

DISCLOSURE STATEMENT - FRACTIONAL SHARE TRADING

This statement does not disclose all of the risks and other significant aspects of trading in capital markets products. In light of the risks, the Customer should undertake such transactions only if the Customer understands the nature of securities, derivatives, and the contracts (and contractual relationship) which the Customer is entering into and the extent of exposure to risk. The Customer should carefully consider whether trading in capital markets products is appropriate in the light of the Customer's own experience, objectives, financial resources, and other relevant circumstances. If in any doubt, the Customer should seek professional advice. Different capital markets products involve different levels of risk and in considering whether to trade or invest in capital markets products, the Customer should be aware of the following points:

Phillip Nova Pte. Ltd. (the "**Company**") offers a fractional share trading functionality allowing the Customer to buy and sell in fractional share quantities and dollar amounts of certain securities, so the Customer may end up with a fraction of a share, a whole share, or more than one share ("**Fractional Share Trading**"). The Company outlines the features, limitations, and risks associated with Fractional Shares Trading, yet it should not be considered as investment advice or as a recommendation to buy, sell or hold a security.

In conjunction to the Customer Trading Agreement, the Customer agrees that the Company may at any time vary or add to this Statement without prior notice or consultation with the Customer.

Securities Eligible for Fractional Share Trading

As determined by the Company, Fractional Share Trading is available for some certain securities, including ETFs and ADRs. The Company examines some factors such as market capitalization, previously reported volume, trading liquidity, and price volatility, to determine eligibility for the fractional share program ("**Eligible Securities**"). The list of Eligible Securities is not subject to research by the Company and may be amended from time to time.

Fractional Share Order Handling

The Company accepts whole share orders with fractional share components. When the Customer places an order for a quantity of shares that includes at least one whole share and a fractional share, the Customer will be deemed to have placed an order for the whole share(s) and a separate order for the fractional shares. Further, the Customer acknowledges that the Company may execute the two orders separately (ie. at a different time and at different prices) or partially (ie. one may be executed while the other may not).

All share orders which consist of fractional share components in an Eligible Security are handled on a "**Not Held**" basis, including the whole share component that makes up the share order. Such 'Not Held' share orders with the fractional share components shall allow the Company time and price discretion to secure the best possible execution price for the Customer's order. If the Customer do not wish its orders to be handled on a 'Not Held' basis, the Customer should not engage in Fractional Share Trading.

Order Types and Order Quantities for Fractional Shares

Subject to certain limitations, the Company only accepts market orders and limit orders which will expire at the end of the trading day ("**day limit order**") for fractional shares. The quantity of fractional shares may be entered up to 3 decimal places. Dollar-based orders can be entered up to 2 decimal places (e.g. USD100.00) and the order will be converted into shares up to 3 decimal places (.001), rounded down to the nearest decimal place. The Company will not accept fractional share orders of less than USD1.00 or for less than .001 shares. Fractional share positions in the Customer's account statement are limited to 3 decimal places (.001).

Execution and Principal Capacity

The Eligible Securities provided by the Company may be listed or traded on a particular exchange or market, the Company will **not** route such fractional shares order for execution on the exchange or market. Instead, the Company would place the fractional shares order with any of its affiliate within Phillip Capital Group for execution of the trade as **principal or riskless principal** in the trade.

Trading Session

Fractional share orders are available for Eligible Securities during normal market hours only (for US market: 9:30 a.m. to 4:00 p.m. ET) and are excluded from trading in the pre-market and post-market trading sessions. Fractional share orders are eligible for real-time execution during market hours.

Dividends for Fractional Shares

The Customer could receive payments of cash dividends equal to or greater than USD0.01 in value, or stock dividends in either shares equal to or greater than .001 share, or commensurate cash value equal to or greater than USD0.01. Shareholder rights and/or participation in stock splits, mergers, or other mandatory corporate actions is subjected to the discretion of the Company and/or issuer.

Liquidity and Transferability of Fractional Shares

While the Customer maintain complete day-to-day control of its fractional shares in its account, fractional shares are **not transferable** to another broker/dealer. As fractional shares are **unmarketable and illiquid** outside of the Company's platform, the fractional share holdings **must** be liquidated (which may have tax consequences and will result in commission charges) if the Customer wish to transfer its holdings to another brokerage.

Tax, Legal, and Accounting Treatment

The Customer owning fractional share interests allocated to its account. The Customer should consult their own professional advisers (ie. tax, legal and accounting advisors) prior to engaging in any securities transaction, including but not limited to Fractional Share Trading.

Voting Rights for Fractional Shares

The Customer will not have voting rights for any fractional shares held in its account. The Customer will not be able to make voluntary elections on any corporate action including, without limitation, any tender offers, or rights offerings with respect to such fractional shares. The Company is unable to provide shareholder documentation for any holdings of less than one share.

Risks of Trading in Fractional Shares

Owning fractional shares is subject to the same risks of owning whole shares, including but not limited to market risks and the specific risks associated with each individual security.

The Customer is aware that the market for fractional shares is **significantly less liquid** than the market for whole shares and the prices for fractional shares order, **may be materially different** from the prevailing prices for the shares that are displayed in the Company's electronic trading system.

All holdings of fractional shares are rounded to 3 decimal places with the value of fractional shares and any dividends paid on fractional shares rounded to the nearest cent. Due to such decimal place rounding, the Customer understand that this may affect, among other things, its ability to be credited for dividends and stock splits.

By engaging in Fractional Share Trading, the Customer is aware of the unique risks and limitations, including but not limited to those set forth above, and accepting and agreeing that the Company shall not be held liable for the execution, handling, purchasing and selling of fractional shares for its accounts.