TERMS AND CONDITIONS GOVERNING THE OPERATION OF THE CURRENT ACCOUNT OF THE MERCHANT BANK

1. Definitions and Interpretation

In these terms and conditions, unless the subject or context otherwise requires, the following words and expressions shall have the following meanings respectively ascribed to them:

"Agreement" means the letter-agreement which incorporates these terms and conditions;

"Asset Maintenance Requirement" means the minimum asset requirements which a financial institution is required to maintain under the Banking Act (Cap 19) or the Monetary Authority of Singapore Act (Cap. 186);

"bank" shall have the meaning as ascribed thereto under the Banking Act (Cap. 19);

"business day" means any day from Monday to Friday except a public or bank holiday in Singapore;

"current account" means the current account opened and maintained by MAS for the Merchant Bank;

"Funds Transfer Cutoff Time" shall have the meaning as ascribed thereto in Clause 5.1(a);

"GST" means the applicable goods and services tax which may from time to time be imposed or charged before, on or after the date hereof by the Comptroller of Goods and Services Tax or other relevant Government authority under the Goods and Services Tax Act (Chapter 117A) (including any subsequent revisions thereto and regulations made thereunder);

"MAS" means Monetary Authority of Singapore, a body corporate established under the Monetary Authority of Singapore Act (Cap. 186);

"MAS Bills" means any debt securities issued by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act (Cap. 186);

"MEPS+" means the New MAS Electronic Payment and Book-Entry System and has the same meaning as set out in the Payment and Settlement Systems (Finality and Netting) (Designated System) Order 2006;

"MEPS+ Operating Rules" means the operating rules in relation to MEPS+ which is set out on MAS' internet website http://www.mas.gov.sg/legislation_guidelines/mepsplus/reference.html ;

"Merchant Bank" means a merchant bank that is approved as a financial institution under Section 28 of the Monetary Authority of Singapore Act (Cap. 186);

"Notice of Amendment" shall have the meaning as ascribed thereto in Clause 14.1;

"Operational Fees" shall have the meaning as ascribed thereto in Clause 6.1;

"Service Provider" means the operator of MEPS+;

"SGS" or "Singapore Government Securities", means Government securities as defined in and issued under the Government Securities Act (Cap 121A) and Treasury Bills as defined in and issued under the Local Treasury Bills Act (Cap 167) collectively;

"SGSMB" means SGS, MAS Bills, or both, as the case may be;

2 The Current Account

2.1 The current account shall be used for the maintenance of the Merchant Bank's cash balances with MAS.

2.2 If the Merchant Bank is subject to the Asset Maintenance Requirement, the cash balances in the current account may be used to meet the Asset Maintenance Requirement.

3 Interest

The current account shall not be overdrawn and is not interest bearing.

4 Authorised Signatories List

4.1 For the purposes of operating the current account with MAS, the Merchant Bank shall:

(a) in the case where the Merchant Bank is incorporated in Singapore, provide to MAS by mail, a board of directors' resolution:

(i) identifying its list of authorised signatories, for all matters other than the issuance of fund transfer instructions; and

(ii) enclosing its list of authorised signatories completed in accordance with the format set out in Annex 1, for the issuance of instructions on the transfer of funds into/out of its current account with MAS; or

(b) in the case where the Merchant Bank is formed or incorporated outside Singapore, provide to MAS by mail, a duly executed power of attorney which has been deposited in the Registry of the Supreme Court of Singapore, identifying the person(s) who are empowered to perform all acts on behalf of the Merchant Bank in relation to the Merchant Bank's current account with MAS, including the submission and subsequent revision by such person(s) of:

(i) its list of authorised signatories, for all matters other than the issuance of fund transfer instructions; and

(ii) its list of authorised signatories completed in accordance with the format set out in Annex 1, for the issuance of instructions on the transfer of funds into/out of its current account with MAS.

4.2 MAS shall be entitled to rely upon the identity and authority of each signatory identified by the Merchant Bank in accordance with Clause 4.1 unless MAS receives written notice providing the contrary:

(a) in the case where the Merchant Bank is incorporated in Singapore, in accordance with the procedure for change of authorised signatories as set out in the board of directors' resolution referred to in Clause 4.1(a), or in the absence of such procedure, in a fresh board of directors' resolution; or

(b) in the case where the Merchant Bank is formed or incorporated outside Singapore, in accordance with the procedure for change of authorised signatories as notified by the person(s) empowered under the power of attorney referred to in Clause 4.1(b) to perform all acts on behalf of the Merchant Bank in relation to the Merchant Bank's current account with MAS.

and any such written notice issued by any of the persons referred to in sub-clause (a) or (b) shall be deemed to be given by the Merchant Bank respectively.

5 Instructions

5.1 The Merchant Bank shall issue funds transfer instructions to MAS in the manner specified below:

(a) The Merchant Bank may issue funds transfer instructions by SWIFT MT199 or in writing signed by 2 authorised signatories and shall deliver such instructions to the Finance Department of MAS by 1700 hours ("**Funds Transfer Cutoff Time**") for same-day funds transfer. In addition, MAS will not input customer information on behalf of the Merchant Bank other than the beneficiary account to which the funds will be transferred into;

(b) When sending instructions to MAS, the Merchant Bank shall indicate clearly the value date, amount and beneficiary account to which the funds will be transferred into. The format for the instruction is set out in Annex 2.

5.2 MAS may process funds transfer instructions from the Merchant Bank after the Funds Transfer Cutoff Time on a "reasonable-efforts" basis and MAS shall not be liable if MAS is unable to process the funds transfer instructions on time.

5.3 The relevant provisions of the MEPS+ Operating Rules shall apply to the funds transfers of the Merchant Bank which are settled in MEPS+.

5.4 Every funds transfer instruction shall be charged at S$35.00, exclusive of GST.

5.5 The Merchant Bank authorises MAS to debit the current account in accordance with the instructions that MAS may receive from the Merchant Bank by SWIFT MT199 or in writing signed by 2 authorised signatories.

6. Payment of Fees and Charges

6.1 Where in MAS' opinion, the need arises due to any reasons whatsoever, MAS shall be entitled to impose fees and charges, including GST ("**Operational Fees**") for the operation of the current account, which may be varied in writing from time to time. The Operational Fees shall be directly debited from the current account of the Merchant Bank in consideration of MAS continuing to operate the current account for the benefit of the Merchant Bank. MAS shall give the Merchant Bank not less than 30 days' notice in writing before the imposition or variation of the Operational Fees comes into effect, and the Merchant Bank shall maintain sufficient funds in the current account to pay the Operational Fees.

6.2 MAS shall also have the right, at any time, to directly debit the current account of the Merchant Bank for such fees and charges and for all moneys due and owing to MAS, including but not limited to:

(a) fees and charges relating to the operation of MEPS+;

(b) fees and charges relating to SGSMB transactions;

(c) annual fees.

6.3 The Merchant Bank shall maintain sufficient funds in the current account for the direct debits.

6.4 Notwithstanding any clause in this Agreement, before the Merchant Bank may terminate the current account, the Merchant Bank shall be required to discharge all its liabilities, including settling payment of all outstanding expenses, fees and charges, due and owing to MAS. Without prejudice to Clause 13A, MAS reserves the right to set off such liabilities against the credit balances in the Merchant Bank's current account.

7 Statement of Account

The Merchant Bank shall be responsible for checking its statement of account to ensure that the debit and credit entries posted to the current account are correct. If MAS receives any notice from the Merchant Bank that any entry is incorrect within one business day after the date the entry was posted and MAS is of the view that the entry is incorrect, MAS shall adjust the entry in the current account of that Merchant Bank within such time as is reasonably practicable. If MAS receives such notice from the Merchant Bank outside the stipulated period and MAS is of the view that the entry is incorrect, MAS may, at its sole discretion, adjust the entry. Under no circumstances shall MAS make any rectification of any posted entry if such rectification may:

(a) prejudice or adversely affect the interest of:

(i) any customer of the Merchant Bank;

(ii) any bank, merchant bank, or participant in MEPS+ or their customers; or

(iii) MAS; or

(b) prejudice the finality and irrevocability of transactions executed or settled under MEPS+.

8 Right to Delegate

MAS or the Merchant Bank may, upon written notice to the other party, sub-contract or delegate to any other person or body corporate the performance, or observance of any part of its responsibilities, obligations or undertakings in relation to the operation of the current account.

9 Duration

This Agreement shall take effect on and from the same date on which the current account is opened for the Merchant Bank, as notified in writing to the Merchant Bank by MAS, and shall continue in force until the current account is terminated in accordance with Clause 10.

10 Termination by Notice in writing

(i) Termination by the Merchant Bank

10.1 The Merchant Bank may terminate the current account by giving MAS at least one month's written notice (except as otherwise provided in Clause 14.2), and the current account shall be terminated on the date stated in such notice of termination; provided that where the Merchant Bank's right to terminate the current account shall be subject to the provisions of the Monetary Authority of Singapore Act (Cap. 186) and any requirement that MAS may impose under the said Act.

(ii) Termination by MAS

10.2 MAS may terminate the current account by giving the Merchant Bank at least two months' notice in writing.

10.3 MAS may immediately terminate the current account under the following circumstances:

(a) on the grounds of national or public interest, public security or safety;

(b) if the Merchant Bank defaults in paying any fee or charge or other sum referred to in these terms and conditions;

(c) if the Merchant Bank is being or has been wound up or has a receiver or receiver and manager appointed;

(d) if the Merchant Bank has its approval withdrawn by MAS under the Monetary Authority of Singapore Act (Cap. 186); or

(e) if the Merchant Bank fails to comply with, observe or perform any of these terms and conditions, whether or not any other action is taken by MAS under these terms and conditions, and whether or not such failure has been determined in any such other action.

Where MAS decides to exercise this right, it will notify the Merchant Bank of the termination if it is in the opinion of MAS, reasonably practicable to do so.

10.4 The termination of this Agreement shall not affect the liability of any party to pay any sum that may be due from that party to the other party under this Agreement.

11 Liabilities of MAS

MAS, its officers and employees, and any person acting under the direction of MAS, shall not be liable for any loss or damage howsoever caused to the Merchant Bank or its customers resulting from the operation of the current account with MAS, unless MAS or the relevant officer, employee or person acting under the direction of MAS has been found to have committed a reckless act or omission, or of intentional misconduct (including fraudulent acts), in a final decision made by a court in Singapore. For the avoidance of doubt, MAS, its officers and employees, and any person acting under the direction of MAS, shall not be liable (whether in contract, tort or otherwise) for:

(a) any loss or damage suffered by the Merchant Bank due to technical fault or failure, or due to circumstances outside the control of MAS, such as acts of God, war, acts of terrorism, riot, sabotage, natural disaster, industrial action or criminal activity;

(b) any collateral, indirect, consequential or special loss or damages suffered by the Merchant Bank; or

(c) any losses, actions, claims, costs and charges, expenses and liabilities incurred or suffered by the Merchant Bank as a result of any action taken or omitted in good faith by MAS, its officers and employees, and any person acting under the direction of MAS.

12 Indemnification of MAS

The Merchant Bank shall fully indemnify and keep MAS fully indemnified at all times against any and all losses, actions, claims, damages, costs and charges, including legal costs and charges, expenses and liabilities incurred or suffered by MAS, arising directly or indirectly from the opening and use of the current account under this Agreement.

13 Notices and Communications

13.1 All notices and other communications shall be given in writing, and unless otherwise provided, shall be delivered by hand, facsimile, domestic or international mail, e-mail, MTx99 or such other means as MAS may determine from time to time to such address as the Merchant Bank may notify MAS in writing, or as MAS may notify the Merchant Bank in writing.

13.2 All such notices or communications may be delivered by any of the means specified below and shall be deemed to have been duly delivered:

(a) if sent by hand, when received;

(b) if sent by facsimile, when duly transmitted to the facsimile number of the addressee for the time being applicable;

(c) if sent by international mail, 10 business days after the date of posting;

(d) if sent by domestic mail to a Singapore address, 2 business days after the date of posting;

(e) if sent by e-mail, 2 business days after the date of transmission to the e-mail address for the time being applicable;

(f) if sent by SWIFT MT x99, when the MT x99 message has been acknowledged and received by SWIFT for transmission to the intended party.

PROVIDED ALWAYS that any notice or communication under Clause 5.1(a) (in the case of a payment instruction that is issued in writing and signed by 2 authorised signatories) or Clause 10 shall not be regarded as having been duly delivered unless sent by hand or by mail.

13A Right of set-off and lien

In addition to any general lien or other rights to which MAS may be entitled under any applicable law, and to the greatest extent permitted by and without restriction imposed under applicable law, MAS shall have a general lien on and (without notice to the Merchant Bank) a right to set off, realise or apply or to otherwise dispose of all monies in the current account in satisfaction of all liabilities and obligations (whether actual or contingent and in whatever currency) of the Merchant Bank to MAS.

14 <u>Amendment of these terms and conditions</u>

14.1 MAS reserves the right, from time to time and at any time, to amend these terms and conditions by deleting, substituting or adding to any of these terms and conditions, and where any amendment is made, MAS shall give the Merchant Bank notice in writing of the amendment ("**Notice of Amendment**") at least 30 days before the day the amendment becomes effective and binding.

14.2 Where the Merchant Bank does not wish to continue to maintain a current account with MAS after a Notice of Amendment has been given, it shall notify MAS in writing of its intention to terminate the current account within 14 days of the date of the Notice of Amendment and the current account shall be terminated on the day the amendment becomes effective and binding or at the end of the period stipulated in the notice of termination issued by the Merchant Bank in accordance with Clause 10.1, whichever is earlier. Where no such notice is given by the Merchant Bank within the 14-day period, the Merchant Bank shall be deemed to have accepted and consent to the terms and conditions as amended on the date they become effective, and shall be bound by them as of the date of the amendments becoming effective as if the Merchant Bank had originally agreed to such terms and conditions.

14.3 Notwithstanding Clauses 14.1 and 14.2, MAS may cause any amendment to these terms and conditions to become effective and binding upon the Merchant Bank at any time if MAS determines, at its discretion, that exigent circumstances exist which require that such amendment become effective for the protection of MAS, national or public interest, public security or safety or for the Merchant Bank to comply with

legal or regulatory requirements, provided always that this Clause 14.3 shall not apply to any amendment which would have the effect of rendering transactions settled under MEPS+ no longer final and irrevocable.

14.4 Notwithstanding any amendment referred to in this Clause, the terms and conditions applicable prior to the amendment shall apply and continue to apply to anything done by the Merchant Bank or MAS, or any event which has happened, as the case may be, before the amendment becomes effective, and for that purpose, any such amendment shall not have the effect of terminating the current account.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Singapore. All proceedings relating to any dispute arising from or in connection with this Agreement shall be commenced in the courts of Singapore and the parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore.

Annex 1

To: The Executive Director
Finance Department
Monetary Authority of Singapore
10 Shenton Way #27-00
MAS Building
Singapore 079117

Date: _____

From: _____
(Name of Merchant Bank)

AUTHORISED SIGNATORIES LIST FOR FUNDS TRANSFER INSTRUCTIONS TO MAS

Effective Date of this list: _____

For the purpose of Clause 4.1(a)(ii)/4.1(b)(ii), funds transfer instructions to MAS submitted in hardcopy shall be deemed to be proper and authorised if signed by any two signatories/one signatory each from group A and B*. The Merchant Bank should take into account its operational and internal control requirements when determining the number of authorised signatories to be submitted to MAS. MAS' agreement is required if the Merchant Bank intends to submit more than 8 signatories.

Group (A or B)	Name	Designation	Specimen Signature

* Delete whichever is not applicable. If there are no deletions made, it shall be deemed to be "any two signatories".

Authenticated by the undersigned:

_____
Authorised Signature(s) and Company Stamp

_____
Name(s) of Authorised Signatory(ies)

Annex 2

The Executive Director
Finance Department
Monetary Authority of Singapore
10 Shenton Way #27-00
MAS Building
Singapore 079117

Date: _____

Attn: Operations & Custody Administration Division

TRANSFER OF FUNDS OUT OF MAS CURRENT ACCOUNT

We, _____
(Name of Merchant Bank)

wish to transfer _____ out from our Current Account No. _____
(Amount)

with MAS for value _____ .
(Date)

2 We hereby authorise you to credit the said amount to our account no. _____

_____ with _____
(Name of Agent Bank)

, via the said Agent Bank's Current Account No. _____ with MAS.
(Account No. of Agent Bank)

Yours faithfully

_____
Authorised Signature(s)

_____
Company Stamp

_____
Names of Authorised Signatory (ies)