the successful debiting of the Equivalent Collateral from the relevant Account.

10.3 Equivalent Cash Collateral (if any) shall be delivered to the Borrower by Maybank debiting the Equivalent Cash Collateral from the relevant Account. Equivalent Cash Collateral is deemed to have been delivered by the Lender to the Borrower only upon the successful debiting of Equivalent Cash Collateral by Maybank.

11 Failure to Redeliver Equivalent Securities and Equivalent Collateral

11.1 If the Borrower fails to redeliver Equivalent Loaned Securities in accordance with Clause 9, the Lender may:

- (a) elect to continue the Loan (which, for the avoidance of doubt, shall continue to be subject to Clause 7); or
- (b) at any time while such failure continues declare that that Loan (but only that Loan) shall be terminated immediately and demand that the Borrower pays within 2 Business Days of demand the cost of purchasing Equivalent Loan Securities for that Loan, including transaction costs incurred in connection with the purchase of Equivalent Loaned Securities.

11.2 If the Lender fails to redeliver Equivalent Collateral (other than Cash Collateral) in accordance with Clause 10, the Borrower may:

- (a) elect to continue the Loan (which, for the avoidance of doubt, shall continue to be subject to Clause 7); or
- (b) at any time while such failure continues declare that that Loan (but only that Loan) shall be terminated immediately and demand that Lender pays within 2 Business Days of demand the cost of purchasing Equivalent Collateral (other than Cash Collateral) for that Loan, including transaction costs incurred in connection with the purchase of Equivalent Collateral.

11.3 Where a Party ("**Transferor**") fails to redeliver Equivalent Loaned Securities (in its capacity as borrower) or fails to redeliver Equivalent Collateral (in its capacity as Lender) by the time required under Part X and the other Party ("**Transferee**") incurs costs and expenses, the Transferor agrees to pay on demand and hold harmless the Transferee with respect to all such costs and expenses which arise directly from such failure (excluding any indirect or consequential losses).

11.4 If as a result of the failure by the Transferor to fulfil its redelivery obligations under Part X a “buy-in” is exercised against the Transferee, then the Transferor shall account to the Transferee for the total costs and expenses reasonably incurred by the Transferee as a result of such “buy-in”.

12 Representations

12.1 The Parties make the following representations and warranties, which will continue during the term of any Loan:

- (a) The Lender has or will have at the time of transfer of any Loaned Securities, the right to transfer the Loaned Securities free from encumbrances, subject to the terms under Part X.
- (b) The Borrower has or will have at the time of transfer of any Collateral, the right to transfer the Collateral free from encumbrances, subject to the terms under Part X.
- (c) Each Party is acting for its own account and will be liable as a principal in respect of all Loans.
- (d) The entry by each Party into each Loan will not cause it to violate any applicable Laws.

13 Events of Default

13.1 Upon the occurrence of the following events (each, a “Default”) in respect of a Party (the “Defaulting Party”), the other Party (the “Non-Defaulting Party”) shall serve a notice on the Defaulting Party declaring that a Default (except for the occurrence of an Insolvency Event) in relation to the Defaulting Party has occurred:

- (a) If any Loaned Securities is not transferred to the Lender upon termination of the Loan as required by the relevant provisions in Part X;
- (b) If the Lender transfers Collateral other than as permitted under the provisions in Part X or causes any Collateral or Income not to be transferred to the Borrower as required by the terms in Part X;
- (c) If any representation made by either Party in respect of this Agreement or any Loan shall be incorrect or untrue in any material aspect during the term of any Loan;
- (d) If either Party notifies the other Party of its inability to or its intention not to perform its obligations hereunder or otherwise disaffirms, rejects or repudiates any of its obligations under this Agreement;
- (e) Maybank forms the view, in good faith, that it should take action in order to preserve its rights or interests under any Account or under its relationship with the Client;
- (f) An Insolvency Event occurs with respect to either Party; and
- (g) If either Party fails to perform any of its obligations under Part X.

13.2 The Non-Defaulting Party shall give notice as promptly as practicable to the Defaulting Party of its exercise of its option (except for the occurrence of an Insolvency Event) to terminate all Loans pursuant to Clause 13.

13.3 Upon the service of the notice under Clause 13.1, all Loans may be terminated immediately at the option of the Non-Defaulting Party, which option shall be deemed to have been exercised immediately upon the occurrence of an Insolvency Event. The Parties’ delivery and payment obligations (and any other obligations they have under Part X) shall be accelerated so as to require performance thereof at the time such a Default occurs.

14 Lending and Other Fees

14.1 The Borrower shall pay to the Lender such lending and other fees in respect of each Loan calculated in accordance with certain formula determined by Maybank. Such fees shall be paid once a month by Maybank crediting into the relevant Account regardless of Settlement Date or loan period. The formula and the procedure for calculating such fees will take immediate effect once made available to the Borrower published on the website of Maybank. Maybank may from time to time change the formula and the procedure for calculating such fees at its sole discretion by publishing such changes on its website.

14.2 In respect of each Loan, the payments of the fees described in Clause 14.1 shall accrue daily during the period commencing on (and including) the Settlement Date and terminating on (and excluding) the Business Day on which Equivalent Loaned Securities are redelivered to the Lender.

14.3 All such fees shall be paid by Maybank crediting into the relevant Account.

15 Termination of Loans

15.1 A Loan shall terminate under the following circumstances:

- (a) The Borrower redelivering to the Lender all the Equivalent Loaned Securities in respect of that Loan;
- (b) An Event of Default has occurred in respect of either Party; or
- (c) Maybank exercising its rights under Clause 16.1 to terminate its contractual obligations.

16 Terminating Contractual Obligations

16.1 Maybank shall have the right to terminate its contractual obligations under Part X by giving not less than 15 Business Days' notice in writing to the Client (which notice shall specify the date of termination), subject to an obligation to ensure that all Loans which have been entered into but not discharged at the time such notice is given are duly discharged in accordance with the terms under Part X. The obligations of the Parties under Part X will survive the termination of any Loan.

17 Set-off

17.1 The Borrower may set off any matured obligation due from the Lender under Part X against any matured obligation owed by the Borrower to the Lender, regardless of the currency of either obligation. If the obligations are in different currencies, Maybank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

18 Amendments

18.1 Maybank may vary or amend the terms under Part X from time to time at its sole discretion. Such variation or amendment shall become effective on such date as specified by Maybank on its website or as notified by Maybank to the Client in any form of communication.

18.2 The Client shall be deemed to have consented to any variation or amendment by continuing with the Loan after such variation or amendment takes effect.

19 Specific Performance

19.1 Each Party agrees that in relation to legal proceedings, it will not seek specific performance of the other Party's obligations to transfer Securities, Equivalent Securities, Collateral or Equivalent Collateral but without prejudice to any other rights it may have.

20 Single Agreement

20.1 Each Party acknowledges it has entered into this Agreement and will enter into each Loan in consideration of and in reliance upon the fact that, all Loans constitute a single business and contractual relationship and are made in consideration of each other. Accordingly, each Party agrees:

- (a) to perform all its obligations in respect of each Loan, and that a Default in the performance of any such obligations shall constitute a Default by it in respect of all Loans; and
- (b) that payments, deliveries and other transfers made by either Party in respect of any Loan shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Loan.