

COMMITMENT TO FAIR DEALING

The Board and Senior Management of **Phillip Securities Pte Ltd (“PSPL”)** are committed to implementing measures on an on-going basis, in order to deliver the fair dealing outcomes when providing financial advice to customers.

Over the last one year, we have taken proactive steps to strengthen our internal processes and procedures for delivering the fair dealing outcomes for our retail investors in Singapore. These include:

- 1) Recruitment – We continue to adopt a high standard for recruitment of our sales representatives. In addition to evaluating the academic qualifications and conducting background checks to assess whether they meet the competency standards and 'fit and proper' criteria, new sales representatives will also be put under close supervision and training.
- 2) Sales and advisory process - We have enhanced our sales and advisory process, putting in place an improved fact finding process, better risk disclosure, additional customer-product suitability checks and improved the product due diligence process.
- 3) Training and competency – We have expanded the training, competency and testing requirements for all staff and/or sales representatives to enhance their product and advisory knowledge.
- 4) Remuneration structure – We have revised our financial adviser representatives' remuneration structure to incorporate Balanced Scorecard Approach, taking into account quality of the fact find process and customer satisfaction.
- 5) Customer Service Support – We have improved our processes and procedures to handle complaints promptly and effectively, enhanced investors' education and improved channels for customers to provide us their feedback on the services of the company.

PSPL has engaged an External Person (“EP”), PricewaterhouseCoopers LLP, to review the action plan. PSPL has implemented the action plan taking into consideration the EP's recommendations and is committed to ensuring that the action plan is effectively implemented on an ongoing basis.

PSPL strives to continue to uphold best practices and implement high standards to promote a fair dealing culture as a reputable financial institution and is taking steps to incorporate the proposals in the consultation paper on “Regulatory Regime for Listed and Unlisted Investment Products”.