

Account Terms

(For Personal / Joint Account)

April 2021

A Member of Yuexiu Group

Please read carefully these terms and conditions (“Account Terms”), which apply to your accounts and services provided to you, and make sure that you understand them. You should seek independent professional advice in case of doubt.

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Part 1: General Terms and Conditions for All Accounts and Services

1 **INTRODUCTION**

- 1.1 These terms and conditions under this Part 1 apply to all Accounts and Services provided by the Bank to the Customer, and may be supplemented by Part 2, Part 3 and any other terms and conditions which apply to an Account or a Service provided by the Bank to the Customer.
- 1.2 In the event and to the extent of inconsistency between any provision in this Part 1 and any provision in any other Part of the Account Terms, unless otherwise specified, the latter shall prevail. In the event of inconsistency between any provisions in the same Part of the Account Terms, unless otherwise specified, the Bank shall (in its sole and absolute discretion) determine how the provisions apply. In determining how the provisions apply, the Bank shall operate in a way which best enables it to discharge all of its legal and regulatory obligations. The Customer shall not dispute or challenge any such determination made by the Bank, which shall be conclusive and binding on the Customer.

2 **DEFINITIONS**

- 2.1 In these Account Terms, unless the context otherwise requires, the following expressions shall have the meanings designated below:

“Account” means any account, whether passbook savings, statement savings, current, integrated, multicurrency, fixed deposit, call, swap, investment or otherwise, opened, established, maintained with or provided by the Bank to the Customer from time to time;

“Additional Settlement Account” means an account opened and maintained by a Direct Participant with SI as specified in Rule 3.1.1 of the US Dollar Clearing House Rules which (a) is in addition to the Settlement Account; (b) has the characteristics set out in the Operating Procedures; (c) complies with the provisions contained in the Operating Procedures; and (d) is for the purpose of making or receiving certain types of payment identified as being the account to or from which the payment is made by the code in the payment instruction for that payment;

“affiliate” means, in relation to any entity, any other entity controlled directly or indirectly by it, any other entity that directly or indirectly controls it or any other entity directly or indirectly under common control with it; and for this purpose, **“control”** means ownership of a majority of the voting power of the entity;

“Applicable Law” means any law, legal or regulatory requirement, rule, code, guideline, judgment, decree, order, governmental permit, license, certificate of authority, order of any government agency, regulator, industry body and self-regulatory professional organization which is applicable to the Bank, or any of its business or undertakings;

“Application” means the form as prescribed or otherwise accepted by the Bank at its sole discretion (including all documents and files received by the Bank) signed or submitted by or on behalf of the Customer in applying for the opening, use, maintenance, provision or engagement of Account and / or Services;

“Articles” means Paper Cheques, ECG items and Credit Card items;

“ATM” means any automatic teller machine installed by the Bank or any other member bank of Joint Electronic Teller Services Limited (“JETCO”), a company incorporated under the laws of Hong Kong, or any other person as the Bank may approve at its sole discretion from time to time;

“Authorized Representative” means a person appointed by the Customer and accepted by the Bank to give instructions on behalf of the Customer or otherwise represents the Customer for and in connection with the operation of any Account or utilization of the Services (as notified together with specimen signatures to the Bank from time to time in such manner as the Bank may require), including the signatory(ies) of Specimen Signature or authorized signatories appointed pursuant to any mandate or other authorization;

“Bank” means Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability, which expression shall include its successors and assigns;

“Bank Group Members” means the Bank, its ultimate holding companies, the subsidiaries and affiliates of the Bank or of its ultimate holding companies and all associated companies (being companies in which an equity interest is held by any of the foregoing);

“Business Day” means any day on which the Bank is open for business in Hong Kong excluding Sundays, public holidays and (for all purposes in connection with the clearing and settlement of cheques, other items, payments and payment instructions, which are from time to time cleared or settled through an interbank clearing system in Hong Kong) Saturdays;

“CB” means a bank or any institution appointed or authorized by the People’s Bank of China from time to time to provide clearing and settlement services for Renminbi in Hong Kong. Unless stated otherwise herein, all references to CB shall refer to CB in its capacity as clearing bank for Renminbi;

“CCASS” means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited (or any successor system operated by any person);

“Card Agent” means a Direct Participant who is appointed by a Credit Card Company to (a) act as its agent bank to present the settlement file of its Credit Card items to the Clearing House for processing; and / or (b) act as a settlement agent for the Credit Card Company as the case may be;

“Chong Hing Card” has the meaning ascribed to it under SECTION VII of Part 2;

“Clearing House Automated Transfer System” or **“CHATS”** means the payment system which enables settlement of interbank payments;

“Clearing Facilities” means all premises, personnel, machinery, equipment, facilities, hardware, software, operational and processing systems, arrangements, and procedures for or in relation to the services provided by and the operation of the Clearing House for

Hong Kong Dollars/US Dollars/Renminbi respectively (as the case may be), including CHATS, ECG, e-Cheque Services, the Faster Payment System, JETCO items and CHATS Optimiser Payment Instructions (the latter two terms as defined in the Hong Kong Dollar Clearing House Rules of HKICL) and / or other facilities as the Bank may approve from time to time;

“**Clearing House**” shall, as the case may be, (a) in respect of Hong Kong Dollar have the same meaning as defined in Hong Kong Dollar Clearing House Rules; (b) in respect of US Dollar have the same meaning as defined in the US Dollar Clearing House Rules; and (c) in respect of Renminbi mean RMB Clearing House respectively;

“**Confirmation**” means a confirmation issued by the Bank to the Customer evidencing the Transaction(s) entered into between the Customer and the Bank;

“**Compromise**” or “**Compromised**” and any similar expression in relation to a PIN, TBS Number or Login Name means that such PIN, TBS Number or Login Name has become known to an unauthorized third party, forgotten by the Customer or otherwise compromised;

“**Consolidated Statement**” means any consolidated statement issued by the Bank through post or through any electronic means or by any other method the Bank has agreed with the Customer, relating to the Accounts linked by the Identifier, other Accounts, Services and / or such information as may be determined by the Bank at its sole discretion from time to time;

“**Credit Card Company**” means Unionpay International Co., Ltd or any other credit card companies permitted by SI and MA and as notified by HKICL to Members for the purpose of clearing and settlement of the Credit Card items from time to time;

“**Credit Card items**” means payment instructions for net settlement regarding transactions processed by a Credit Card Company for its members, generated by a Credit Card Company’s Card Agent;

“**Customer**” means any person in whose name the Account is opened and held (including any personal representative or lawful successor and / or permitted assigns of such person). “Customer” shall include “Cardholder” as defined under Section VII of Part 2;

“**Data**” means all data (including personal data) and information in whatsoever form in relation to the Customer’s Accounts, Transactions, Instructions and representation of information (including any expression of opinion) in any Document;

“**Designated Settlement Account**” means in respect of any payment (a) the Settlement Account; or (b) the Additional Settlement Account which in either case is identified as being the account to or from which the payment is made by the code in the payment instruction for that payment;

“**Direct Participant**” means a Member which maintains a Settlement Account with SI;

“**Document**” or “**document**” includes, in addition to a document in writing, a disc, film, tape or other device in which Data are embodied so as to be capable, with or without the aid of some other equipment, of being reproduced from the disc, tape or other device;

“**Dormant Account**” means an Account which has been inactive or dormant for a period of time determined by the Bank at its discretion;

“**ECG**” means the various types of electronic payments (in applicable currency as specified by the HKICL from time to time) to be cleared and settled through CHATS on a bulk clearing basis as provided by the Clearing House Rules of respective applicable currencies, including for the time being CCASS Items, autodebit and autocredit items, EPS Terminal items, JETCO items, credit card items, electronic bill payment and electronic donation items, Mandatory Provident Fund items and electronic cheques;

“**EPS Terminal**” means any point of sale terminal installed by establishments under the Easy Pay System operated by EPS Company (Hong Kong) Limited (“EPS Company”), a company incorporated under the laws of Hong Kong, or any other person as may be approved by the Bank at its sole discretion from time to time;

“**Exchange Rate**” means the rate for converting one currency into another currency which the Bank, at its discretion, determines to be prevailing in the relevant foreign exchange market at the relevant time, which shall be conclusive and binding on the Customer. The rate used for the conversion will vary depending on prevailing market rates, the size of the Customer’s deposit, the currency of the deposit, the way the Bank receives the deposit and any existing arrangements with the Customer about exchange rates. General Information about exchange rates is available at the Bank’s website;

“**Facility**” means all banking or credit facilities (or any part thereof) from time to time made or to be made available by the Bank to, or at the request of, the Customer; and references to “**each Facility**”, “**the relevant Facility**”, “**any Facility**” and “**no Facility**” shall mean any such banking or credit facility as the context requires;

“**Foreign Currencies**” means currencies other than HKD and accounting units accepted internationally as equivalent to currency, which the Bank agrees are available for the purposes of the Bank’s Services;

“**HKICL**” means Hong Kong Interbank Clearing Limited, a private company jointly owned by the HKMA and the Hong Kong Association of Banks, which provides clearing and settlement services to all banks in Hong Kong and operates a central clearing and settlement system for the public and private debt securities on behalf of the HKMA, and its successors and assigns;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Hong Kong Dollar**” or “**HKD**” means the lawful currency for the time being of Hong Kong;

“**HK Dollar Clearing House**” has the meaning given to “**Clearing House**” as stated in the Hong Kong Dollar Clearing House Rules issued from time to time by HKICL;

“ICU” means an institution (other than a Member) whose CHATS Transactions (including CHATS Transactions in respect of Credit Card items but excluding other Articles) are cleared and settled through a Direct Participant and **“its ICU”** means, in relation to a Direct Participant, an ICU with respect to whom it is agreed with that Direct Participant that its CHATS Transactions (including CHATS Transactions in respect of Credit Card items but excluding other Articles) be settled through such Direct Participant’s Designated Settlement Account;

“Indirect Participant” means a Member other than a Direct Participant; and **“its Indirect Participant”** means, in relation to a Direct Participant, an Indirect Participant with respect to whom it is agreed with that Direct Participant that its payments be settled through such Direct Participant’s Designated Settlement Account;

“Indirect Participating Card Member” means a member of a Credit Card Company who is not a Direct Participant, Indirect Participant or ICU, and whose Credit Card items are settled through a Direct Participant which acts as a Settlement Agent and **“its Indirect-participating Card Member”** means, in relation to a Direct Participant, an Indirect-participating Card Member with respect to whom it is agreed with that Direct Participant that its Credit Card items be settled through such Direct Participant’s Settlement Account;

“Instruction” means any request or instruction given by (or purportedly given by) or on behalf of the Customer to the Bank in such form and by such means as the Bank may prescribe or otherwise approve at the Bank’s sole discretion from time to time (including by any authorized signature or under any mandate of the Customer, by valid PIN, TBS Number or by telephone, facsimile, internet and / or by writing) in each case through a channel designated by the Bank and, in each case, where such request and / or instruction has/have been transmitted to, and acknowledged or accepted by, the Bank;

“Internet Banking” has the meaning ascribed to it under Section IX of Part 2;

“items” includes cheques, bills of exchange, drafts, cashiers’ orders and other monetary and negotiable instruments;

“Identifier” means the identification number which may be designated by the Bank for the Customer from time to time for linking and / or referring to all or any Accounts or Services of the same Customer;

“MA”, “HKMA” or the **“Hong Kong Monetary Authority”**, means the Monetary Authority appointed under the Exchange Fund Ordinance (Chapter 66 of the Laws of Hong Kong);

“Member” shall in relation to Hong Kong Dollar clearing/US Dollar clearing/Renminbi clearing (as the case may be) have the same meaning ascribed thereto in the Hong Kong Dollar Clearing House Rules/US Dollar Clearing House Rules/Renminbi Clearing House Rules of HKICL respectively from time to time;

“Operating Procedures” means the operating procedures issued by HKICL pursuant to Rule 2.5 of the US Dollar Clearing House Rules and for the time being in force;

“Paper Cheque” shall in relation to Hong Kong Dollar clearing/US Dollar clearing/Renminbi clearing (as the case may be) have the same meaning ascribed thereto in the Hong Kong Dollar Clearing House Rules/US Dollar Clearing House Rules/Renminbi Clearing House Rules of HKICL respectively from time to time;

“PIN” means the personal identification number(s) (including signs) assigned by the Bank and used by the Customer to authenticate the Customer’s access to the Customer’s Accounts or the Services for the purpose of giving and authorizing Instructions, or any subsequent alteration thereof by the Customer from time to time;

“Regional CHATS Payments” means payment instructions relating to cross-border transactions (as identified by designated payment codes for such transactions) input by a Direct Participant in favour of a Service Provider (which, for the avoidance of doubt, may include that Direct Participant), effected through CHATS;

“Renminbi” or **“RMB”** means Renminbi, or the lawful currency for the time being of the People’s Republic of China;

“RMB Clearing House” means the medium and the location operated and managed by HKICL and available to Members to facilitate the clearing and settlement of Paper Cheques in Renminbi drawn payable on Members in Hong Kong, and for the processing of funds transfers and other banking transactions in each case in Renminbi;

“Securities” means all shares, debentures, stocks, loan stocks, warrants, bonds, notes and any rights, option, interest or derivative in respect of any of the same and other securities, in each case if the Bank in its absolute discretion have decided to accept the same as “Securities” under these Account Terms;

“Services” means the banking, investment, nominee and other services and / or facilities, including ATM, TBS and Internet Banking, offered by the Bank from time to time at its sole discretion and subject to provisions of these Account Terms;

“Service Provider” means a Direct Participant who registers with HKICL as such and authorizes HKICL to provide its correspondent banks’ information in accordance with Rule 6.8 of the US Dollar Clearing House Rules to enable Direct Participants to effect Regional CHATS Payments through CHATS to that Direct Participant for its onward transmission to the correspondent bank designated by the relevant Direct Participants;

“Settlement Account” means the account opened and maintained by a Direct Participant with SI as provided in Rule 3.1.1 of the US Dollar Clearing House Rules and which complies with the requirements contained in the Operating Procedures;

“Settlement Agent” means a Direct Participant which settles Credit Card items of (a) its Indirect Participants, (b) its ICUs and / or (c) its Indirect-participating Card Members, as the case may be, through its Settlement Account;

“SI” means the institution appointed by the HKMA to provide clearing and settlement services for US Dollars, and which for the time being is The Hong Kong and Shanghai Banking Corporation Limited;

“**Specimen Signature**” has the meaning as defined under Clause 4.1;

“**subsidiary**” and “**holding company**” shall have the meanings given to them in respectively, Sections 13 and 15, of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

“**TBS**” means the telephone banking services (whether via fixed line, mobile, touch-tone telephone or otherwise) provided by the Bank from time to time subject to (among others) the terms and conditions provided in Part 1 and Section VIII of Part 2;

“**TBS Instruction**” means any Instruction given to the Bank by the use of telephone (whether fixed line, mobile or otherwise) by voice and / or other means in such manner as the Bank may from time to time prescribe;

“**TBS Number**” means the number and / or signs assigned by the Bank and used by the Customer to authenticate the Customer’s access to TBS for the purpose of accessing, operating, using and / or maintaining TBS;

“**Transaction**” means a transaction effected or to be effected by the Bank pursuant to or as a result of an Instruction;

“**unauthorized transaction**” means any error, discrepancy, omission, wrongful or irregular transfer or unauthorized transaction appearing in any advice, statement of account, deposit confirmation, certificate, passbook or other confirmation of instructions issued by the Bank and any other transaction on any Account not authorized by the Customer or any Authorized Representative;

“**US Dollars**” or “**USD**” means the lawful currency of the United States of America for the time being; and

“**US Dollar Clearing House**” means the medium and the location provided, operated and managed by HKICL and available to Members for the exchange, sorting and balancing of cheques in US Dollars and other negotiable instruments in US Dollars drawn on Members and for the processing of direct debits and credits, funds transfers and other banking transactions in each case in US Dollars presented by or on behalf of Members provided, operated and managed by HKICL.

2.2 Unless the context otherwise requires:

- (a) words importing one gender include the other genders;
- (b) words importing the singular shall include the plural and vice versa;
- (c) references to Parts, Sections, Clauses and Paragraphs are references to parts, sections, clauses and paragraphs in these Account Terms, references to Paragraphs are to paragraphs in the Clause in which the reference appears and references to Clauses are to the clauses in the Section or Part in which the reference appears;
- (d) references to documents (including these Account Terms) include the same as from time to time amended, supplemented and substituted;
- (e) clause and other headings are for ease of reference only and shall not affect the interpretation of these Account Terms;
- (f) the word “**person**” includes any individual, company, firm, partnership, joint venture, association, sole proprietorship or other incorporated or unincorporated entity and “**including**” and “**includes**” mean respectively “including without limitation” and “includes without limitation”;
- (g) references to any Ordinance or statutory provision include references to such Ordinance or provision as amended, consolidated, extended or re-enacted and any subsidiary legislation made thereunder.

3 **OPENING AND CLOSING OF ACCOUNTS**

- 3.1 (a) Prior to the opening of an Account or using any Services, the Customer shall complete and sign such forms, mandates, specimen signature cards and other documents as the Bank may prescribe from time to time, including suitable references, proof of identity and legal existence of itself and, if appropriate, its directors and controlling (both intermediary and ultimate, legal and beneficial) shareholders. The Customer shall also provide such other documents and information as the Bank may require from time to time. All documents provided in connection with the application to the Bank will not be returned to the Customer.
- (b) The Customer may from time to time apply for any new or additional Accounts and / or Services subject to the provisions of these Account Terms and other extra terms and conditions as the Bank may prescribe from time to time. By using, retaining or maintaining the relevant Accounts and / or Services, the Customer shall be deemed to have confirmed the Customer’s agreement to such Account Terms and other extra terms and conditions as applicable. Such application for new or additional Accounts and / or Services may be made by the Customer by giving an Instruction to such effect in accordance with Clause 4. The Bank may require the Customer to submit such further information and documents as it may require before accepting the Customer’s application for new or additional Accounts and / or Services. The Bank may refuse the Customer’s such application without giving any reason.
- (c) By submitting an application to the Bank for any new or additional Accounts and / or Services, the Customer is deemed to repeat, confirm and agree that the Customer’s information, documents, representation, mandate and authorization provided previously to the Bank are correct, true, complete and not misleading, on the basis of which the Bank is requested and authorize to approve, review and / or accept such application by the Customer, unless and to the extent otherwise as advised by the Customer in writing to the Bank. Further, the Customer is also deemed to represent and confirm in the Customer’s application to the Bank that (i) no other loan facility (such as credit card or overdraft facility) issued or granted to the Customer has any overdue payment record exceeding thirty (30) days or has been cancelled due to a default in payment, (ii) (if applicable) no bankruptcy order has ever been made against the Customer, (iii) the Customer is not involved in any bankruptcy proceedings

against himself, and (iv) the Customer does not have any intention to petition for the Customer's own bankruptcy.

- 3.2 The Bank shall be entitled from time to time to prescribe:
- (a) minimum and maximum amounts or balances that must be credited to Accounts at the time of opening and during the maintenance and operation of Accounts;
 - (b) minimum balances required to be credited to Accounts before interest becomes payable on such Accounts;
 - (c) charges, fees and commissions payable in respect of the operation of Accounts (including any Account the funds in which have been transferred to the Bank's unclaimed balances account pursuant to Clause 3.5);
 - (d) the available periods for deposit Accounts;
 - (e) the foreign currencies in which a foreign currency Accounts may be denominated.
- 3.3 The Bank shall have the right to pay the Customer any amount withdrawn from a foreign currency Account by any one or a combination of the following:
- (a) by cash payment in the currency of the Account;
 - (b) by issuing to the Customer a cheque, cashier's order and / or draft drawn by the Bank on a correspondent bank in the currency of the Account;
 - (c) by effecting mail or telegraphic transfer in the currency of the Account to an account with other banks or financial institutions in accordance with the Customer's written instructions or orders;
 - (d) by cash payment in Hong Kong Dollars converted from the currency of the Account at the Exchange Rate determined by the Bank, in its sole discretion, to be prevailing between Hong Kong Dollars and the currency of the Account at the relevant time;
- or in any other manner which the Bank, in its discretion, thinks fit. The Bank shall be entitled to levy such charges at such rates as the Bank determines for effecting such payment.
- 3.4 Without prejudice to Clause 3.8, if, in the Bank's reasonable opinion, any Account (a) has not been satisfactorily operated or maintained or (b) has a nil balance and, in the Bank's reasonable opinion, has been inactive for an extended period the length of which shall be determined at the Bank's discretion, the Bank may at any time at its absolute discretion by not less than 30 days' notice to the Customer, unless there are exceptional circumstances (for example, use of the Account for criminal or illegal activities), close that Account without being obliged to give any reason for so doing. Upon the lapse of 30 days after the deemed receipt of such notice by the Customer pursuant to Clause 25.1 or immediately, if the aforesaid exceptional circumstances exist, the Bank shall be released from all further obligations in respect of the relevant Account or to the Customer. The Customer shall be held solely responsible for any and all consequences resulting or arising therefrom.
- 3.5 The Bank may transfer any balance on an Account closed by the Bank pursuant to Clause 3.4 to the Bank's unclaimed balances account. Subject to payment of the service charge (details of which are available on request and are otherwise displayed at any branch or website of the Bank in Hong Kong) provided for under Clause 9, the Customer may collect the balance from the Bank during the Bank's business hours on any Business Day.
- 3.6 Notwithstanding Clause 3.4, the Bank may at any time without liability and disclosing any reason suspend the operation of, or freeze, any Account of the Customer.
- 3.7 Notwithstanding any other agreement between the Bank and the Customer, the Bank is entitled to:
- (a) suspend any Account or the provision of any Services to the Customer with or without giving any prior notice or reason without any liability to the Customer; and / or
 - (b) close any Account or terminate the provision of any Services to the Customer with or without giving any reason without any liability to the Customer, after the Bank has given reasonable notice to the Customer (except in the cases referred to in Clause 3.8, or if there are exceptional circumstances, for example, the Account is being, or is suspected of being, used for any activities which may be illegal or in breach of any Applicable Laws).
- 3.8 Without prejudice to the generality of Clause 3.7, the Bank shall be entitled to terminate, close or suspend any Account or the provision of any Services immediately without notice to the Customer if:
- (a) there is any change of the Applicable Law which prohibits or renders illegal the provision of the relevant Service or any part thereof, and / or the maintenance or operation of the Account;
 - (b) the Customer commits any breach of any terms, conditions or obligations under the Account Terms and fails to remedy the same within a reasonable time determined at the Bank's discretion after notice from the Bank requiring remedy and stating that the Account(s) would otherwise be closed or that the Service(s) would otherwise be withdrawn or suspended;
 - (c) the Customer becomes bankrupt, or makes any arrangement with the Customer's creditors or any assignment for the benefit of creditors, or if distress or execution shall be levied or threatened upon any of the Customer's property, or if the Customer suffers any similar action.

4 INSTRUCTIONS AND AUTHORIZED REPRESENTATIVES

- 4.1 Where applicable, unless the Bank receives notice of change in accordance with Clause 5, the signature(s)/chop(s) on the designated signature panel of the Customer's Application submitted to the Bank for an Identifier or, where agreed, other specimen signature(s) of the Customer or the Customer's Authorized Representatives provided (in the manner required by the Bank) to the Bank shall be the Customer's specimen authorized signature(s) and / or chop(s) ("**Specimen Signature**") authorized by the Customer for the purpose of

authenticating all Instructions in connection with the operation of and / or transactions through all existing and future Accounts and Services of or provided to the Customer and linked by the Identifier. All Accounts and Services linked by the Identifier shall be operated by the same Specimen Signature. If the Customer wishes certain specified Account(s) and / or Services of or provided to the Customer which is/are linked by the Customer's Identifier to be subject to authorized signature(s)/chop(s) that are different from the Specimen Signature, the Customer shall by way of special arrangement agree with the Bank the Account(s) and / or Services and the authorized signature(s)/chop(s) ("**Other Specimen Signature**") to be used for such Account(s) and / or Services, in which case such Accounts and Services shall not be linked by the Identifier. Unless the context otherwise requires, the Specimen Signature does not include Other Specimen Signature or other authorized signature(s)/chop(s) of those Accounts or Services that are not linked by the Identifier. Notwithstanding any provision in the Account Terms to the contrary, only the Account holders, who own the Accounts, are allowed to open or close the Accounts, or change the Specimen Signature, Other Specimen Signature or mandate.

For those Customers who do not have an Identifier or whose Account(s) is/are not linked by an Identifier, each of the Customer's such Accounts shall be governed by the relevant mandate or authorization.

- 4.2 Any Instruction from (or purportedly from) the Customer and / or Authorized Representative(s) on behalf of the Customer bearing signature(s) or chop(s) (if applicable) conforming to the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be for the time being in effect shall be binding on the Customer. The Bank shall be entitled and deemed as authorized by the Customer to rely, and shall not be liable for any loss or damage if acting, on Instructions signed by or on behalf of the Customer using signature(s) or chop(s) (if applicable) conforming to the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be unless caused by any fraud, wilful default or negligence on the part of the Bank, its employees acting in the course of their employment or agents acting within their apparent authority.
- 4.3 The Bank shall be entitled to refuse to act upon, accept or execute any Instruction bearing signature(s) or chop(s) (if applicable) which, in its reasonable opinion, do not conform to the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be for the time being in effect, or if the Bank has doubt as to the genuineness or due authority of such signature(s) or chop(s).
- 4.4 The Customer agrees that the Authorized Representatives (if any) shall have full powers and authority to deal with the Bank if acting in accordance with the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be for the time being in effect, and all instructions, acts, things and matters given or done on behalf of the Customer by Authorized Representatives if acting in accordance with the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be for the time being in effect shall be binding on the Customer.
- 4.5 Notwithstanding any provision in these Account Terms, the Customer agrees and acknowledges that the Bank shall have the right at any time without prior notice to the Customer and without giving any reason therefor, to refuse to act on any instruction given by any Authorized Representative.
- 4.6 If the Customer passes away or any one or more of the persons constituting the Customer passes away, all instructions, acts, things and matters done or given by Authorized Representative(s) if acting in accordance with the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be for the time being in effect after such death but prior to the actual receipt in writing thereof by the Bank shall be absolutely and conclusively binding on the Customer, all persons comprising the Customer (if applicable), the executors, administrators and successors of the Customer or the deceased (if applicable) and all other persons claiming from or under the Customer or the deceased (if applicable) until notice in writing of such death shall have been given to the Bank by some party entitled thereto.

5 CHANGE OF SPECIMEN SIGNATURES, AUTHORIZED REPRESENTATIVE OR AUTHORIZED SIGNING ARRANGEMENT

If the Customer wishes to change the Customer's Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be, the Customer shall duly complete and submit with prior notice of not less than 7 Business Days a form prescribed for this purpose by the Bank using the signature(s) or chop(s) which at the time conform(s) to the Customer's Specimen Signature, Other Specimen Signature or the relevant mandate (as the case may be) on the Bank's record or file and submitting new Specimen Signature, Other Specimen Signature or mandate (as the case may be) indicating the date from which the new Specimen Signature, Other Specimen Signature or mandate (as the case may be) will be effective. The Customer shall produce to the Bank evidence of due authorization of the Customer in respect of such change to the satisfaction of the Bank, and all costs shall be borne by the Customer. No new Specimen Signature, Other Specimen Signature or mandate (as the case may be) shall be used without the prior consent of the Bank. Any such change shall be effective only after the Bank has received and processed the application accompanied by all documents required by the Bank. Without prejudice to the foregoing, unless otherwise agreed by the Bank, if the Customer wishes to change the Specimen Signature, Other Specimen Signature or the relevant mandate (as the case may be), or the Authorized Representative or the authorized signing arrangement in relation to the Customer's Accounts or Services, the Customer shall submit to the Bank such duly authorized instructions as shall be in form and substance satisfactory to the Bank, requesting such change. Nothing in this clause shall oblige the Bank to give effect to any change requested by the Customer.

6 AUTHORITY

The Customer requests and authorizes the Bank to honour all items drawn on, and items accepted and presented for payment against, Accounts whether or not such Accounts be overdrawn, to comply with any Instruction or other directions given regarding Accounts, and to accept and act upon any receipts for money deposited with or owing by the Bank on Accounts, provided that such items, directions and receipts are signed by or on behalf

of the Customer (including in accordance with the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be) or, in the good faith determination of the Bank, appear to be signed by or on behalf of the Customer (including appearing to be signed in accordance with the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be). The Customer agrees to accept liability for all withdrawals from Accounts, to be responsible for the repayment of any overdraft and interest thereon and to assume full responsibility for the genuineness of all instructions given in connection therewith, unless any such withdrawal or instruction is forged or given fraudulently and the Bank has failed to exercise reasonable skill and care in relation to it or is otherwise unauthorized as a result of the fraud, wilful default or negligence of the Bank or any of its employees, agents or servants acting in the course of their employment or (in the case of an agent) within their apparent authority.

7 ADVICES, STATEMENTS AND CONFIRMATIONS

- 7.1 The Bank will send a Consolidated Statement and / or other statement of account for the Accounts linked by the Identifier, including Current Accounts, Statement Savings Accounts, other Accounts or Services for which the Bank issues statements of account to the Customer at its last known correspondence address according to the Bank's record at monthly intervals or at such other intervals as determined by the Bank from time to time. The Bank shall not be obliged to send a Consolidated Statement and / or other statement of account for an Account if no transaction has been made in that Account, or all Accounts linked by the same Identifier since the date of the last statement. If the Customer does not receive a Consolidated Statement and / or other statement of account within 14 days after the end of the month or other period to which the statement relates, the Customer shall notify the Bank immediately and request a copy to be sent to him.
- 7.2 A deposit (whether fixed term, call or otherwise) placed with and accepted by the Bank shall be evidenced by the issue of a deposit confirmation by the Bank, showing the amount of the deposit, the date of maturity of the deposit and the applicable interest rate.
- 7.3 The Customer shall have a duty to examine and verify promptly the correctness of each and every entry in any statement, confirmation, advice or certificate issued by the Bank to the Customer. The Customer must notify the Bank immediately in writing of any unauthorized transactions referred to in such statement, confirmation, advice or certificate arising from whatever cause, including forgery, fraud, lack of authority or negligence of the Customer or any other person. Unless the Bank shall have received written notice of such unauthorized transactions within 90 days from the day of deemed receipt of such statement, confirmation, advice or certificate by the Customer, such statement, confirmation, advice or certificate shall be deemed to have been accepted and confirmed by the Customer as correct and conclusive evidence of the balances upon the relevant Account and the transactions referred to therein. No claim to the contrary by the Customer shall be admissible against the Bank on any grounds whatsoever unless (a) the Bank has failed to exercise reasonable skill and care in respect of any unauthorized transactions; (b) any unauthorized transactions arose from the forgery or fraud of any of the Bank's employees, agents or servants; or (c) any unauthorized transactions arose from the wilful default or negligence of the Bank or any of its employees, agents or servants.
- 7.4 Notwithstanding Clause 7.3, the Customer acknowledges that entries in any statement, confirmation, advice or certificate provided by the Bank are not conclusive as to their correctness against the Bank as deposits may have been made or other items may have been changed since the date of the statement, confirmation, advice or certificate. The Bank shall be entitled to correct entries on any records, statements, confirmations, advices or certificates and shall not be liable to the Customer or any other person for any loss of whatsoever nature incurred as a consequence of such corrections.

8 PAYMENTS INTO / FROM ACCOUNTS

- 8.1 **The Bank reserves the right not to accept any item for deposit into any Account. All items accepted for deposit in any Account are credited subject to final clearance and interest will only begin to accrue upon such items when they are cleared and credited. If any item deposited with the Bank for credit to any Account is returned unpaid or dishonoured, the sum credited into such Account and any interest accrued thereon shall be null and void and an amount equal to the sum and interest so credited shall be debited from such Account. The Bank shall notify the Customer as soon as reasonably practicable after such debit is made. The Bank reserves the right to charge the Customer and debit to the Account charges in accordance with the Bank's standard rate of charges together with interests in force from time to time for items which are subsequently returned unpaid or dishonoured. Details of such charges are available upon request and are displayed at all branches of the Bank in Hong Kong and on its website.**
- 8.2 The Customer may not draw against uncleared items (whether drawn on the Bank or sent for collection) paid in by the Customer until the proceeds thereof have been actually received by the Bank. The Bank reserves the right to recover from the Customer in full any loss sustained by it as a result of any non-payment of such items. All items received for collection on any Business Day after the "cut-off time" for collection fixed by the Bank at its discretion in respect of the relevant items shall be treated as received for the account of the following Business Day, except that all items received on a Saturday or after the "cut-off time" on a Business Day immediately preceding the Saturday shall be treated as received on the Business Day immediately following the Saturday.
- 8.3 If the Bank receives instructions for several payments or other transactions which in aggregate would exceed the amount of the credit balance on any Account or any authorized limit in respect thereof, it shall be entitled at its absolute discretion to select which transaction or transactions shall be executed, without reference to the date of despatch or time of receipt of the Customer's instructions.
- 8.4 Unless otherwise agreed in writing, the liabilities of the Bank hereunder shall be payable only at the branch at which the relevant Account is maintained. The Customer shall only be permitted to make withdrawals in cash at the discretion of the Bank and only to the extent that funds in the relevant currency are actually available to the Bank in cash in Hong Kong. If funds in such currency are not available (whether in cash or otherwise) in Hong

Kong, the Bank shall be entitled to discharge its obligations in Hong Kong Dollars or US Dollars or any other currency in its discretion, converted at the Bank's own Exchange Rate then prevailing between the relevant currencies, as the case may be. The Bank may also, if it in its discretion sees fit, discharge its obligations by the issue of a banker's draft or other item drawn upon it.

8.5 **Special or standing instructions from the Customer for payments from an Account and remittances and collections by the Bank on behalf of the Customer shall be subject to a handling charge determined by the Bank from time to time. Details of this handling charge are available on request and are displayed at all branches of the Bank in Hong Kong and on its website.**

8.6 Withdrawals from any Account, other than a Current Account, shall not be by cheque or other monetary instrument but only by instructions given in such form as the Bank, in its discretion, may prescribe or accept.

8.7 Any request for cancellation or reversal of payment instructions or other instructions shall be at the sole discretion of the Bank and subject to such conditions as the Bank may prescribe.

8.8 The operation of an Account in a location outside Hong Kong and payment in such a location shall be conditional on such operation and payment being lawful in that location. The Bank shall be entitled, and is authorized by the Customer, to comply with any laws, regulations, governmental or exchange control measures or restrictions which may be applicable in any location outside Hong Kong in relation to the operation of an Account in such location and payment thereunder. The Bank shall not be responsible, or liable for, any losses, taxes, duties, costs and expenses as a result of complying with such laws, regulations, measures or restrictions.

9 **FEES AND CHARGES**

9.1 The Bank reserves the right to charge fees and charges, including:

(a) additional banking fees in such amounts as the Bank shall from time to time determine if the balance (as determined by the Bank) in any Account with the Bank falls below such amount as the Bank may from time to time determine;

(b) a handling charge if a large quantity of cash is deposited, which quantity shall be determined by the Bank;

(c) in respect of a foreign currency Account or foreign exchange Service, the Bank may also levy a commission or mark up ("**Mark Up**") in lieu of exchange on the value of the currency notes, cheques, drafts, payment orders and other monetary instruments accepted by the Bank for deposit. The Customer understands that:

(i) the final price of a Transaction or Service may be inclusive of Mark Up;

(ii) different customers may receive different prices for the Transaction or Service that is the same or similar;

(iii) the determination of Mark Up may be contributed by a number of factors, including those related to the nature of the specific Transaction or Service and those associated with the broader customer relationship, as well as any relevant operating costs; and

(iv) the Mark Up may impact the pricing and / or execution of any order linked to or triggered at a specific level.

Details on the Bank's determination of the Mark Up and impact of the Mark Up on a particular Transaction or Service will be provided at the time of Instruction and available upon request by the Customer.

10 **DEBIT AND OTHER AUTHORIZATION**

10.1 Without prejudice to any other provisions of these Account Terms or any other agreement between the Bank and the Customer, the Customer agrees that the Bank may debit to any Account all sums which the Customer is liable to pay to the Bank, whether under these Account Terms or otherwise, including sums paid or advanced by the Bank to the Customer together with all interest, charges, commissions, fees and costs or any reasonable expenses incurred by the Bank in relation to any Account.

10.2 The Customer irrevocably authorizes and appoints the Bank to be the Customer's agent, and in the Customer's name or otherwise on the Customer's behalf, to sign, execute, deliver, perfect and do all instruments, further assurances, acts and things which may be required or which the Bank shall reasonably think fit for carrying out or performing any of the Customer's obligations under these Account Terms or otherwise under laws or equity. The Customer ratifies and confirms and agrees to ratify and confirm any instrument, further assurances, act and thing which the Bank may lawfully execute or do from time to time.

11 **NO THIRD PARTY RIGHTS**

11.1 The Customer shall not assign, pledge, mortgage, charge or otherwise encumber any right, title and / or interest to and in any Account without the prior written consent of the Bank.

11.2 Except for the Bank's directors, officers, employees, affiliates and agents who are expressly made third party beneficiaries of the applicable Account Terms, a person, who is not a party to a contract (called "third party" under this Clause 11.2) to which these Account Terms apply, will have no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any provision of such contract or these Account Terms or to enjoy any other benefit. For the avoidance of doubt, such contract and / or these Account Terms may be rescinded, varied or supplemented without consent by, or notice to, any third party in all circumstances.

12 **RETENTION OF MONEY, SET-OFF AND LIEN**

12.1 Without prejudice to any other provision of these Account Terms or any other agreement between the Bank and the Customer, the Bank shall be at liberty to retain all monies, deposits and any interest accrued thereon in any Account or any part of such monies,

deposits and interest, irrespective of whether such monies, deposits or interest are due for repayment to the Customer, if the Customer is or becomes indebted to the Bank, whether under these Account Terms, any other agreement between the Bank and the Customer or otherwise.

- 12.2 Without prejudice to any other provision of these Account Terms or any other agreement between the Bank and the Customer, the Bank may, at any time, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any of the then existing Accounts opened in the name of the Customer (whether subject to notice or not, whether matured or not, whether held singly or jointly and whether in Hong Kong or with any other branch of the Bank in any other jurisdiction). The Bank may set-off or transfer any sum standing to the credit of any one or more such Accounts, whether in Hong Kong or with any other branch of the Bank in any other jurisdiction, in or towards satisfaction of any liabilities of the Customer in whatever capacity, whether such liabilities be present or future, actual or contingent, primary or collateral, or several or joint and whether owed solely by the Customer or by the Customer and any other person. If such combination, consolidation, set-off or transfer requires the conversion of one currency into another, such conversion shall be made at the Bank's Exchange Rate for the currency for which the Customer is liable against the currency credited to the relevant Account. The Bank shall notify the Customer as soon as practicable after exercising its rights under this Clause 12.2. In the case of a joint account, the Bank may exercise the rights in this Clause and apply any credit balance on the joint account in or towards satisfaction of any indebtedness owed to the Bank by one or more of the holders of the joint account.
- 12.3 The Bank shall have a first and paramount lien over all securities, deeds, documents and other property of the Customer which are in the possession or control of the Bank, for custody or any other reason (including safe deposit boxes and their contents) and shall have the right to sell the same to satisfy any indebtedness of the Customer to the Bank.
- 12.4 Notwithstanding any purported appropriation by the Customer, the Bank may at any time appropriate any money paid to the Bank or otherwise coming into the Bank's possession or control for the Customer's account in or towards discharging whichever part of the Customer's liabilities to the Bank and in such order as the Bank shall think fit.
- 12.5 In the event of death, bankruptcy or mental or other incapacity of the Customer, the Bank shall have the right to set off any claims the Bank has or may have against such Customer howsoever incurred against any credit balance in the Account and further, the Bank shall have the right, in its sole discretion, to freeze the Account and refuse any dealings therewith or refuse to accept any Instructions, where in respect of the Account, the Services or otherwise. The Bank shall have the same rights where the Customer is constituted by more than one person in the case of a joint account.

13 INDEMNITY FROM CUSTOMER AND EXEMPTION OF LIABILITY OF BANK

- 13.1 Without prejudice to any other provision of these Account Terms or any other agreement between the Bank and the Customer, the Customer shall indemnify and keep the Bank, its officers, employees and agents indemnified against all reasonable losses, damages, costs (including legal fees, costs incurred in seeking professional advice and any interest or commission payments), proceedings, claims and demands which they may reasonably suffer or incur as a result of:
- (a) any transactions or contracts entered into or services provided in respect of any Account or under these Account Terms;
 - (b) anything done or omitted to be done by the Bank pursuant to any instructions by or for the Customer for any reason; and
 - (c) any default by the Customer in performing the Customer's obligations under these Account Terms or the applicable requirements,
- unless such losses, damages, costs, proceedings, claims and demands are due to the fraud, negligence or wilful default of the Bank, its officers, employees or agents. The Customer shall immediately on demand pay in full any sums due to any of them under any of these indemnities. This Clause 13 shall continue to have effect notwithstanding the termination of the Account and / or the Services.
- 13.2 Neither the Bank, nor any of its directors, officers, employees or agents, shall be liable to the Customer for any expenses, losses or damage suffered by or occasioned to the Customer by reason of:
- (a) any act or omission by the Bank or any of its directors, officers, employees or agents other than as a result of the fraud, wilful default or negligence of the Bank or its directors, officers, employees or agents;
 - (b) any delay, failure (whether partial or total) or interruption in any of the Services provided by the Bank or in the performance of the obligations and duties by the Bank under these Account Terms that is beyond the Bank's reasonable control or the reasonable control of the Bank's agents or nominees;
 - (c) unauthorized use or forgery of any signature of the Customer or an Authorized Representative;
 - (d) any act, omission or insolvency of any person not associated with the Bank;
 - (e) any failure, power failure, breakdown, interruption, inadequacy or malfunction of, or error in the transmission of information caused by, any electrical, computer or mechanical machine or system/ equipment/ installation / software or any interception of communication facilities, abnormal operating conditions, labour difficulties, industrial actions, acts of God, government act, flood, fire, civil commotion, strike, war or any similar or dissimilar causes beyond the reasonable control of the Bank;
 - (f) notwithstanding Paragraph (g), the error, failure, negligence, act or omission of any other person, system, institution or payment infrastructure beyond the reasonable control of the Bank;

- (g) any flood, storm, fire, strike, riot, civil commotion, natural disaster, act of God, emergency, war (whether declared or not) or other events beyond the reasonable control of the Bank;
- (h) the Bank failing to act upon any items or other instructions which are not signed using signatures conforming to those in the mandate and / or such other documents for the time being in effect in respect of any Accounts;
- (i) any destruction or disposal of any paid cheque by the Bank, any collecting bank or HKICL;
- (j) in respect of a PIN, TBS Number or Login Name used for the purposes of any Account or Services, any interruption, suspension, delay, loss, mutilation or other failure or inaccuracy in transmission of Instructions or other information howsoever caused outside of the Bank's reasonable control;
- (k) the Bank's inability to execute any Instruction due to prevailing market conditions, or the manner or timing of the execution of any Instruction by reason of any cause beyond the Bank's reasonable control; and / or
- (l) imposition or change of any Applicable Law, market disruption or fluctuation, or procedures, restrictions or suspension of trading imposed by any government, exchange, clearing house or market, or bankruptcy, insolvency or liquidation of any relevant bank, financial institution, broker, exchange or clearing house or government.

13.3 The Customer will be liable for all losses if the Customer has acted fraudulently, or with gross negligence (this include cases where the Customer knowingly allows the use by others of the Customer's device or secret code), or if the Customer fails to take reasonable steps to keep any device (for example, Chong Hing Cards, smart cards that store digital certificates) or secret code (for example, PIN, TBS Number or Login Name) used for accessing any Internet Banking Services (whether over the internet, wireless network, ATMs, fixed telephone network or other electronic terminals or devices) secure and secret, if such failure has caused the losses.

13.4 The Bank shall not be responsible for any loss of profit, indirect, special or consequential losses or damages in connection with or arising from the Account and / or Service provided by the Bank.

14 AUTHORIZATION AND INDEMNITY FOR FACSIMILE, EMAIL AND TELEPHONE INSTRUCTIONS

14.1 In consideration of the Bank agreeing to accept and / or act on any Instructions at its sole discretion, the Customer agrees and undertakes to the Bank as follows:

- (a) The Customer is aware of and agrees to accept the possible risks inherent in the giving of, and the Bank accepting, Instructions, including without limitation:
 - (i) the forgery, invalidity or lack of authority of signatures on the facsimiles;
 - (ii) the forgery, invalidity or the lack of authority of the relevant email (or the attachment thereto);
 - (iii) the presence of computer viruses or such other malicious programs that may adversely affect the Customer's computer systems;
 - (iv) the hacking and impersonation of email accounts and internet accounts;
 - (v) their vulnerability to unauthorized interception by third parties or transmission to incorrect numbers or email addresses and never reaching the Bank; and
 - (vi) the consequences of Instructions being misrouted, delayed or otherwise not delivered to the Bank,
 (collectively, the "Risks").
- (b) The Bank is irrevocably and unconditionally entitled, but not obliged, to rely upon and act in accordance with any Instruction from time to time given, by the Customer or by any Authorized Representative, as the Bank may see fit.
- (c) The Customer shall comply with the procedures and conditions as prescribed by the Bank in its sole discretion from time to time in relation to the giving of Instructions to the Bank.
- (d) The Bank shall be entitled to treat any Instruction given, or purported to be given, by the Customer or by any Authorized Representative(s) as fully authorized by and conclusively binding upon the Customer for all purposes.
- (e) Before the Bank acts on any Instruction, the Bank shall not be under any duty or obligation to investigate, inquire or verify the accuracy or authenticity of any Instructions, any particulars or signature thereof, the identify or authority of the person or persons giving Instructions purportedly in the Customer's name or whether the Instructions have been duly authorized by the Customer.
- (f) The Bank shall be entitled (but not bound) to take such steps in connection with or in reliance upon such Instruction as the Bank may in good faith consider appropriate.
- (g) Any transaction made or Service rendered pursuant to any Instruction shall be binding upon the Customer, whether made with or without the Customer's actual authority, knowledge or consent, except where the Bank has actually received the Customer's notification in writing that the relevant Instruction is forged or unauthorized before the Bank acts on that Instruction.
- (h) There is no monetary limit on the amount for any Instruction to be given, or purported to be given, on the Customer's behalf to the Bank.
- (i) The Customer agrees that the Bank will not be liable to the Customer for any losses, liabilities, claims or expenses which the Customer may suffer if the Bank has acted on any Instruction arising from one or more of the Risks or any other risks which the Customer accepts in connection with the usage of Instructions, provided only that Bank has acted in good faith believing it to be genuine or authorized as the case may

be.

- (j) The Customer agrees to keep the Bank and its directors, officers, employees, agents and correspondents fully indemnified against all claims, demands, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal expenses) of whatever nature and however arising reasonably incurred or sustained by the Bank or such person or persons from acting on any Instructions or in connection with anything done or omitted to be done pursuant to or in reliance upon any Instruction (whether or not the same are authorized by the Customer).
- (k) The Customer hereby irrevocably waives all its rights to challenge, raise any dispute or objection or pursue any remedies against the Bank in respect of any Instruction that the Bank has acted on and undertakes to defend at the Customer's own cost and expense any action which may be commenced against the Bank in connection with any Instructions.
- (l) Notwithstanding the foregoing, the Bank shall be under no obligation to take or refrain from taking any action pursuant to any Instructions. The Bank shall from time to time at its sole discretion decide whether or not or when to act (or to refrain from acting) on any particular Instructions with or without prior notice as the Bank may determine in good faith without any liability or obligation to the Customer or any third party. The Bank may at any time without disclosing any reason refuse to act on or accept any Instructions, or may impose such conditions prior to the Bank's acceptance or performance of any Instructions. Proof of despatch or giving of Instructions by the Customer or an Authorized Representative shall not constitute proof of receipt or acceptance of such Instructions by the Bank.
- (m) The Bank may record an Instruction by such method as the Bank deems appropriate and the Bank's records of Instructions shall be conclusive and binding on the Customer.
- (n) The Customer may at any time terminate the Instruction by delivering to the Bank a written notice of termination. Such termination will be effective on the day (the "Effective Date") specified in the Bank's written acknowledgement of receipt of the Customer's notice of termination. The Customer's notice of termination shall not have any effect on the obligations of the Customer which arose prior to the Effective Date.

15 **LOSS OF CHOP OR COMPROMISE OF PIN, TBS NUMBER OR LOGIN NAME**

- 15.1 If a chop used for operating an Account is lost or if the Customer becomes aware that any Account may have been or may be about to be operated contrary to its instructions, the Customer shall immediately notify the Bank in writing. The Bank shall not be responsible for any withdrawal, transfer or other transaction upon the relevant Account made prior to its receipt of such written notice unless:
 - (a) the Bank failed to exercise reasonable skill and care;
 - (b) any unauthorized transaction arose from the forgery or fraud of any employee, agent or servant of the Bank; or
 - (c) any unauthorized transaction arose from the wilful default or negligence of the Bank or any of its employees, agents or servants.
- 15.2 The Customer shall act in good faith and exercise due care and diligence in keeping the Customer's PIN, TBS Number and Login Name confidential. At no time and under no circumstances shall the Customer disclose any PIN, TBS Number or Login Name to any person. For the purpose of and under these Account Terms, the term "PIN" shall mean the PIN currently in use, and "TBS Number" shall mean the TBS Number currently in use.
- 15.3 Upon the Customer becoming aware of or coming to believe that the PIN, TBS Number or Login Name has been or may be Compromised, the Customer shall as soon as reasonably practicable notify the Bank in person or by such other means as the Bank may allow from time to time (in each case, to be confirmed in writing as soon as reasonably practicable) and the Customer shall prevent further use of the PIN and change the PIN with the agreement of the Bank as soon as possible.
- 15.4 All withdrawals, transfers and Transactions involving the Customer's Accounts or Services by any person, whether or not authorized by the Customer, prior to the Bank's actual receipt of an adequate notice under Clause 15.3 shall be binding on the Customer.
- 15.5 Any modifications to the PIN shall only become effective if accepted and acknowledged by the Bank. For the avoidance of doubt, the Bank shall not be obliged to accept and / or acknowledge any such modifications.
- 15.6 For security purposes, the Customer agrees to follow and adhere to guidelines and / or advice which the Bank may (but not obliged to) issue from time to time in relation to the use of and access to the Bank's website and / or the Internet Banking Services. The Customer also agrees that:
 - (a) The Customer may request, in writing or by another mode approved by the Bank, the alteration of the PIN if necessary from time to time. The Customer acknowledges that the Customer is required to alter the PIN as originally nominated by the Bank and select a new PIN for the purpose of confidentiality before giving any Instruction.
 - (b) The issue or selection of a new PIN shall not be construed as the commencement/creation of a new contract.
 - (c) The Customer agrees and acknowledges that the use of PIN or TBS Number together with the related Login Name shall constitute and be deemed to constitute the use thereof by the Customer or by persons authorized by the Customer.

16 **TELEPHONE**

- 16.1 The Bank may, if it sees fit, also act on any instructions and / or requests (in this Clause 16, "communications") given by the Customer by telephone which are expressed to come from the Customer and which are honestly believed by the Bank to do so, even if they are not followed by written confirmation.

- 16.2 Prior to the Bank's acting on any instructions by telephone from the Customer, the Customer shall complete and sign such forms and other documents as prescribed by the Bank in respect of the Bank's telephone banking service and all telephone communications shall be subject to the Bank's terms and conditions for telephone banking services and other terms and conditions governing the provision of telephone banking service in force from time to time. For the avoidance of doubt, any such requirement may be waived or otherwise varied any time by the Bank at its sole discretion.
- 16.3 The Bank shall be entitled at any time, at its absolute discretion, to refuse to carry out any communication given or offer made by telephone, even if the employee who received such communication or offer on behalf of the Bank may have stated its acceptance thereof.
- 16.4 Notwithstanding any of the provisions in these Account Terms, the Bank shall not be obliged to remit funds or deliver property of the Customer to a third party solely on the basis of a telephone communication, unless in consideration for such payment or transfer the Bank shall receive value in the form of money, shares, bonds or other property to be held by it to the credit or for the account of the Customer.
- 16.5 If the Bank gives written confirmation of any telephone communication, the Customer must examine such confirmation and must notify the Bank within 14 days of the day of deemed receipt of such confirmation under Clause 25.1 of any unauthorized transaction arising from whatever cause, including forgery, forged signature, fraud, lack of authority or negligence of the Customer or any other persons. After such period, the Bank's confirmation will (in the absence of manifest error) be deemed to be correct and conclusive evidence that the transaction is authorized and binding on the Customer. No claim to the contrary by the Customer shall be admissible against the Bank unless (a) the unauthorized transaction was by any third party and the Bank failed to exercise reasonable skill and care in respect of it or (b) any unauthorized transaction arose from the fraud, wilful default or negligence of the Bank or any of its employees, agents or servants.

17 AUTHENTICATION TECHNOLOGIES

- 17.1 To the extent permissible under Applicable Laws, the Bank may use such authentication technologies as it deem appropriate and may add or vary any Account Terms in such respect from time to time. Reasonable notice may be given to the Customer by such means as the Bank at its discretion sees fit.
- 17.2 The Customer acknowledges and accepts the following risks:
- (a) No authentication, verification or computer security technology is completely secure or safe. The Customer understands and agrees to bear the risks of unauthorized access/use, hacking or identity theft, except where such unauthorized access/use, hacking or identity theft is due to the negligence of the Bank;
 - (b) The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) is an inherently unreliable form of communication, and such unreliability may be beyond the Bank's control; and
 - (c) Any information (including any document) transmitted, or communication or transactions made, over the internet or through other electronic media (including electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume, internet traffic, market volatility or incorrect data transmission (including incorrect price quotation) or stoppage of price data feed due to the public nature of the internet or other electronic media.

18 DEPOSITED PROPERTY

If the Customer deposits with the Bank or its nominee precious metals, share certificates, documents of title or any other property (the "**Deposited Property**"), the Bank will act as custodian thereof and keep it with the same care as it keeps similar property belonging to it. Subject only to this, Deposited Property will be placed with the Bank at the risk of the Customer and unless otherwise agreed in respect of specific items, the Bank shall not be obliged to monitor, or exercise on behalf of the Customer any rights whatsoever attached or relating to, the Deposited Property and shall have no duty to advise the Customer of any variation in the value thereof. The Bank shall further have no duty to return to the Customer Deposited Property bearing features or serial numbers identical to those originally deposited with the Bank provided it shall return to the Customer property of the same value and / or quantity as the Deposited Property.

19 CHANGE OF CUSTOMER'S INFORMATION

The Customer shall immediately notify the Bank in writing of any change in the Customer's particulars, address, email address, telephone or facsimile number and any other details relating to the Customer or its Account(s). Such changes shall not be effective until duly entered in the Bank's records.

20 CERTIFICATE CONCLUSIVE

For all purposes, including any legal proceedings, a certificate by an authorized signatory of the Bank as to the sums and liabilities for the time being due or incurred to the Bank by the Customer shall, in the absence of manifest error or fraud or negligence of the Bank, be conclusive evidence thereof against the Customer.

21 SUSPENSE ACCOUNT AND VALUE DATE

- 21.1 The Customer acknowledges and agrees that the Bank may place and keep any money received in connection with any Account(s) to the credit of a suspense account on such terms and for such period as the Bank may think fit.
- 21.2 The Bank may, at its discretion, determine the effective value date in respect of every transaction at or made through the Account. The Bank may as it sees prudent approve or reject any Instruction or payment instructions or cheques drawn, by reference to the actual or projected account balance as at the transaction date.

22 PRIVACY POLICY AND DISCLOSURE OF INFORMATION

- 22.1 The Bank is authorized, if it so wishes, to obtain references in respect of the Customer from any person or agent, and to obtain credit reports on the Customer, when considering whether to open an Account, to continue it, or to revise the facilities offered pursuant to it. The Bank shall not approach any proposed referee for the Customer unless the Customer has first confirmed to the Bank that the Customer has obtained the consent of such referee for the Customer's name to be used.
- 22.2 The Customer acknowledges that the role of referees is confined to providing, on a voluntary basis and upon request by the Bank, information about the Customer in respect of the Service specified in the Application. The Customer acknowledges that referees have no legal or moral obligation to repay to the Bank liabilities of the Customer unless the referee has entered into a formal agreement to guarantee the liabilities of the Customer.
- 22.3 The Customer confirms having received, read and understood the Bank's general policy on disclosing customer information (including any personal data) as set out in any statements, circulars, notice or other communications or terms and conditions the Bank has provided to the Customer (including but not limited to the Personal Information Collection Statement - Notice to Customers and Other Persons relating to the Personal Data (Privacy) Ordinance ("PICS") as varied and circulated by the Bank to Customers and other persons from time to time) ("**Data Policy Notice**"). The Customer agrees to be bound by the Data Policy Notice and authorizes the Bank to use the Customer's information for the purposes and to disclose them to the persons in accordance with the Data Policy Notice. The Customer shall ensure that all individual agents and staff members who in the course of their dealings with the Bank with respect to the operation and maintenance of the Customer's Accounts are or may be obliged to provide their personal data to the Bank have read, understood and agreed to the provisions of the Data Policy Notice. The Customer confirms and agrees that the Bank may provide or transfer data concerning any Customer to any holding company of the Bank, subsidiary of any such holding company, controller of the Bank (as such terms are defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), its subsidiary companies and / or any of the Bank's branches and offices and such other person from time to time within and / or outside the jurisdiction of Hong Kong in accordance with the Data Policy Notice.
- 22.4 The Customer consents that the Bank may transfer or disclose the Customer's information to any other person in or outside Hong Kong in accordance with the Data Policy Notice to the extent permissible by the Applicable Laws. The information may be used, processed or held by them in or outside Hong Kong.
- 22.5 The Customer acknowledges and agrees that some services, operational and processing procedures relating to the Transactions and Services provided by the Bank to the Customer may from time to time be outsourced by the Bank to its regional or global processing centres, holding companies, branches, subsidiaries, representative offices, affiliates, agents and third parties selected by the Bank, wherever situated, and these service providers may from time to time be given access to information relating to the Bank and the Transactions and Services provided by the Bank to the Customer for the purpose of or in relation to the services and procedures they perform to the extent permissible by the Applicable Laws. The Customer's name and correspondence address may also be disclosed to the Hong Kong Securities Clearing Company Limited and the registrars of the listed issuers, so that they will send communication to the Customer in connection with the Securities purchased by the Customer which are registered in the Bank or its nominee's name.
- 22.6 The Customer warrants and declares that:
- (a) the Customer has thoroughly read, fully understood, and agrees to be bound in full by the provisions and implications of these Account Terms;
 - (b) all the information and documents provided to the Bank in connection with these Account Terms, any Account, Services and / or to facilitate the provision or maintenance of any Services and in relation to any new or additional Account and / or Services to be applied for, used and maintained by the Customer from time to time shall be, true, accurate, complete and up to date, and the Customer shall inform the Bank immediately of any material change thereto; and that the Bank shall not be obliged to verify the completeness, truthfulness and accuracy of such information and documents. The Bank shall accept no liability for any cost, claim, expense, loss or damage of whatever nature suffered, sustained or incurred by the Customer or any person arising from or out of or as a result of any error and / or omission in providing any information and documents and / or completing any Application unless caused by any fraud, wilful default or negligence of the Bank, its employees, agents or representatives acting in the course of their employment or (in the case of an agent) within their apparent authority; and
 - (c) the Customer shall read the up-to-date versions of these Account Terms and any applicable extra terms and conditions for the Accounts and / or Services from time to time prior to giving any Instruction and shall consult independent professional advisers if the Customer considers appropriate for protecting the Customer's interests and in respect of each Instruction given. The use or maintenance of any Accounts and Services by the Customer shall be deemed as acceptance and confirmation of such up-to-date versions.

23 JOINT ACCOUNTS

Where an Account is opened in the name of two or more persons, unless otherwise agreed in writing by the Bank:

- (a) the obligations and liabilities of those persons to the Bank in connection with any Account shall be joint and several;
- (b) the Bank shall be entitled to act upon any request or instruction received from one or more such persons if such request or instruction is in accordance with the authorized signing arrangement established pursuant to the Customer's mandate;
- (c) any credit balance of such Account is and will be owned by such persons as joint

tenants with right of survivorship;

- (d) subject to Applicable Laws, on the death of any of such persons, the Bank will hold any credit balance of the Account to the order of the survivor(s) and, in the case of the death of all such persons, the legal representative(s) of the last survivor, on production of a grant of probate or letters of administration in respect of that last survivor (without prejudice to any right the Bank may have in respect of such balances arising out of any security interest, lien, right of set-off, counterclaim or otherwise);
- (e) if any one or more of the persons constituting the Customer passes away, any request or instruction issued by the Customer which is in accordance with the authorized signing arrangements and received and acted on by the Bank before notice in writing of such death shall have been received by the Bank shall be binding upon the Customer and each of the persons constituting the Customer and their respective executors, administrators, successors and all other persons claiming from or under the Bank; upon receipt by the Bank of notice in writing of such death (with supporting evidence to the Bank's satisfaction), the provisions of Clauses 23(c) and 23(d) shall apply;
- (f) the Bank may at any time, apply all or part of the funds standing to the credit of any other Account (whether a joint account or an individual account) in the name of any person constituting the Customer with the Bank in or towards discharging any liabilities of any such person to the Bank;
- (g) the Bank shall be entitled to deal separately with any person constituting the Customer on any matter, including the discharge of any liability to any extent without affecting the liability of any other such person;
- (h) the Bank's rights to set-off under Clause 12 apply to all Accounts of each of the Customer (whether in single name or in joint names with any other person);
- (i) in the absence of written instructions to the contrary, if an Account is maintained in joint names, each person constituting the Customer shall be entitled to operate and authorize closure of the Account individually and independently from the other(s); if, prior to acting on instructions received from one such person, the Bank receives contradictory instructions from another such person, it shall act thereafter only on the instructions of all persons constituting the Customer;
- (j) if the Customer defaults, the Bank may release or discharge any one or more persons constituting the Customer from liability or compound with, accept compositions from, or make any other arrangement with, any of them without affecting the Bank's right against the remaining persons;
- (k) any notice to any one person constituting the Customer will be deemed effective notification to all such persons; and
- (l) references to the Customer shall be construed, as the context requires, to any or all such persons.

24 DEBT COLLECTION AND DELEGATION

- 24.1 If the Customer fails to pay any sum due to the Bank, the Bank may appoint a debt collection agency to collect it. **The Customer shall indemnify the Bank against all fees and expenses reasonably and properly incurred by the Bank, including legal fees and debt collection agents' fees, in connection with demanding, collecting or suing to recover any sum payable by the Customer or other remedies resulting from the breach of any of these Account Terms or any other agreement with the Bank.** The Bank shall comply in all respects with the Code of Banking Practice in force from time to time in relation to collection of debts.
- 24.2 The Bank may, at its sole discretion, appoint any other person as its nominee or agent to perform any of the Services on its behalf and may delegate (including rights to sub-delegate subject to no limit) any of its powers under these Account Terms to such person and shall not be liable (except for breach of confidentiality of the Customer's Data) for any act, omission, negligence or default of any such person provided that the Bank has exercised such care in appointing such person as it would employ for its own business.
- 24.3 Without prejudice to the generality of Clause 22, the Bank is authorized to disclose any Data, information and document in relation to the Accounts, Services, Transactions and / or Instructions of the Customer to any person appointed by the Bank in connection with the performance of the Services.

25 NOTICES

- 25.1 Without affecting other methods of communication provided for in these Account Terms, the Customer agrees to receive communications sent by one or more of the following means, and such communications are deemed to be received by the Customer:
- (a) if addressed to the Customer at the address for correspondence or notices notified to the Bank in writing by the Customer from time to time or which appears in the Bank's records as the Customer's last known address:
 - (i) where delivered personally, at the time of delivery;
 - (ii) where dispatched by letter postage prepaid:-
 - (1) 2 Business Days after posting, if the address is in Hong Kong; or
 - (2) 7 Business Days after posting, if the address is outside Hong Kong (including the People's Republic of China),its return by the post office notwithstanding;
 - (b) if published as an advertisement in a Hong Kong newspaper, 3 Business Days after publication;
 - (c) if communicated by telephone to any number on the Bank's record or other oral communication, notwithstanding the Customer's death or incapacity, when communicated (including by leaving a voice message);

- (d) if sent by telex or by facsimile at the last telex or facsimile number notified to the Bank by the Customer, at the time of transmission;
 - (e) if delivered to the Customer by email, SMS, phone banking message or other form of mobile communication, at the last email address or phone number (as applicable) notified to the Bank by the Customer, at the time of delivery from the Bank's electronic messaging system; and
 - (f) if delivered via other electronic means, 24 hours after the time of delivery shown on the Bank's electronic system record; and
 - (g) if displaying at the banking halls of the Bank's branch offices in Hong Kong, on the Bank's website <<http://www.chbank.com>> or on the automated teller machines operated by the Bank, at the time of publication or posting.
- 25.2 Any notice to the Bank shall be in writing and duly signed by or on behalf of the Customer using the Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be for the time being in effect. Notices from the Customer shall be addressed and delivered to the Bank at its principal place of business or such other offices or branches in Hong Kong for the time being selected by the Bank and notified to the Customer and shall be deemed to have been received only upon actual receipt by the Bank.

25.3 Unless expressly agreed otherwise by the Bank, the Customer may not communicate or give any notice to the Bank by email.

26 **BUSINESS HOURS**

The business hours of the Bank may be extended or otherwise revised by the Bank in accordance with its business requirements. A notice posted in its branch offices or website of the Bank shall constitute written notice to the Customer of such change. All business transacted within the extended or revised period shall be considered as having been transacted during normal business hours in the ordinary course of business.

27 **DOLLAR AND SUBSIDIARY NOTES ORDINANCE**

Following the order made in August 1995 by the Financial Secretary under Section 7 of the Dollar and Subsidiary Currency Notes Ordinance (Chapter 67 of the Laws of Hong Kong) demonetizing the one cent note, all transactions in cash between the Bank and the Customer or any other person dealing with the Bank shall be settled by rounding the amount down to the nearest integral multiple of ten cents. The Bank or, as the case may be, the Customer or such other person shall receive a full discharge by the payment in cash of the rounded-down amount for the amount of the obligation sought to be discharged including any odd cents which are not, by virtue of the rounding-down, paid. This shall not affect transactions by cheque or other means of payment which may still include amounts in respect of odd cents.

28 **AMENDMENTS**

The Bank may amend these Account Terms (including without limitation the terms and conditions affecting fees and charges) at any time, subject to giving the Customer not less than 30 days' prior notice (unless such amendment is not within the Bank's control) of the relevant amendment. If the Bank, in its reasonable opinion, considers that it is not practicable to notify the Customer by written notice, notice under this clause shall be deemed to be duly given to the Customer by displaying such notice at its branch offices in Hong Kong, on its website or on the ATMs operated by the Bank for not less than 30 consecutive days. The Customer shall be deemed to have accepted and consented to the relevant amendment if the Customer continues to maintain or use any Account or Services after such notice period or the effective date of the amendment.

29 **MISCELLANEOUS**

29.1 All transactions in relation to Accounts or otherwise with the Bank (whether or not also governed by these Account Terms) shall be effected by means of the applicable transaction forms provided by the Bank for such purpose or in such other manner as the Bank may reasonably require. The Customer shall be deemed to be bound by terms and conditions imposed by the Bank in respect of such transactions whether appearing on relevant forms or not and whether or not the relevant forms or other documents required by the Bank are completed and / or signed by the Customer.

29.2 Without prejudice to any other provision of these Account Terms, the Bank shall be entitled to charge reasonable service and handling fees and charges in respect of Accounts and all banking services provided to the Customer and functions carried out for the Customer during the course of its banking relationship with the Customer. Details of these fees and charges are available on request and are displayed at all branch offices of the Bank or its website.

29.3 The Bank shall be entitled to act in accordance with its regular business practice and procedure and will only accept the Customer's instructions in so far as they are, in the Bank's reasonable opinion, practicable and reasonable to do so. For the avoidance of doubt, the Bank is authorized to participate in and comply with the rules and regulations of any authority or organisation which regulates the conduct of banking business and any system which provides central clearing, settlement and similar facilities for banks.

29.4 These Account Terms shall be binding on the Customer and the Customer's executors, administrators and successors, and shall not be terminated or affected by the death, bankruptcy or incapacity of the Customer as aforesaid. The rights of the Bank, as referred to in Clause 12.5 (to the extent applicable), are not affected by the death, incapacity or bankruptcy of the Customer.

29.5 Any forbearance or delay by the Bank in exercising any right or remedy shall not be deemed to be a waiver of such right or remedy, and any single or partial exercise of any right or remedy shall not preclude further exercise thereof. No course of dealing between the Customer and the Bank nor any waiver in any one or more instances shall be deemed a waiver in any other instance. The Bank's rights and remedies shall continue in full force and effect until they are specifically amended or waived in writing by the Bank.

- 29.6 Any provision in these Account Terms which is invalid shall be ineffective only to the extent of such invalidity and shall not affect the validity of the remaining Terms.
- 29.7 In the course of providing the Account or Services to the Customer, the Bank (or its employees or agents) is entitled (but not obliged) to record verbal instructions received from the Customer and the Customer's Authorized Representative and / or any verbal communication between the Customer and the Customer's Authorized Representative and the Bank (or its employees or agents) in relation to such services. Save in the case of manifest error, such record of verbal communication kept by the Bank shall be conclusive evidence and binding on the Customer in relation to the relevant Instruction or authorization by the Customer.
- 29.8 The Bank may destroy any documents and file relating to the Account, Services or any of the other services after storage thereof by microfilming/ scanning/ other means or tools and destroy the microfilm/ scanned/ otherwise stored records after such period or time as the Bank considers prudent.
- 29.9 Any stamp duty, levies, taxes or charges by the government or other competent authorities related to withdrawals from and deposits to the Customer's Accounts shall be paid by the Customer upon demand.

30 **EXISTING BANKING MANDATES AND ACCOUNTS UNDER IDENTIFIER**

- 30.1 Any authorization, mandate(s) and specimen signature(s) in relation to any Account(s), Services or other services of a Customer with the Bank which is not linked by an Identifier will continue to apply and remain in force unless and until otherwise agreed by the Customer and the Bank.
- 30.2 Subject to the approval of the Bank, the Customer may request and authorize the Bank to link any Account or Services in the name of the Customer and to be operated by the same Specimen Signature by the Customer's Identifier.
- 30.3 The Customer agrees and confirms that the service of linking the Accounts by the Identifier is provided by the Bank for the Customer's convenience at the Customer's own risks, which the Bank is entitled to cease, suspend, withhold or otherwise terminate the service with or without prior notice to the Customer. In no circumstance shall the Bank be liable for any loss or damage as a result of or otherwise in relation to such linking of Accounts save and to the extent caused by any fraud, negligence or wilful default by the Bank, its employees, agents or representatives acting in the course of their employment or (in the case of an agent) within their apparent authority.

31 **FOREIGN LAW REQUIREMENTS**

- 31.1 The Customer agrees to provide any self-certification, information and documentation which the Bank may from time to time require pursuant to any present or future legal, regulatory or contractual requirements of any government, tax or regulatory authorities in or outside Hong Kong ("**Requirements**") affecting the Bank and / or its subsidiaries.
- 31.2 The Customer will notify the Bank in writing within 30 days of any change in circumstances that results in any self-certification or other documentation associated with the Customer's account(s) becoming incorrect, obsolete, misleading or unreliable.
- 31.3 The Customer agrees that the Bank and its subsidiaries may, pursuant to the Requirements, from time to time disclose any information and documentation about the Customer, the Customer's account(s), and (if applicable) any natural persons who exercise control over the Customer to the Bank's subsidiaries, any government, tax or regulatory authorities in and outside Hong Kong, or any other persons, including (to the extent applicable):
- the Customer's name, address and taxpayer identifying number and (if applicable) the name, address, and taxpayer identifying number of any natural persons who exercise control over the Customer;
 - the Customer's account number;
 - the Customer's account balance or value;
 - the gross receipts or payments to the Customer's account(s) (for such period and in such manner as required by the Requirements); and
 - date of birth.

Such disclosure may be made through or to intermediaries, service providers (including external auditors or consultants), counterparties, government or regulatory authorities.

If a payee or any third party information is involved in any information or documentation to be disclosed, the Customer confirms that the Customer has obtained all necessary consent from all such parties.

- 31.4 The Customer agrees that the Bank and its subsidiaries may, without notice or liability to the Customer, make any deduction and withholding in respect of any sum payable by the Bank and / or its subsidiaries to the Customer pursuant to the Requirements.
- 31.5 If the Customer does not consent to or withdraws the Customer's consent to the above disclosures, or if the Bank is otherwise required to do so pursuant to the Requirements, the Customer agrees that the Bank may, without liability to the Customer, close, suspend, transfer or block the Customer's account(s).

32 **FINANCIAL CRIME COMPLIANCE**

- 32.1 Notwithstanding Clause 31, the Bank is required to act in accordance with Applicable Laws and policies (including the Bank's policies) and request of statutory and regulatory authorities operating in various jurisdictions. These relate, amongst other things, to the prevention of money laundering, terrorist financing, bribery, corruption, actual or attempted tax evasion, fraud and the provision of financial or other services to any persons which may be subject to sanctions. The Bank may in its absolute discretion take any action as the Bank considers appropriate to comply with all such laws, regulations, policies and requests. Such action may include but is not limited to:
- screening, intercepting and investigating any instruction, drawdown request, application for services, payment or communication sent to or by the Customer (or on

the Customer's behalf) and to or from the Customer's Account;

- (b) investigating and making further enquiries as to the source of or intended recipient of funds, the status and identity of a person or entity, whether they are subject to a sanction regime, and whether a name which might refer to a sanctioned person actually refers to that person;
 - (c) combining and using information about the Customer, personal data of the Customer, authorized signatories and other representatives, accounts, transactions, use of the Bank's services with other related information possessed by the Bank or our affiliates;
 - (d) delaying, blocking, suspending or refusing to process any payment or instruction to the Customer or by the Customer in the Bank's absolute discretion;
 - (e) refusing to enter or conclude transactions involving certain persons or entities;
 - (f) terminating the Bank's relationship with the Customer;
 - (g) reporting suspicious transactions to any authority; and
 - (h) taking any other actions necessary for the Bank or its affiliates to meet any legal, regulatory or compliance obligations.
- 32.2 To the extent permissible by law, neither the Bank nor any of its agents shall be liable for any loss (whether direct or consequential and including without limitation, loss of profit or interest) or damage suffered by the Customer or any third party, caused in whole or in part in connection with any action taken by the Bank for compliance with any Applicable Laws and policies and request of statutory and regulatory authorities operating in various jurisdictions.

33 **ASSIGNMENT**

- 33.1 These Account Terms are for the benefit of the Bank and its successors and assignees, notwithstanding any change by way of merger, amalgamation, consolidation or otherwise in the constitution of the Bank or any such successors or assignees. The Customer confirms and agrees, in advance, that the Bank may assign or otherwise transfer any of its (a) rights and / or (b) obligations under these Account Terms and any related transactions and / or in or under any Securities, deeds, documents and properties over which it has a security interest and may deliver the same to the successor(s), assignee(s) or transferee(s), who shall become vested with all the rights and / or obligations formerly vested in the Bank. The Bank shall be released from any liability in respect of those rights and / or obligations.
- 33.2 The Customer shall not assign or transfer any of its rights under these Account Terms or any contracts or transactions effected under them.

34 **CAPACITY OF THE BANK**

The Bank may act as a principal or an agent of a third party in any Transaction. The Customer should refer to each relevant Transaction document (e.g. Confirmation or Offer Document) in order to determine the Bank's capacity.

35 **CONFLICT**

If there shall be any conflict between these Account Terms and any other terms and conditions governing the Accounts, Services, any of the other services, facilities and products of the Bank and general descriptive information about the Bank's services, these Account Terms shall prevail unless otherwise provided in such other terms and conditions.

36 **GOVERNING LAW**

These Account Terms shall be governed by and construed in accordance with the laws of Hong Kong and the parties agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection with any suit, action or proceeding arising out of or in connection with these Account Terms.

37 **LANGUAGE**

The Chinese version of the Account Terms is for reference only. Subject to express provisions to the contrary, in the event of any inconsistencies between the English and Chinese versions of the Account Terms, the English version shall prevail to the extent of such inconsistencies.

Part 2: Terms and Conditions for Account and Banking Services

Section I – Savings Account

1 General

The terms and conditions under this Section I are supplemental to Part 1 and shall form part of the Account Terms governing the Savings Accounts.

Expressions and terms used in this Section I have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

- 1.1 A Savings Account may be a Passbook Savings Account or a Statement Savings Account, and reference to "Savings Account" in the Account Terms may include Passbook Savings Account and / or Statement Savings Account, as the case may be.
- 1.2 The Bank will issue a passbook for the operation of a Passbook Savings Account. Unless otherwise agreed by the Bank and subject to the other provisions of these Account Terms, all transactions upon and other operations of a Passbook Savings Account, including withdrawals at the counters, may only be made by production of the passbook during such business hours as may be determined by the Bank from time to time, provided that the Bank reserves the right to require the Customer to make the withdrawals, transactions and operations in person and produce identification satisfactory to the Bank prior to making any such withdrawals, transactions and operations. The Customer shall examine the passbook, the transaction slips and records carefully after each transaction before leaving the counter to ensure that appropriate and correct entries have been made. No entries shall be made in the passbook by the Customer. The passbook must be presented to the Bank as and when required by the Bank for any relevant interest or unposted items to be entered.

All passbooks are the property of the Bank.

- 1.3 No passbook will be issued for a Statement Savings Account. The Bank will issue statements for Statement Savings Account in the manner as provided under Clause 7 of Part 1. Without prejudice to other provisions of the Account Terms, all transactions upon and other operations of a Statement Savings Account, including deposits, transfers or withdrawals at the counters, may only be made by the Customer in person with the production of the Customer's document of identification satisfactory to the Bank prior to making any such transactions or operations during such business hours as may be determined by the Bank from time to time. The Customer shall examine the transaction slips and records carefully after each transaction before leaving the counter to ensure that appropriate and correct entries have been made.
- 1.4 The passbook is neither assignable nor transferable and cannot be pledged or otherwise provided as security. The Customer shall not tamper with, damage, make entries in or otherwise alter any entry in the passbook.
- 1.5 The Customer shall at all times keep the passbook with due care under lock and key. If the passbook is lost, damaged or stolen, the Customer shall notify the Bank immediately in writing. Replacement of any passbook will only be made at the request of the Customer by the Bank subject to payment of such charges as may be determined by the Bank from time to time. Details of such charges are available on request and shall be displayed at the Bank's branch offices or website from time to time in Hong Kong.
- 1.6 The Customer shall place an initial deposit with the Bank in an amount as may be prescribed by the Bank from time to time.
- 1.7 If a Savings Account is closed for any reason within 3 months from its opening, the Bank may charge a handling fee determined by the Bank from time to time. Details of such fees are available on request and shall be displayed at the Bank's branch offices or website from time to time in Hong Kong.
- 1.8 The Bank has the right to restrict or impose conditions for accessing a Dormant Account.
- 1.9 Any payment made by the Bank in respect of a Savings Account to any person presenting a withdrawal slip purporting to be signed by the Customer or its Authorized Representative(s) or purporting to bear the Customer's chop (if applicable) in accordance with the then current mandate and / or such other documents governing the Account for the time being in effect shall have the same effect as if made to the Customer personally and shall absolve the Bank from all liability to the Customer or to any other person.
- 1.10 Coins are not accepted for cash deposit into multi-currency Savings Accounts.
- 1.11 The Customer shall regularly update, and examine all transactions and entries recorded on the Customer's passbook and the statements.
- 1.12 Balances in any passbook or the statements for any Savings Account do not necessarily indicate the correct balances of the Account as some transactions may not have been recorded in the passbook or the statements. However, notwithstanding the above, any transactions once posted in the passbook or the statements shall be deemed conclusively accepted and cannot be subsequently disputed by the Customer unless the Bank shall have actually received notice in writing from the Customer of any unauthorized transaction within 90 days of such posting for a Passbook Savings Account or in the manner as provided under Clause 7 of Part 1 for a Statement Savings Account. No claim to the contrary by the Customer shall be admissible against the Bank unless (a) the Bank has failed to exercise reasonable skill and care in respect of any unauthorized transactions; (b) any unauthorized transactions arose from the forgery or fraud of any of the Bank's employees, agents or servants; or (c) any unauthorized transactions arose from the wilful default or from negligence of the Bank or any of its employees, agents or servants.
- 1.13 The Bank is entitled to set a limit on the number of unposted transactions in respect of any Passbook Savings Account. If the number of the unposted transactions exceeds any such limit, all unposted transactions may be consolidated as one single entry and updated on the passbook when the latter is next presented to the Bank. Individual items may not be posted on the passbook in these circumstances. The limit may be set by the Bank at its discretion from time to time.
- 1.14 The Bank may from time to time send out statement(s) of account to the Customer to set out those transactions which have been entered into in respect of a Passbook Savings Account but not recorded on the passbook. The Customer shall have a duty to examine and verify the correctness of each and every entry on those statement(s) of account and notify the Bank immediately in writing of any unauthorized transactions. For the avoidance of doubt, the provisions of Clauses 7.3 and 7.4 of Part 1 shall apply to these statement(s) of account.
- 1.15 Interest at the rates from time to time determined by the Bank, details of which are available upon request, displayed at the Bank's branch offices in Hong Kong, its website and / or advertised in the press will accrue upon the daily balance credited to a Savings Account. Interest will accrue on a daily basis but no interest will accrue on the day when a Savings Account is closed. Accrued interest (rounded upward or downward according to the Bank's prevailing practice) will be credited to a Savings Account at such intervals as the Bank may from time to time determine or otherwise as agreed with the Customer.
- 1.16 The Bank reserves the right not to act on any instruction unless given in writing in a form and manner prescribed by the Bank.
- 1.17 Withdrawals from Savings Accounts which would result in the Savings Accounts being overdrawn shall not be permitted unless special arrangements have been agreed with the Bank. If a temporary overdraft facility is granted by the Bank, the Customer shall undertake to refund to the Bank the whole amount so overdrawn with interest thereon at a rate prescribed by the Bank as applicable to the overdraft facilities granted in its ordinary course of business to customers or at such other rate as may be agreed between the Bank and the Customer.
- 1.18 A deposit charge at a rate determined by the Bank from time to time may be charged by the Bank on Savings Accounts. Details of such deposit charges are available on request and

shall be displayed at all branches of the Bank in Hong Kong, or the Bank's website.

- 1.19 For certain Accounts, the Bank will pay interest on the Customer's credit balance. Notwithstanding the foregoing, the Bank may apply a negative interest rate over a credit balance. Interest (including negative interest) will be calculated at the rate, and be credited to or debited from (as the case may be) the Customer's Account at the time, determined by the Bank from time to time.
- 1.20 The Bank reserves the right to prescribe other terms and conditions in respect of the Savings Account from time to time.

2 My dream HKD Savings Plan

In addition to the provisions under Clause 1 of this Section I, the terms and conditions under this Clause 2 shall apply to "My dream HKD Savings Plan" Savings Accounts and Services.

The terms and conditions under this Clause 2 are also supplemental to Part 1 and shall form part of the Account Terms. These terms and conditions, Part 1 and this Section I shall govern "my dream HKD Savings Plan" ("Savings Plan").

2.1 Definition

Expressions and terms used in this Clause 2 shall have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions. In particular, references in Part 1 to "Account" shall include the Savings Plan.

2.2 Account and Passbook

The Customer shall open a Passbook Savings Account in accordance with Part 1 for the purpose of the Savings Plan. Details of the Savings Plan such as the number of monthly deposit, interest rate, amount and payment date of monthly deposit, maturity date and an estimate of the aggregate amount of principal and interest payable at maturity will be shown in the passbook for the Savings Account. Those details are deemed to be correct and accepted by the Customer unless the Bank is notified by the Customer to the contrary at the time of applying for the Savings Plan. The estimate of the aggregate amount of principal and interest payable at maturity is for reference only.

2.3 Savings Plan

- (a) The Savings Plan may be for a fixed period of 12, 18, 24 or 36 months or such other period as the Customer and the Bank may agree. The Bank may from time to time prescribe the minimum and / or the maximum amount of each monthly deposit for the Savings Plan. The first monthly deposit shall be made at the time of applying for the Savings Plan and the subsequent monthly deposits shall be made on the same date of each subsequent calendar month (but if there is not a day which is numerically corresponding to that date in a particular calendar month, then the first Business Day of the next calendar month). Any payment to be made on a day which is not a Business Day shall be made on the following Business Day.
- (b) All monthly deposit shall be paid by way of transfer of fund from the Savings Account to the Savings Plan and the Customer shall ensure there is sufficient fund in the Savings Account. The Customer irrevocably authorizes the Bank to debit from the Savings Account the amount of any monthly deposit when due and transfer the same to the Savings Plan.

2.4 Interest

- (a) The interest rate applicable to the Savings Plan will be notified to the Customer at the time of applying for the Savings Plan. Subject to Clauses 2.5 and 2.6(a) below, interest on the Savings Plan shall accrue monthly on a compound basis from the date of payment of the first monthly deposit up to but excluding the maturity date provided that if the maturity date shall fall on a day which is not a Business Day, it shall instead fall on the following Business Day.
- (b) If any monthly deposit is not paid when due, interest on such monthly deposit will only accrue until actual receipt thereof by the Bank. If any monthly deposit is not paid within 7 days after the due date, the Bank may terminate the Savings Plan without prior notice to the Customer.

2.5 Premature Termination

The Customer may terminate the Savings Plan (in whole but not in part) before the maturity date provided that an administration fee in the amount determined by the Bank shall be payable if such termination occurs within such period as specified by the Bank from time to time (called in this Section "Specified Period") from payment of the first monthly deposit. The Customer authorizes the Bank to deduct any such administration fee from the Savings Account.

2.6 Effect of Termination or Maturity

- (a) If the Savings Plan is terminated (for whatever reason whether by the Bank or by the Customer):
- (i) within Specified Period from payment of the first monthly deposit, no interest on the Savings Plan shall be payable; or
 - (ii) after such Specified Period from payment of the first monthly deposit but before its maturity, interest on the Savings Plan will accrue on daily basis for the whole deposit period at the standard savings rate(s) from time to time announced by the Bank.
- (b) Upon maturity or the early termination of the Savings Plan:
- (i) the balance of the Savings Plan shall be transferred to the Savings Account;
 - (ii) all accrued interest (if any) shall be credited to the Savings Account;
 - (iii) the Savings Plan shall not be renewed; and
 - (iv) the rights and obligations of the parties under the Savings Plan shall cease.

2.7 Miscellaneous

- (a) All calculation and determination made by the Bank in relation to the Savings Plan shall be final and conclusive save and except manifest errors.
- (b) The Bank reserves the right not to act on any instruction unless given in a form and manner prescribed by the Bank.

Section II – Current Account

The terms and conditions under this Section II are supplemental to Part I and shall form part of the Account Terms governing Current Accounts.

Expressions and terms used in this Section II have the meanings ascribed to them in Part I unless otherwise defined or specified in these terms and conditions.

- 1 Blank cheques will be provided by the Bank. When a cheque book is required, the Customer may make a cheque book application to the Bank via available channel(s) as prescribed by the Bank from time to time. If a cheque book application is approved, the Bank may deliver the cheque book to the Customer by such method as the Customer requests at the Customer's expense. Costs may be debited by the Bank from any Account of the Customer. If the Customer requests a cheque book to be sent by post, the Bank may deliver it to the last known address of the Customer appearing on the Bank's records, except as expressly requested otherwise by the Customer and agreed by the Bank.
- 2 Upon receipt of a cheque book, the Customer should count the number of cheques carefully and examine the account and serial numbers printed thereon to ensure there are no discrepancies. The Customer shall read and understand the conditions printed on the inside of the cover of the cheque book which form part of the Account Terms and agrees to be bound by them. Cheque books should at all times be kept under lock to safeguard against loss or theft.
- 3 Cheques should not be pre-signed in blank. All alterations on cheques must be authenticated by the full signature or signatures of the drawer near the place where such alterations have been made. Initials and abbreviations shall not be used (as the same can be forged easily), unless previous arrangements have been made in respect thereof. The Customer agrees that the Bank shall not under any circumstances be held liable for losses arising from unauthorized alterations to cheques and the Bank shall be entitled to honour cheques even though they are so altered and to debit the Account accordingly provided that the alterations are not reasonably apparent or detectable.
- 4 All cheques must be written in non-erasable ink or ball-point pen. Cheques or other instructions to the Bank must be signed in accordance with the Customer's mandate, using the same signature(s) and / or chop (if applicable) and signing arrangements as recorded on the Bank's file in respect of the Account. The Bank shall not be obliged to honour any cheque or act upon any instruction if the signature upon it does not appear to conform to the Customer's specimen signature(s) or the specimen signature(s) of its Authorized Representative(s) on the Bank's file or where the cheque or instruction is not signed or given in accordance with the Customer's mandate and any relevant authorized signing arrangements.
- 5 The Customer shall exercise care when drawing cheques and agrees that cheques shall not be drawn by any means and / or in any manner which may enable a cheque to be altered or may facilitate fraud or forgery. The Customer agrees when issuing a cheque to:
 - (a) delete the words "OR BEARER" from, and cross, any cheque which is sent through the post, by courier or by other persons;
 - (b) write the amount, both in words and figures, as close as possible to each other and to the left-hand margin so as to leave no space for other insertions;
 - (c) write the word "only" after the amount in words;
 - (d) use only Arabic numerals when writing the cheque's amount in figures.
- 6 If a signed cheque is lost or stolen, the Customer must immediately report the loss or theft to the Bank in writing duly signed with the same signature and / or chop (if applicable) and signing arrangements as recorded in the Bank's files with instructions to stop payment of such a cheque. If the cheque is stolen, the Customer should also report the loss to the nearest police station. The Bank shall not be liable to the Customer if the cheque is paid prior to the receipt of the instructions to stop payment. If any blank cheques are lost, the Customer shall notify the Bank immediately and request their cancellation. Any instructions countermanding a cheque by the Customer must include complete and accurate details of the number of the cheque, the name of the payee and the amount and date. The Bank shall only comply with such instructions if all such details accord strictly with those of the cheque presented for payment. The Customer agrees to indemnify the Bank against all reasonable losses and expenses it may incur resulting from the non-payment of the cheque on presentation.
- 7 The Customer agrees to indemnify the Bank and keep the Bank indemnified against, and agrees that the Bank is entitled to debit any Account to compensate the Bank for, all reasonable claims, demands, actions, damages, costs, losses, expenses (including legal fees) and other sums which the Bank may properly incur or pay by reason of or as a consequence of the Bank paying pursuant to a cheque or other document that is lost, stolen, unlawfully used, fraudulently altered or forged and not as a result of the Bank's negligence, wilful default or fraud.
- 8 If any cheque is presented for payment by physical presentment, the Bank shall return to the relevant collecting bank such cheque if it is incorrectly completed, altered without authorization, post-dated, out of date or has any discrepancies that the Bank considers will jeopardize the parties concerned. **The Bank reserves the right to impose a reasonable handling charge and recover from the Customer any expenses incurred by the Bank as a result of returning the cheque.**
- 9 The Bank shall not honour any cheque if the Account on which it is drawn is not in funds without further prior notice to the Customer unless special overdraft arrangements have been agreed. If temporary overdraft facilities are granted by the Bank, the Customer shall undertake to refund to the Bank on demand the whole amount so overdrawn with interest

thereon at a rate prescribed by the Bank as applicable to the overdraft facilities granted in its ordinary course of business to customers or at such other rate as may be agreed between the Bank and the Customer. **The Bank reserves the right to impose a charge determined by the Bank in its discretion for every dishonored cheque.**

- 10 **The Customer shall pay the fees and charges stipulated by the Bank from time to time and the Bank's other out of pocket expenses incurred with respect to stopping payment of a cheque or any countermending instructions from the Customer. A deposit charge at a rate determined by the Bank from time to time may be charged by the Bank on Current Accounts. Details of any such fees, charges and expenses are available on request and shall be displayed at all branches of the Bank in Hong Kong or its website.**
- 11 Order cheques to be credited to an Account must be properly endorsed in favour of the Customer. Cheques drawn to the order of a third party and so endorsed may be accepted for deposit at the sole discretion of the Bank without prejudice to its rights to claim from the Customer any loss arising from such acceptance. The Customer shall undertake to refund in full to the Bank immediately upon request any loss sustained by it by reason of the Bank allowing the Customer to draw against uncleared cheques or as a result of the Bank endorsing the cheques or from any other cause whatsoever.
- 12 Unless otherwise agreed, no interest is payable on any credit balance maintained on a Current Account.
- 13 All debit cards and cheque books (if applicable) must be returned to the Bank upon termination of the Current Account by the Customer or the Bank.
- 14 The Bank shall exercise reasonable care in relation to the custody and presentation of cheques presented by the Customer for collection but shall not be liable for loss suffered by the Customer as a result of any loss or destruction of cheques or delay in presentation thereof in the absence of fraud, negligence or wilful default on the part of the Bank, its employees acting in the course of their employment or agents acting within their apparent authority. The Bank shall incur no liability as a result of any loss or destruction of cheques or delay in presentation while the cheques are in the custody of any properly authorized third party through whom such cheques are presented for collection. The Bank shall not be liable for any consequential loss arising as a result of the loss or destruction of cheques or their delay in presentation.
- 15 The Customer agrees that:
 - (a) cheques drawn by the Customer which have been paid may, after having been recorded in electronic form, be retained by the collecting bank or HKICL for such period as is stated in the Hong Kong Dollar Clearing House Rules or the US Dollar Clearing House Rules or the Renminbi Clearing House Rules, as the case may be, from time to time issued by HKICL or such other rules relating to the operation of the HK Dollar Clearing House or the US Dollar Clearing House or the RMB Clearing House as may be in force from time to time and after the lapse of such period, such cheques may be destroyed by the collecting bank or HKICL, as the case may be; and
 - (b) the Bank is authorized to contract inter alia with any collecting bank and HKICL in accordance with the terms in Clause 15(a) of this Section and generally in respect of the retention and destruction of cheques.
- 16 Unless special arrangements are agreed with the Bank or there are exceptional circumstances beyond the Bank's control (such as when a Black Rainstorm warning is issued or a typhoon signal No. 8 or above is hoisted), the proceeds of a cheque drawn on a local bank will be available for drawing:
 - (a) (for cheques deposited with the Bank on a Business Day other than a Saturday) after 3:00 p.m. on the second Business Day immediately following the Business Day on which the cheque is deposited with the Bank for collection;
 - (b) (for cheques deposited with the Bank on a Saturday) after 3:00 p.m. on the second Business Day immediately following the Saturday; and
 - (c) (for cheques deposited with the Bank on a Business Day immediately preceding a Saturday) after 3:00 p.m. on the Business Day immediately following the Saturday.
- 17 **OD Protection**

Where an overdraft protection facility ("**OD Protection**") with a pre-defined limit is granted to the HKD / USD / RMB Current Account, the Customer agrees that:

 - (a) the OD Protection may be granted, revised and cancelled at any time at the Bank's sole discretion without notice;
 - (b) the pre-defined limit of OD Protection shall be subject to variation from time to time by the Bank;
 - (c) interest on the OD Protection shall accrue at the rate(s) determined from time to time by the Bank and will be payable monthly to the debit of the HKD / USD / RMB Current Account; and
 - (d) the Bank has the overriding right at any time to demand immediate repayment of any debit balance created under the OD Protection.
- 18 If the Account is a US Dollar Current Account, the following provisions shall apply:
 - (a) All deposits and withdrawals in US Dollar notes in respect of a US Dollar Current Account are subject to commission in lieu of exchange unless the amount to be deposited or withdrawn is below an amount from time to time prescribed by the Bank in its absolute discretion. If any such amount is prescribed by the Bank, it shall notify the Customer of the same as soon as practicable.
 - (b) Cash withdrawals in US Dollars from a US Dollar Current Account are strictly subject to availability of US Dollar notes at the branch at which the Account is opened.
 - (c) The Bank shall not be liable for any reduction in the amount of US Dollars credited

to any US Dollar Current Account due to taxes, imposts or depreciation, nor for the unavailability of US Dollars due to restrictions on convertibility, or other causes beyond the Bank's control.

(d) The Customer acknowledges that:

(i) cheques drawn on or paid into a US Dollar Current Account may be processed in the US Dollar clearing system provided by HKICL, in which the Bank is one of the participants; and

(ii) the operation of such US Dollar clearing system is subject to the US Dollar Clearing House Rules made by HKICL ("**US Dollar Clearing House Rules**") and the US Dollar Operating Procedures ("**US Dollar Operating Procedures**") referred to in the US Dollar Clearing House Rules (as the same may be modified from time to time).

(e) The Customer agrees that the HKMA shall not be liable to the Customer or other persons in respect of any claim, loss, damage or expense (including loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss) (even if the HKMA knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by the HKMA bona fide or by any other parties concerned with the US Dollar Clearing House, or by any other person in the management, operation or use (including the termination and / or suspension of the settlement institution, the Clearing Facilities or any member) of the US Dollar Clearing House or the Clearing Facilities or any part of any of them.

(f) The Customer shall fully indemnify the Bank forthwith on demand in respect of any liability, claim, loss, damages, charges, costs and expense which the Bank may suffer or incur under Rule 2.3.5 of the US Dollar Clearing House Rules (as amended from time to time) by reason of any instruction, request, act or omission of the Customer or otherwise in relation to the Customer's Account.

(g) Interest may accrue on the outstanding credit balance on a US Current Account at such rate(s) and subject to such conditions as the Bank may from time to time determine absolutely, provided however that the Bank shall not be obliged to pay any interest on any credit balance.

Section III – Integrated Account

The terms and conditions under this Section III are supplemental to Part 1 and shall form part of the Account Terms governing Integrated Accounts.

Expressions and terms used in this Section III have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

- 1 Any person may, subject to the Bank's discretion and such terms and conditions as specified from time to time, make an Application to open and maintain an Integrated Account which comprises several sub-accounts.
- 2 As an Integrated Account Customer, the Customer will be entitled to certain services and privileges offered by the Bank and / or open any one or more accounts at any time by issuing an Instruction in such form as may be acceptable to the Bank.
- 3 Where services and privileges of an Integrated Account are provided to the Customer, the Customer agrees to be bound by this Section III governing the Integrated Account, the Account Terms and any specific terms and conditions for particular Services and / or Account(s). If there is any inconsistency, the provisions for particular Services and / or Account(s) will prevail over the Account Terms.
- 4 A monthly fee shall be paid by all Integrated Account customers. The Bank may adjust the Integrated Account services fee payable by Integrated Account customers periodically.
- 5 The Bank may debit any fees and charges payable by the Customer for the Integrated Account services from the Customer's designated account held with the Bank or any sub-accounts of the Integrated Account.
- 6 If the Customer's total liquid assets fall below limits as determined by the Bank from time to time and the Customer fails to pay the fees and charges referred to in Clause 5 above, or the Customer has insufficient funds in the designated account or any sub-accounts to cover such fees and charges payable by the Customer, then the Bank may at its discretion, terminate or suspend any or all of the Integrated Account Services and privileges which the Customer is entitled to as an Integrated Account Customer. The Bank will give the Customer prior written notification of such termination or suspension.
- 7 All debit cards and cheque books (if applicable) must be returned to the Bank upon termination of the Integrated Account by the Customer or the Bank.
- 8 The Bank may (acting reasonably) at any time by notice to the Customer replace, suspend, vary or terminate any services for an Integrated Account as appropriate.
- 9 The Bank may add new banking Services for an Integrated Account Customer, provided that:
 - (a) where such Service(s) involves an additional cost or potential liability or potential risk of financial loss to the Customer, the Bank first obtains the Customer's consent to add such Service(s); or
 - (b) where such Service(s) does not involve an additional cost or potential liability or potential risk of financial loss to the Customer, the Bank allows at least 14 days for the Customer to decline acceptance of the Service(s), and provides a channel for the Customer to indicate that they decline acceptance. The Bank must notify the Customer explicitly that the Customer may decline acceptance of such new Service(s) and the channel(s) through which the Customer may do so.

Section IV – Multicurrency Account

The terms and conditions under this Section IV are supplemental to Part 1 and shall form part of the Account Terms governing Multicurrency Account.

Expressions and terms used in this Section IV have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

- 1 Eligible applicant may, subject to the Bank's discretion and such terms and conditions as specified from time to time, apply for Savings Account and / or Current Account and / or any other Account held in foreign currencies with the Bank.
- 2 The Customer may deposit funds into a Multicurrency Account by methods approved by the Bank as stipulated from time to time. If any deposit is made in a currency other than the currency of the Customer's Account, the Bank will convert the Customer's money to the currency of the Customer's Account at the Bank's Exchange Rate.
- 3 If interest on a balance in an Account is to be deposited into another Account where the balance is in a currency different to that of the interest, the interest will be converted to the currency of that other account in the same way that any other deposit would be converted.
- 4 Availability of any of the currencies and terms is subject to change at the Bank's discretion without notice. The Customer should contact the Bank to obtain the latest information.
- 5 The Bank is not responsible for the effect of any laws, regulations, governmental measures or restrictions of any relevant country which may be applicable to any Multicurrency Account or to the assets of the Bank relating thereto; and the Customer accepts all the risks of or arising from any such laws, regulations, governmental measures and restrictions.
- 6 Multicurrency Accounts are subject to any applicable exchange control law and regulatory requirements.
- 7 Notwithstanding any provision to the contrary, where the Bank determines that it is necessary to convert one currency to another for the purpose of the Account Terms, such conversion may be carried out by the Bank at its discretion in a commercially reasonable manner at the Bank's Exchange Rate.

Section V – Banking Facilities

The terms and conditions under this Section V are supplemental to Part 1 and shall form part of the Account Terms governing Facilities.

Expressions and terms used in this Section V have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

- 1 Any person may, subject to the Bank's discretion and such terms and conditions as specified from time to time, make an Application for a Facility from the Bank.
- 2 Where any Facilities are provided to the Customer, the Customer agrees to be bound by the Account Terms governing the Facilities and any specific terms and conditions for that particular services. If there is any inconsistency, the provisions for particular services will prevail over the Account Terms.

Section VI – Term Deposits

The terms and conditions under this Section VI are supplemental to Part 1 and shall form part of the Account Terms governing Term (fixed and call) Deposit Accounts and other Term Deposit Accounts.

Expressions and terms used in this Section VI have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

1 TERM (FIXED AND CALL) DEPOSIT ACCOUNTS

- 1.1 Interest on a fixed deposit shall accrue at such rate as may be determined by the Bank for the entire deposit term specified in the relevant deposit confirmation and is calculated on a simple basis. Interest on a call deposit shall be simple interest accruing from day to day at the call rate specified by the Bank on a daily basis. Details of applicable interest rates are available upon request and displayed at the Bank's branch offices in Hong Kong, its website and / or advertised in the press. Interest shall accrue upon the daily balance of a deposit, calculated on the basis of the actual number of days elapsed (including the first day of the period during which it accrues but excluding the last) and a 360/365 day year, depending on the "day count" convention applicable by market practice to the relevant currency.
- 1.2 Interest shall be payable on the maturity date of a fixed deposit or in the case of a fixed deposit for 15 months or more, at such other times as may be agreed by the Bank. The Customer shall give the Bank at least one Business Day's notice prior to maturity of a fixed deposit of the Customer's instructions regarding renewal or withdrawal of the fixed deposit and accrued interest. If a fixed deposit is renewed on the maturity date, the applicable interest rate shall be the rate prevailing on such maturity date. In the absence of such instructions, the Bank may, at its discretion, (a) renew the fixed deposit together with accrued interest thereon or the fixed deposit only for the same period as was applicable to the fixed deposit immediately prior to its maturity or for such other period as the Bank considers appropriate and the interest rate applicable shall be the interest rate applied by the Bank with respect to fixed deposits in the currency of the relevant fixed deposit prevailing at the relevant time; or (b) credit the deposit (and interest accrued on it), in whole or in part, to one or more of the Savings Accounts or Current Accounts of the Customer and, if the deposit and / or interest accrued thereon are only partially credited to such Account or Accounts, hold the balance thereof with no obligation to pay further interest until receipt of instructions from the Customer as to treatment of such amount or (c) dispose of the deposit (and interest accrued on it) by such other methods as may be agreed from time to time between the Bank and the Customer. If an automatic renewal instruction of a fixed deposit is given, the interest rate applicable thereto shall be the interest rate at close of business on the renewal date applied by the Bank with respect to fixed deposits in the currency of the relevant fixed deposit. For the avoidance of doubt, unless the fixed deposit is renewed for a new term of deposit or is otherwise credited to a Savings or Current Account with respect to which interest is then payable at the relevant rate(s) applicable to such Account, interest will cease to accrue on the fixed deposit as from the maturity date of such deposit.
- 1.3 Early withdrawal of all or part of a fixed deposit is permitted at the Bank's sole and

absolute discretion and in accordance with the Bank's policies regarding fixed deposits in force from time to time. **Notwithstanding that the Bank may agree to allow a withdrawal of a fixed deposit prior to its maturity, no interest shall be payable if any deposit is uplifted prior to its maturity and a premature uplifting charge may also be charged to the Customer at the Bank's sole discretion.**

2 OTHER TERM DEPOSIT ACCOUNTS

2.1 The Bank may from time to time offer other term deposit Accounts, which may only be made in the currency and minimum amount, for the period and at the rate accepted by the Bank and as stated in a deposit confirmation issued by the Bank. Any other rates and information provided by the Bank are not binding.

2.2 The Customer shall examine each relevant deposit confirmation carefully, and notify the Bank immediately of any error.

3 GENERAL

3.1 **A deposit charge determined by the Bank from time to time may be charged by the Bank on any fixed deposit. Details of any deposit charges are available on request and, if in force, shall be displayed at all branches of the Bank in Hong Kong or its website.**

3.2 The Bank shall not be liable to the Customer for any diminution in the value of the monies in any deposit Account brought about by taxes, levies or depreciation in the currency in which the deposit is denominated. Apart from any taxes that the Bank is required by the Applicable Laws to withhold in connection with a deposit and interest accruing thereon, the Bank is also not responsible for the reporting and / or payment of any taxes in relation to the Customer in Hong Kong or any other country.

3.3 Settlement instructions in respect of a fixed deposit at maturity must reach the Bank on or before the maturity of the fixed deposit. The settlement instructions must be in a form acceptable to the Bank and duly signed by the Customer or its Authorized Representative(s), using the specimen signature(s) and / or chop (if applicable) filed with the Bank.

3.4 If the maturity date of a Hong Kong Dollar deposit falls on a day which is not a Business Day, it shall instead fall on the next Business Day. If the maturity date of a foreign currency deposit falls on a day on which banks in the country of the relevant foreign currency are not open for business, then it shall instead fall on the next day on which such banks are open for business unless the Bank determines that it is desirable for the deposit to mature on the last day on which such banks were open for business prior to the original maturity date.

3.5 Deposits are non-transferable, non-assignable or non-negotiable save with the Bank's prior consent.

3.6 If any Hong Kong Dollar cheque previously deposited in a foreign currency Fixed Deposit Account is subsequently returned unpaid, the Bank reserves the right to debit any Account of the Customer with any difference in exchange arising from variation of the prevailing buying rate compared against the original selling rate.

Section VII – Debit Card Services

The terms and conditions under this Section VII are supplemental to Part 1 of the Account Terms and shall form part of the Account Terms governing Chong Hing Cards, debit cards issued by the Bank and the Accounts related thereto.

Expressions and terms used in this Section VII have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

1 CHONG HING CARD

1.1 General

Chong Hing Cards and / or debit cards issued by the Bank (collectively called "Card" in these terms and conditions) are issued to a successful applicant for a Card (called "Cardholder" in these terms and conditions) by the Bank. The Card is for the exclusive use of the Cardholder and is not transferable. The Card is the property of the Bank. The Bank reserves the right at all times in its discretion to terminate the use of the Card by the Cardholder or to refuse to issue any new or replacement Card (if applicable) to the Cardholder without giving prior notice to the Cardholder or providing any reason. The Cardholder must immediately upon demand surrender the Card to the Bank. Without prejudice to the generality of the above provisions, the Bank is entitled to suspend or terminate the use of the Card without giving any prior notice to the Cardholder if the Account(s) to which such Card is related is/are suspended or terminated.

1.2 ATM Services

The Card may be used at:

- (a) ATMs;
- (b) EPS Terminals; and
- (c) any other devices or terminals (if applicable) authorized by the Bank from time to time to process electronic payments or transfers,

whether in or outside Hong Kong.

ATMs, EPS Terminals and such authorized other devices or terminals are collectively referred to as "terminals", and each individually a "terminal". Notwithstanding the above, the Bank reserves the right to add or remove any terminal, or any facilities or services available through the use of the Card, without giving prior notice or reason.

1.3 The PIN

- (a) The Bank will assign to the Cardholder a PIN for use by the Cardholder in connection with the operation of the Card. If the Cardholder does not wish to use a PIN in connection with the operation of the Card, the Cardholder may request the Bank not to assign a PIN to the Cardholder.

- (b) The Cardholder shall destroy the original and any other copy of the PIN after memorizing it. The Cardholder shall in no circumstances write down the PIN on the Card or on anything usually kept with or near the Card. The PIN shall always be disguised if it is written down or recorded in any form.
- (c) The Cardholder shall keep the PIN confidential and shall not disclose the PIN to any other person under any circumstances.
- (d) This Clause 1.3 is without prejudice to the generality of the other provisions under Part 1 and other guidelines or advice rendered by the Bank from time to time.

1.4 Insufficient Funds

The Cardholder shall ensure that there are sufficient funds and / or facilities in the Account(s) before using the Card to effect any transfer, withdrawal or other transaction (called in this Section "transaction") at any terminal authorized by the Bank. **If the transaction results in an overdraft in the relevant Account (except for an RMB Account where no overdraft facility will be allowed), the Cardholder shall pay to the Bank immediately on demand such amount overdrawn, over-transferred or effected together with charges and interest thereon at the amounts and rate chargeable by the Bank from time to time on overdraft Accounts.** Details of such interest rate are available on request and are displayed at all branches of the Bank in Hong Kong or on the Bank's website.

1.5 Bank's Record

The records of the Bank, JETCO, EPS Company and other institutions operating terminals at which the Card may be used in relation to all transactions made by the use of the Card shall in all respects be conclusively binding on the Cardholder for all purposes, save in the case of manifest error.

1.6 Debits

The Cardholder irrevocably authorizes the Bank to debit, without any prior written notice to the Cardholder, from any Account of the Cardholder with the Bank, the amounts withdrawn or transferred by the use of the Card at any terminals and any other sums, interest, fees, costs and expenses payable by the Cardholder under these terms and conditions. For any transaction effected by the use of the Card in a currency other than Hong Kong Dollars, the Bank may at its discretion convert the relevant foreign currency amount into Hong Kong Dollars at the Bank's then prevailing Exchange Rate between the relevant currencies on the date of such transaction or when such transaction is processed, as the Bank determines, and then debit such Hong Kong Dollar equivalent from any of the Cardholder's Accounts. **A handling fee will be charged for each transaction effected by the use of the Card at any overseas terminal.**

1.7 Cheque Book Application

Application for a cheque book by the use of the Card at an ATM shall have the same effect as the submission by the Cardholder to the Bank of the Bank's Cheque Application Form duly completed and signed. Cheque books will be sent at the cost of the Cardholder, if any.

1.8 Limits

The Bank shall be entitled from time to time, without giving any prior notice to the Cardholder, to impose a daily overall limit and / or individual transaction limit in terms of the amount, quantity or currency for transactions to be effected by the use of the Card and / or such other restrictions on the use of the Card (whether a limit on amounts for transactions or otherwise) and may waive or vary such limit in respect of any transaction as it may absolutely see fit.

1.9 Responsibility of Bank

- (a) The Bank, JETCO, EPS Company and other institutions operating any other devices or terminals at which the Card may be used are in no circumstances liable to the Cardholder in respect of any loss or damage arising directly or indirectly from:
 - (i) goods or services bought by the Cardholder with the use of the Card;
 - (ii) the refusal of any terminal to honour or accept the Card;
 - (iii) the malfunction or failure of any terminal, which malfunction or failure was obvious and was advised by a message or notice on display or otherwise drawn to the Cardholder's attention;
 - (iv) the inaccuracy of any record or customer advice in respect of any transaction issued by any terminal, save in circumstances involving fraud, negligence or wilful default by the Bank, its employees acting in the course of their employment or agents acting within their apparent authority;
 - (v) the exercise by the Bank of its right to modify, suspend or withdraw any of the facilities and services from time to time available in respect of the Card; or
 - (vi) any request for the return of the Card or the refusal of any person to honour or accept the Card whether or not instructed by the Bank.
- (b) For the avoidance of doubt, the Bank shall not be liable for any act or omission of any merchant shop or establishment including, without limitation, any statement or other communication made or any dispute, claim or complaint in respect of any goods or services supplied in connection with the use of the Card. The Cardholder shall resolve all such claims, disputes or complaints directly with such merchant shop or establishment and such claims, disputes or complaints shall not entitle the Cardholder to revoke, challenge or vary any transfer or payment effected through or by the use of the Card.
- (c) This Clause 1.9 is without prejudice and subject to the generality of the express provisions under Clause 13 of Part 1.

1.10 Liability of Cardholder

- (a) Subject to Clauses 1.10(b) and 1.10(c), the Cardholder is not liable in respect of loss

incurred through:

- (i) the misuse of the Card when the Card has not been received by the Cardholder;
- (ii) all transactions not authorized by the Cardholder after the Bank has been given adequate notification that the Card and / or PIN has been lost or stolen or when someone else knows the PIN (subject however to Clause 1.10(c) below);
- (iii) faults that have occurred in the terminals, or other systems used, which cause the Cardholder to suffer direct loss unless the fault was obvious or advised by a message or notice on display; or
- (iv) the use of a counterfeit Card.

The Bank's liability for such losses will in any event not exceed the amounts wrongly charged to the Cardholder's Accounts together with any interest thereon.

- (b) **If the Card or the PIN is lost or stolen or if the Cardholder is aware that a third party knows the PIN, the Cardholder must notify the Bank as soon as reasonably practicable. Prior to the receipt of such notification by the Bank, all transactions effected through or by the use of the Card are conclusively binding on the Cardholder. Provided that the Cardholder has not acted fraudulently, with gross negligence or has not otherwise failed to report to the Bank as soon as reasonably practicable after having found that the Card has been lost, stolen or subject to unauthorized use or that someone else knows the PIN, the maximum liability of the Cardholder for such loss, theft or unauthorized use of the Card is HK\$500.00. Subject to Clause 1.10(c), the Cardholder is not liable for any unauthorized transaction effected after the Bank has received proper notice of the loss or theft of the Card or of the disclosure of the PIN from the Cardholder through the Bank's 24-hour lost card hotline or such other telephone number designated by the Bank by notice displayed at the Bank's branches in Hong Kong, on the Bank's Website or by other means as appropriate from time to time. Any notice of the loss or theft of the Card or of the disclosure of the PIN must be confirmed in writing.**
- (c) **Notwithstanding Clause 1.10(b), the Cardholder is liable for all losses and damages in respect of the use of the Card if the Cardholder has:**
 - (i) **acted fraudulently or grossly negligently;**
 - (ii) **failed to inform the Bank as soon as reasonably practicable after becoming aware that the Card has been lost, stolen or the PIN has been disclosed to an unauthorized person; or**
 - (iii) **failed to follow the safeguards or comply with the Cardholder's obligations under Clause 1.3 or other recommendations of the Bank from time to time regarding the safety and security of the Card and the PIN.**

1.11 Charges and Fees

The Bank is entitled to charge an annual fee for the use of the Card and certain other fees from time to time:

- (a) **for other use of the Card or the transactions effected by it; or**
- (b) **in connection with any renewal or replacement of the Card, if applicable.**

Details of the amounts of such fees are available on request and are displayed at all branches of the Bank in Hong Kong or on the Bank's website. The Cardholder irrevocably authorizes the Bank to debit the amounts of any such fees from any Account of the Cardholder with the Bank.

1.12 Use of the Card

The Cardholder agrees and undertakes not to use the Card for any illegal or immoral purposes and the Bank reserves the absolute right at its sole discretion to refuse to honour or process payment for any transactions that are illegal or immoral, or suspected or believed to be illegal or immoral in the view of the Bank as it may absolutely decide.

2 CHONG HING CARD (RENMINBI)

2.1 Application

The terms and conditions under this Clause 2 apply to and regulate the use of the Bank's Chong Hing Card (Renminbi) ("**RMB Debit Card**") by the Cardholder.

For the avoidance of doubt:

- (a) "**ATM**" as defined in Clause 2 of Part 1 includes any automatic teller machine installed by the Bank or any other member of electronic teller card or Unionpay International Co., Ltd ("**UnionPay**") or any other terminals authorized by the Bank from time to time to process electronic payments or transfers, whether in or outside Hong Kong;
- (b) "**Card**" as defined in Clause 1.1 includes the RMB Debit Card;
- (c) "**Cardholder**" means a person who has successfully applied for and to whom a RMB Debit Card is issued by the Bank (the Bank reserves the right at its sole discretion not to issue a RMB Debit Card to any person without giving any reason and without liability);
- (d) "**terminal**" as defined in Clause 1.2 includes the point-of-sale terminals of the UnionPay network; and
- (e) the expressions "other institutions operating terminals" and "other institutions operating any other devices or terminals" used in Clause 1 include UnionPay.

2.2 Use of the RMB Debit Card

- (a) The Bank may from time to time, without notice or liability, set, vary, suspend or withdraw the services, including without limitation cash withdrawal, account transfer, payment for goods and services, change of PIN and / or account balance

inquiry, which are accessible by the use of the RMB Debit Card. Different services may be available with different networks and in different places. For the time being, the RMB Debit Card can only be used at ATMs on which the logo of UnionPay is displayed for transactions (including cash withdrawals) in the People's Republic of China (excluding for the purposes of this Clause 2, Hong Kong, Taiwan and Macau) ("China"). Transactions through the use of the RMB Debit Card will be denominated in RMB, the lawful currency of China.

- (b) The Cardholder shall nominate a foreign currency account opened with and acceptable to the Bank to settle transactions effected through the RMB Debit Card. The RMB Debit Card may be used by the Cardholder to obtain access to the Cardholder's Account through such ATMs, terminals and other devices as advised by the Bank from time to time.
- (c) The Cardholder authorizes the Bank to debit any Account with the amount of any transaction involving the use of the RMB Debit Card and / or the relevant PIN.
- (d) **The Bank accepts no responsibility if any ATM or terminal operator displaying the relevant logo does not accept the RMB Debit Card. An ATM or terminal operator may impose additional fees on a transaction without advising the Cardholder.**
- (e) **The Bank is not responsible for any loss, expense or liability arising from the non-acceptance by any vendor or service provider ("Merchant") of the RMB Debit Card. Any dispute relating to any transaction shall be resolved or settled between the Cardholder and the Merchant directly, and in no circumstances is the Bank responsible for any such dispute, transaction, or the related goods or services.**
- (f) The Cardholder must comply with all Applicable Laws including any anti-money laundering and anti-terrorist financing legislation and regulations and all applicable foreign exchange laws and regulations including without limitation those of China in respect of the use of the RMB Debit Card. All transactions will also be subject to the rules and regulations from time to time applicable to RMB business in Hong Kong. The Bank may take any action (including without limitation the disclosure of any information and documents) which in its sole opinion is necessary to comply with any such law or regulation.
- (g) The Cardholder agrees and undertakes not to use the RMB Debit Card for any illegal or immoral purposes including without limitation illegal gambling and the Bank reserves the absolute right at its sole discretion to refuse to honour or process payment for any transactions that are illegal or immoral, or suspected or believed to be illegal or immoral in the view of the Bank as it may absolutely decide.

2.3 Handling Fee

- (a) **In addition to the charges and fees described in Clause 1.11, for each cash withdrawal transaction effected through the use of the RMB Debit Card, a handling fee will be charged. The amount of handling fee is specified in any schedule of fees published by the Bank from time to time. Such schedule of fees will be made available to the Cardholder upon request.**
- (b) The Cardholder authorizes the Bank to deduct the handling fee from the Account to be withdrawn and at the time of the withdrawal transaction. The Cardholder shall ensure that there are sufficient funds in the Account for the withdrawal amount and the handling fee. Where there are insufficient funds for the withdrawal amount and handling fee, the transaction will not be effected.

2.4 Customer Advice

A customer advice issued by, and information shown on, an ATM or other terminal does not bind the Bank.

2.5 Termination

The Bank reserves the right at its sole discretion to terminate the use of the RMB Debit Card and / or any services offered or to disapprove or decline any transaction without giving any prior notice or reason and without liability. Upon such termination, the Cardholder must surrender the RMB Debit Card on demand to the Bank.

3 Amendment

The Bank may effect significant changes to these terms and conditions under Section VII at any time, subject to giving the Customer at least 60 days prior notice. If the Bank, in its reasonable opinion, considers that it is not practicable to notify the Customer by written notice, notice under this clause shall be deemed to be duly given to the Customer by displaying such notice at its branch offices in Hong Kong, on its website or on the automated teller machines operated by the Bank. The Customer shall be deemed to have accepted and consented to the relevant amendment if the Customer continues to maintain or use any Account or Services after such notice period or the effective date of the amendment.

Section VIII – Telephone Banking Services

The terms and conditions under this Section VIII are supplemental to Part 1 and shall form part of the Account Terms governing the use and provision of TBS by the Bank.

Expressions and terms used in this Section VIII have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

1 Interpretation

- 1.1 **"Related Account(s)"** means the Account(s) opened in the name of the Customer and designated by the Bank from time to time being accessible by means of TBS to the Customer.

1.2 **“Service Hours”** means:

- (a) in respect of Transactions not involving Fixed Deposit Account(s), 24 hours of any day; and
- (b) in respect of Transactions involving Fixed Deposit Account(s), the hours of any Business Day from 9:00a.m. to 5:30p.m. on weekdays and from 9:00a.m. to 1:00p.m. on Saturdays; or such other hours as the Bank may amend from time to time with notice displayed at all the Bank’s branches in Hong Kong, on the Bank’s website or by other means as the Bank may see fit.

1.3 **“Transaction(s)”** for the purposes of these terms and conditions means such type(s) of banking business or services which the Bank may from time to time in its absolute discretion designate as being accessible by means of TBS.

2 **Availability of Services under TBS**

2.1 TBS shall, subject to these terms and conditions, be available to the Customers in respect of the Related Accounts for the purposes of the Transactions including without limitation, in relation to Fixed Deposit Account(s) of the Related Accounts, any deposit, withdrawal, enquiry or variation of the maturity instruction.

2.2 The Bank may in following circumstances terminate, cancel or suspend the TBS or any part thereof in relation to any or all of the Related Accounts without being liable for any loss or damage suffered by the Customer:

- (a) if the Customer fails to use the TBS for a period of time that the Bank considers it long enough to render it inactive; or
- (b) if the Bank deems fit to do so for whatever other reasons.

2.3 Upon the closure of any Related Accounts, the Bank is empowered to suspend or terminate the access of that Related Account to the TBS without notice to the Customer.

2.4 The Customer agrees that TBS Instructions are limited to instructions in respect of Transactions to be made or effected to or from the Related Accounts and any transaction involving third party accounts effected through the TBS will not be accepted unless such arrangement has been approved by the Bank and is in accordance with other terms and conditions and the procedures specified by the Bank.

2.5 The Customer accepts that it is the duty of the Customer at the Customer’s cost and expense to follow the procedures as may be determined by the Bank from time to time for gaining access to the TBS and to obtain and maintain suitable equipment to obtain access to the TBS.

3 **Service Hours of TBS**

3.1 Subject to Clauses 2.1 and 2.2, TBS Instructions will be accepted for any particular type of Transaction during the Service Hours and subject to Clause 3.2, any TBS Instructions will be processed and effected on the day of giving such TBS Instructions if the same are given to the Bank within the Service Hours.

3.2 The Customer acknowledges that TBS Instructions involving any transfer of funds given during the Service Hours on any business day will be processed and executed on that day, or, failing that, on the next Business Day.

4 **Limits of Transactions by TBS**

The Bank may from time to time without giving any prior notice to the Customer impose an upper daily overall limit and / or individual Transaction limit in terms of the amount, quantity or currency for Transactions effected by TBS but may waive or vary such limit in respect of any Transaction by TBS Instruction if the Bank deems fit to do so.

5 **Acceptance and Execution of TBS Instructions**

5.1 Use of correct TBS Number and PIN

- (a) All TBS Instructions once given pursuant to the procedures determined by the Bank are irrevocable and conclusively binding on the Customer irrespective of whether or not such TBS Instructions are given by the Customer personally or by any other person on the Customer’s behalf whether authorized or unauthorized.
- (b) The Customer agrees and accepts that for any TBS Instruction, if the TBS Number and the PIN are correct at any relevant time, the Bank is entitled to deem that the TBS Number and PIN emanate from the Customer or from persons authorized by the Customer to give such TBS Instruction.

5.2 Insufficient funds/credit situations

- (a) The Customer shall ensure that there are sufficient funds or pre-arranged credit facilities in the Customer’s Related Accounts for the purpose of any specific Transaction to be transacted and the Bank is not liable for any consequences arising out of the Bank’s failure to carry out such instructions due to inadequacy of funds and / or credit facilities.
- (b) Notwithstanding any provision to the contrary governing the specific Transaction to be transacted, the Bank is entitled to place any order or enter into or execute any arrangement or effect any account entry for the purpose of carrying out any TBS Instruction without first ascertaining:
 - (i) whether there are sufficient funds or pre-arranged credit available in the Related Accounts specified by the Customer; and / or
 - (ii) the existence and / or the adequacy of the items which are the subject matter intended to be executed in the Customer’s Related Accounts pursuant to the TBS Instructions.
- (c) The Bank has the absolute discretion not to accept or effect any Transaction:
 - (i) if there are insufficient funds or pre-arranged credit available in the Related Account specified by the Customer for the intended Transaction; or

(ii) where for the Bank to do so would result in the Customer's Related Accounts becoming overdrawn without prior agreement with the Bank; or

(iii) where such Related Accounts are on hold or frozen or a Dormant Account; or

(iv) for whatever other reason the Bank may at its discretion consider reasonable,

and the Bank is not liable for any consequence arising out of its failure to execute any TBS Instruction due to those stated reasons.

(d) Notwithstanding that there are insufficient funds or pre-arranged credit in the account specified by the Customer, and irrespective of any term and condition of the specific Transaction intended to be transacted providing to the contrary, the Customer irrevocably authorizes the Bank, subject to its absolute discretion to do otherwise, to debit any of the Customer's Accounts with the Bank (whether or not one of the Related Accounts) the amount of any transfer or withdrawal effected via TBS whether or not made with the Customer's knowledge or the Customer's authority, and in such event, the Customer is liable for the resulting debit balance or overdraft, advance or credit (or any increase in them) and all the Bank's standard charges relating to them. Such debit shall be repayable to the Bank on demand together with interest thereon, from the date of execution of the relevant TBS Instruction to the date of actual repayment (whether before or after judgment), both days inclusive, at such interest rate or rates and compounded at such intervals as the Bank may determine from time to time.

(e) Whilst any debt exists pursuant to Clause 5.2(d), the Bank is entitled (but not obliged) without giving notice to the Customer to enter into such other transaction at such time and for such pricing as the Bank deems fit (but without any obligation to obtain the best price) to set-off or counter the Transaction effected pursuant to the TBS Instruction. Any loss, damage, liability or expense suffered or incurred by the Bank as a result thereof is the Customer's liability and the Bank may debit any of the Customer's Accounts with the Bank (whether or not it is one of the Related Accounts) as the Bank selects but any gain will belong absolutely to the Bank and be retained by the Bank for its own use and benefit. A certificate in writing signed by the Bank's authorized officer as to the amount of such loss, damage, liability or expense will be binding and conclusive against the Customer.

5.3 Unless otherwise agreed by the Bank, the proceeds of any Transaction effected by TBS which are due to the Customer will only be credited to an Account or placed on deposit with the Bank in the same name as the Customer.

5.4 If the Bank receives any query, claim or dispute (whether with good cause or otherwise) in respect of the proceeds of any Transaction, the Bank may in its absolute discretion (but is not under any obligation to) refuse to permit or effect any withdrawal of and / or dealing howsoever with the proceeds of any Transaction until the dispute or query in respect of the relevant Transaction is clarified to the Bank's satisfaction.

6 Confidentiality of PIN

6.1 The Customer may request, in writing or via TBS, the alteration of the PIN. The Customer acknowledges that the Customer is required to alter the PIN as originally provided by the Bank and select a new PIN for the purpose of confidentiality before giving a TBS Instruction. For the purposes of and under these terms and conditions, the term "PIN" means the PIN currently in use, and "TBS Number" means the TBS Number currently in use.

6.2 This Clause 6 is without prejudice to the generality of the provisions under Part 1.

7 Supply of Information for Reference Only

The Customer agrees and confirms that all information supplied under TBS is for reference only and the Bank is not liable for or in connection with the accuracy of such information and such information is not binding on the Bank until the agreement for the relevant Transaction is made by further confirmation of such information by the Customer with the Bank by TBS (if such service is available through TBS) or by other means prescribed by the Bank.

8 The Bank's Liability for the Provision of TBS

8.1 The Bank is not liable for any loss or damage suffered by the Customer or any other person as a result of the use of TBS owing to:

(a) the failure, inaccessibility, suspension, cancellation and termination of the provision of TBS or any part thereof in relation to any or all of the Related Accounts howsoever caused; and / or

(b) the withdrawal or suspension of any Transaction from being accessible by TBS to any or all of the Related Accounts or for any failure or delay to effect or execute any of the TBS Instruction or perform any obligation hereunder which is attributable, either directly or indirectly, wholly or in part, to any circumstances or events outside the Bank's control; and / or

(c) any mechanical or electronic equipment malfunction, power failure or other failure or inadequacy of the Bank's telephone system or its installation or any error in the execution of any TBS Instruction (except due to negligence or wilful misconduct of the Bank's officers acting in the course of their employment) nor for any delay or loss (including loss of profit or any economic loss), expenses or damages howsoever incurred or suffered by the Customer as a result of the carrying out or otherwise of the TBS Instruction.

9 Indemnity

9.1 The Customer acknowledges and accepts that there are risks in using TBS including the risk that the TBS Number and / or the PIN may be used by unauthorized persons or for unauthorized purposes and the Customer shall indemnify the Bank against all actions, proceedings, claims, damages, liabilities, costs and expenses howsoever incurred by the Bank, in respect of which the Bank is not liable hereunder, or howsoever arising out of

the TBS Instructions or transactions effected by TBS and / or the provision of TBS to the Customer.

- 9.2 The Customer shall as soon as reasonably practicable, notify the Bank by telephone at such telephone number and, if required by the Bank, then followed in writing to such address of the Bank as may be designated by the Bank from time to time, or in person at one of the Bank's branches, if the Customer finds or believes that the Customer's PIN or TBS Number has been compromised, lost or stolen, or that any unauthorized transaction has been conducted over any Account. Upon confirmation of the authenticity of such notification to the satisfaction of the Bank, the Bank may at the Customer's cost suspend the use of the Customer's TBS Number or PIN and, at its sole discretion, re-issue a new TBS Number or PIN to the Customer. The Customer will remain wholly responsible for all fees, costs, expenses, losses and damages incurred by or in connection with the use of the TBS by any unauthorized third party which is caused by the Customer's failure to comply with the Customer's obligations under these terms and conditions until such time as the Bank has received and accepted the Customer's notification. If no effective means of notification for this purpose is made available by the Bank to the Customer at the time when the Customer should notify the Bank, the Customer shall notify the Bank within a reasonable time after such means have become available again. For the avoidance of doubt, the Customer will not be liable for losses and damages incurred after the Bank's confirmation of its actual receipt and acceptance of the Customer's notification but without prejudice to the Customer's liability (if any) with respect to the loss and damage incurred before such confirmation by the Bank has been given to the Customer. The Customer agrees and acknowledges that the Bank is entitled to reasonable time for processing the Customer's notification prior to its confirmation.

Section IX – E-banking Services

The terms and conditions under this Section IX are supplemental to Part I and shall form part of the Account Terms governing the use and provision of E-banking Services (including Internet Banking Services and Mobile Banking Services) by the Bank.

Expressions and terms used in this Section IX have the meanings ascribed to them in Part I unless otherwise defined or specified in these terms and conditions.

1 Definitions

For the purpose of the E-banking Services, the following terms have the following meanings:

“Content” means things that one may see, read, hear, download, install, modify or otherwise access on or via the E-banking Services and / or the Website (including but not limited to messages, files, data, software, images, photographs, illustrations, expressions, presentations, opinions, advice, forms, format, mode or method of compilation, selection, configuration, text and other materials);

“Computer System” means any equipment, device or facility (including, without limitation, any terminal, software, modem, computer equipment, electrical or wireless appliance and telecommunications facility) for accessing and using the Internet Banking Services;

“E-banking Services” means the Internet Banking Services and / or the Mobile Banking Services and / or other electronic banking services (as the case may be) from time to time provided by the Bank;

“Information” means any form of data, news, report, information or material made available through the E-banking Services or the Website, which includes without limitation any text, image, sound code, computer programme, software and database, as well as any exchange rate, interest rate, price and computed amount (such as monthly repayment amount under a mortgage loan), whether or not given as a result of any Instruction;

“Internet Banking Services” means the internet banking services from time to time provided by the Bank;

“Login Name” means the name(s) or number(s) assigned by the Bank to the Customer (including the Customer's appointed user(s)) or, if applicable, otherwise changed subsequently by the Customer (including by the Customer's appointed user(s)) and accepted by the Bank and to be used in conjunction with the PIN for obtaining authorized access to the Accounts and the E-banking Services;

“Mobile Banking Services” means the mobile banking services from time to time provided by the Bank;

“PIN” means the Personal Identification Number(s) and / or any other form(s) of login identification, password, one-time password, digital/electronic certificate, any other means, form or technique of authentication from time to time used in conjunction with the Customer's Login Name for obtaining authorized access to the Accounts and the E-banking Services;

“Record” means information that is inscribed on, stored in or otherwise fixed on a tangible medium or that is stored in an electronic or other medium and is retrievable in a perceivable form; and

“Website” means the Internet Banking Services website.

2 General

- 2.1 Each use of the E-banking Services is subject to the terms and conditions under this Section IX in force at the time of each such use.
- 2.2 E-banking Services (on the Internet, telephone, or other electronic network or devices as provided by the Bank) allow the Customer to access such services as are provided by the Bank on the relevant channel from time to time. The Customer's Instructions may be processed automatically by computers without oversight.
- 2.3 The Customer understands and acknowledges that E-banking Services are provided as an additional service or channel to receive Instructions from the Customer, and shall not be considered as a substitute for other accepted methods of giving Instructions. The

Customer will use other methods or channels to give Instructions to the Bank if E-banking Services are not available.

- 2.4 By subscribing to an E-banking Service, the Customer confirms that they have appropriate equipment and facilities to, and agree to, receive the Bank's electronic communications, which may be sent in lieu of paper or other communications.
- 2.5 The Customer will not access the Bank's E-banking Services except with equipment (and software) and in a communications format permitted by the Bank, or for any purpose or in any way other than to access an available Service in a reasonable manner. The Customer will ensure that the contents of a message sent by or on the Customer's behalf are not inconsistent with Applicable Laws.
- 2.6 Hyperlinks to other sites provided in the course of any E-banking Services are provided for the Customer's reference only. They are not the Bank's recommendation or endorsement of the other sites. The Bank is not responsible for the contents of the other sites, and the Bank has not verified them. Making available any advertisements, marketing or promotional materials, market information or product information to the Customer shall not, by itself, constitute solicitation of the sale of recommendation of any product.
- 2.7 Access to the Internet Banking Services may be provided through any means as the Bank may designate including without limitation a private network connection or the World Wide Web. The Customer will make available at the Customer's own cost a computer and other equipment and / or software with access to the Internet capable of viewing the Website and supporting the Customer's use of the Internet Banking Services at the Customer's own risks. For the avoidance of doubt, the Customer shall be solely responsible for obtaining access to the Internet and for all charges, costs and expenses charged by the relevant internet service providers, including without limitation PNET charges and all other charges associated with the connection to the Website for the use of the Internet Banking Services.

3 Use of the Website and the Internet Banking Services

- 3.1 **The Customer shall be liable for all losses if the Customer has been fraudulent or grossly negligent (including without limitation knowingly allowed the use by others of the Customer's Computer System, Login Name or PIN, failed to properly safeguard the Customer's Computer System, or failed to comply with Clause 3.4 if such failure has caused the loss). The Customer would not otherwise be responsible for any direct loss suffered by the Customer as a result of unauthorized transactions conducted through the Accounts. This Clause does not apply to any unauthorized transactions conducted through credit cards, which shall be governed by the Bank's terms and conditions governing the credit card.**
- 3.2 **The Bank may (but is not obliged) to act on any Instruction that the Bank, in its sole discretion, believes to have been given or authorized by the Customer (whether or not such Instruction was in fact given or authorized by the Customer). The Bank shall be under no duty to verify the validity or authenticity of any Instruction once the Customer's correct Login Name and PIN have been inputted to gain access to or use the Internet Banking Services. The Bank is entitled to treat such Instruction as having duly authorized and approved by the Customer. Subject to Clause 3.1, the Customer will indemnify the Bank against all costs, expenses, losses and damages which it may suffer or sustain arising out of or in connection with any Instruction.**
- 3.3 Without prejudice to any other provisions of these terms and conditions, the Customer agrees that the Customer is under a duty to promptly check and verify the contents of each of the Bank's regular statements of the Accounts and / or confirmation of execution given by the Bank online and / or other means of advice of Transaction, given by the Bank online or by other means, and report to the Bank any discrepancies if necessary, in accordance with the provisions of the Account Terms as soon as possible. Such online advice and / or confirmation shall be deemed received by the Customer after transmission by the Bank. For the avoidance of doubt, the Customer agrees that it is the Customer's duty to notify the Bank if the Customer does not receive the Bank's regular statements of the Accounts or such online confirmation and / or other means of advice given by the Bank in respect of any Transactions within the time usually required for receipt of similar statements, confirmation and / or advice.
- 3.4 The Customer shall as soon as reasonably practicable notify the Bank by telephone at such telephone number and, if required by the Bank, then followed in writing to such address of the Bank as may be designated by the Bank from time to time, or in person at one of the Bank's branches if the Customer finds or believes that the Customer's Computer System, Login Name or PIN has been compromised, lost or stolen, or that any unauthorized transaction has been conducted over any Account. Upon confirmation of the authenticity of such notification to the satisfaction of the Bank, the Bank may at the Customer's cost (if appropriate) suspend the use of the Customer's Login Name or PIN and, at its sole discretion, re-issue a new Login Name or PIN to the Customer. Subject to Clause 3.1, the Customer will remain wholly responsible for all fees, costs, expenses, losses and damages incurred by or in connection with the use of the Internet Banking Services, the Content and / or the Website by any unauthorized third party which is caused by the Customer's failure to comply with the Customer's obligations under these terms and conditions until such time as the Bank has received and accepted the Customer's notification. If no effective or convenient means of notification for this purpose are made available by the Bank to the Customer at the time when the Customer should notify the Bank, the Customer shall notify the Bank within a reasonable time after such means have become available again. For the avoidance of doubt, the Customer will not be liable for losses and damages incurred after the Bank's confirmation of its actual receipt and acceptance of the Customer's notification but without prejudice to the Customer's liability (if any) with respect to the loss and damage incurred before such confirmation by the Bank has been given to the Customer. The Customer agrees and acknowledges that the Bank is entitled to reasonable time for processing the Customer's notification prior to its confirmation.

4 The Bank's Liability

- 4.1 Unless Clause 3.1 applies or due to the fraud, negligence or wilful misconduct of the Bank, its officers, employees or agents and then only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom or the amount of the relevant Transaction (whichever is less), the Bank will not assume any liability whatsoever to the Customer or any other person for any consequences arising from or in connection with:
- (a) any use of the E-banking Services or access to the Website or any Content;
 - (b) any disruption, interruption, interception, corruption, mutilation, suspension, delay, loss, omission, unavailability, or failure in relation to or in providing the E-banking Services, in transmitting or executing any Instruction, Content or information caused by any act, omission or circumstance beyond the reasonable control of the Bank including, without limitation, any failure of any communication network, act or omission of any third party, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facility, or any Applicable Law (whether or not having the force of law); and
 - (c) transmission, posting and / or storage of any Content and / or information relating to the Customer, the E-banking Services and / or Transactions or dealings conducted with or by the Customer.
- 4.2 Neither the Bank nor any of its any officers, employees, agents or service providers provide nor are they authorized by the Bank to provide any investment or other advice to the Customer. It is the Customer's sole responsibility to seek or determine market information and seek independent professional advice on financial, investment, technical, legal, tax and other issues in connection with the use of the E-banking Services, the Website and each Transaction.
- 4.3 All Content and Information will be made available on an "as is" basis and for reference purposes only. The Bank does not endorse or express any comment on any Content or Information supplied by any third party nor does it assume any duty to check or verify such Content or Information.
- 4.4 Neither the Bank nor any of its officers, employees, agents or service providers warrants, represents or guarantees the accuracy, reliability, adequacy, timeliness, correctness and completeness of any Content or that any Content or Information is fit for any purpose. The Bank, its officers, employees, agents and all such service providers expressly disclaim all liabilities whatsoever arising from or in connection with any reliance on any Content or Information. The Customer acknowledges that all Content and Information are for reference only, may not be relied on by the Customer for any purpose and shall not in any circumstances be binding on the Bank. The Customer further acknowledges that the Bank's internal Records of the Accounts, Transactions and Information (including website logs) shall be conclusive and binding on the Customer save for manifest errors. For the avoidance of doubt, the Bank may use any updated Information available at the time of executing the Customer's Instruction for any Transaction, and such Transaction shall be binding on the Customer notwithstanding that different Information may have been provided by the Bank via the E-Banking Services or the Website.
- 4.5 Subject to Clause 3.1 and save for the negligence, wilful misconduct or fraud of the Bank, its officers, employees or agents, the Bank expressly disclaims all liabilities arising from and in connection with the validity, integrity or authenticity of any Instruction once the correct Login Name and PIN have been inputted to gain access to the E-Banking Service.

5 The Internet Banking Services Privacy Policy

- 5.1 During the Customer's use of the Website or the Internet Banking Services, blocks of data known as "cookies" may be issued to or requested from the Customer's computer. The Customer may remove or reject any such cookies (which may affect the Customer's use of the Website or the Internet Banking Services) but the Customer must not alter any cookies sent to the Customer's computer from the Website.
- 5.2 The Customer acknowledges that certain Transactions cannot be processed on the Website without the use of cookies.

6 Security

- 6.1 The Bank will take such steps as it may deem reasonably practicable to provide reasonably prudent security for its systems in connection with the provision of the E-Banking Services. The Customer shall refer to the security advice, and observe in a timely manner the relevant security measures, as specified by the Bank from time to time, and shall seek professional advice as the Customer shall consider appropriate considering the Customer's own circumstances.
- 6.2 The Customer shall be solely responsible for the safe custody of the Customer's Computer System, Login Name and PIN, and the Customer shall keep the Customer's Login Name and PIN strictly confidential. The Customer should not disclose the Customer's Login Name or PIN to any other person under any circumstances.

7 Content

The Customer acknowledges that the Bank and any service provider may from time to time, subject to reasonable prior notice (where practicable), impose certain conditions upon the availability of any part of the Content that they supply. The Customer agrees that the Customer's continued access to, or the availability to the Customer of, such Content after the relevant effective date of such conditions constitutes acceptance of those conditions by the Customer.

Section X – RMB Services

The terms and conditions under this Section X are supplemental to Part 1 and shall form part of the Account Terms governing the Renminbi Accounts and Services.

Expressions and terms used in this Section X have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

For the purposes of this Section, references to "Account" includes any Renminbi Savings Accounts, Current Accounts and Fixed Deposit Accounts, as the case may be.

1 General

- 1.1 The Renminbi Services are regulated by the People's Bank of China, the State Administration of Foreign Exchange of the People's Republic of China, the HKMA, HKICL, the clearing bank for Renminbi in Hong Kong and / or other authorities or entities (as the case may be) specified by the Bank from time to time, together with the rules, regulations and guidelines promulgated by these authorities, entities and the clearing bank for Renminbi in Hong Kong from time to time. Any changes to those rules, regulations and guidelines may have immediate effect if so required by any regulator or other authority in Hong Kong or mainland China or by the clearing bank for Renminbi clearing and settlement services in Hong Kong. The Bank reserves the right to amend these terms and conditions should there be any change to those rules, regulations and guidelines and will notify the Customer of any such amendment as soon as practicable.
- 1.2 RMB is currently not freely convertible and conversion of RMB in Hong Kong is subject to certain restrictions.
- 1.3 The Bank may in its sole discretion and without giving any reason decline to provide any Renminbi Services or act on any instructions in respect thereof.
- 1.4 All Renminbi Accounts are denominated in Renminbi and all funds transferred or otherwise credited thereto shall be first converted into Renminbi at the Exchange Rate adopted by the Bank subject to such other rules and limits as the Bank may stipulate from time to time. Conversions from Hong Kong Dollars (or any other currency) to Renminbi (and vice versa) shall be subject to such other rules and limits as the Bank may from time to time specify. The Bank may refuse to facilitate any currency exchange between Renminbi and another currency without giving any reason.
- 1.5 The Customer shall refer to the Bank's promotional leaflets, the "Bank Service Charges" list (copies are available at the branch offices of the Bank or at the Bank's website) and other printed materials or consult the Bank's staff for a description of the operation of Renminbi Services and all related fees and charges.
- 1.6 The Customer shall pay such fees and charges on all remittance and transactions involving the Customer's Renminbi Savings or Current Account (including deposits, withdrawals, transfers of fund or currency exchanges) in accordance with the provisions in the Bank's promotional leaflets, its "Bank Service Charges" list or other printed materials from time to time in force.
- 1.7 The Bank may:
 - (a) take any action, with or without notice to the Customer, to comply with any requirements of the clearing bank for Renminbi clearing and settlement services in Hong Kong, any agent bank in mainland China through which the Bank conducts Renminbi clearing and settlement services, or any regulator or other authority in Hong Kong or mainland China;
 - (b) without prejudice to Clause 1.7(a) above, provide any data, documents and information about the Customer, its accounts and transactions to any entity referred to in Clause 1.7(a) above, with or without notice to the Customer in accordance with the Bank's data policies. The Customer irrevocably consents and authorizes such provision and disclosure of its data, documents and information by the Bank;
 - (c) delay or decline, without giving reason and without liability, to execute any instructions of the Customer or to accept any Renminbi deposit; and
 - (d) at any time in any way vary, suspend, withdraw or terminate all or any part of the Renminbi Services, or impose any conditions or restrictions, whether or not any such action applies to any other customers of the Bank.
- 1.8 The Customer:
 - (a) shall comply with all laws of Hong Kong, mainland China, and all regulations, rules and other requirements of any regulator or other authority in Hong Kong and mainland China, which are applicable to Renminbi Services for customers in the Customer's category or the Customer's type of Renminbi Accounts;
 - (b) shall, within the time required by the Bank, provide all such information and documents in connection with the Customer's Renminbi Accounts and transactions as may be required by the Bank;
 - (c) shall comply with all rules, conditions and requirements from time to time applied by the Bank for the purposes of Renminbi Services for customers in the Customer's category or the Customer's type of Renminbi Account; and
 - (d) agrees that different restrictions and requirements may apply to different categories of customers or different types of Renminbi Accounts.

2 Savings Account

- 2.1 The Bank may refuse to accept any funds to be deposited into a Renminbi Savings Account without giving any reason.
- 2.2 Withdrawal or transfer of funds can be made in Renminbi or Hong Kong Dollars (after conversion into Hong Kong Dollars at the Exchange Rate adopted by the Bank). Withdrawal of Renminbi banknotes shall be subject to availability at different branch offices of the Bank or prior arrangement. Any withdrawal or transfer in Hong Kong Dollars shall be subject to any daily maximum limit as the Bank may from time to time specify. The Bank may refuse to transfer any Renminbi funds or any part of Renminbi funds at its sole discretion without giving any reason or prior notice.
- 2.3 Interest shall be rounded up to the nearest 10 cents and calculated on the basis of a 360-day year and payable semi-annually.

3 Fixed Deposits

- 3.1 The Bank accepts deposit of funds into a Renminbi Fixed Deposit Account by way of cash, cheque or direct transfer from a Renminbi Savings or Current Account under the name of the same Customer with the Bank.
- 3.2 Interest shall be rounded up to the nearest 10 cents and calculated on the basis of a 360-day year.
- 3.3 Unless the Bank otherwise agrees, withdrawal (whether upon maturity or early termination for whatever reason) of any principal amount and / or any accrued interest from a Renminbi Fixed Deposit Account shall only be made by way of cash withdrawal or direct transfer of the same into a Renminbi Savings or Current Account maintained with the Bank under the name of the same Customer.

4 Renminbi Current Account

- 4.1 Opening and maintenance of an RMB Current Account is subject to such additional rules and provisions as the Bank may specify at its sole discretion from time to time, which may be posted on the Bank's website and / or at the Bank's branches in Hong Kong. In case of any breach or non-compliance (in the opinion of the Bank) of the Account Terms or such additional rules and provisions, the Bank is entitled to suspend and / or terminate the Customer's RMB Current Accounts and / or other RMB Services, to stop honouring any cheque and / or to take such other actions without notice to the Customer as the Bank may absolutely see fit.
- 4.2 Deposit of cheque, draft or money order denoted in RMB may be rejected at the Bank's sole discretion without giving any reason or prior notice.
- 4.3 The Bank shall not be liable for any reduction in the amount of RMB credited to any RMB Current Account due to taxes, imposts or depreciation, nor for the unavailability of RMB due to any restrictions, or other causes beyond the Bank's reasonable control.
- 4.4 The Customer acknowledges that:
 - (a) cheques drawn on a RMB Current Account may be processed in the RMB clearing system provided by HKICL, of which the Bank is one of the participants; and
 - (b) the operation of such RMB clearing system is subject to the Renminbi Clearing House Rules made by HKICL ("**RMB Clearing House Rules**") and the RMB Operating Procedures ("**RMB Operating Procedures**") referred to in the RMB Clearing House Rules (as the same may be modified from time to time).
- 4.5 The Customer agrees that the HKMA shall not be liable to the Customer or other persons in respect of any claim, loss, damage or expense (including loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss) (even if the HKMA knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by the HKMA bona fide or by any other parties concerned with the RMB Clearing House, or by any other person in the management, operation or use (including the termination and / or suspension of the settlement institution, the Clearing Facilities or any member) of the RMB Clearing House or the Clearing Facilities or any part of any of them.
- 4.6 The Customer shall fully indemnify the Bank forthwith on demand in respect of any liability, claim, loss, damage, charges, costs and expense which the Bank may suffer or incur under Rule 2.3.5 of the RMB Clearing House Rules (as amended from time to time) by reason of any instruction, request, act or omission of the Customer or otherwise in relation to the Customer's Account.
- 4.7 Interest may accrue on the outstanding credit balance on a RMB Current Account at such rate(s) and subject to such conditions as the Bank may from time to time determine absolutely, provided however that the Bank shall not be obliged to pay any interest on any credit balance.
- 4.8 The Customer may only open such number of RMB Current Account(s) and may only draw cheques on it for such purpose(s) as from time to time determined by the Bank, subject to such daily limit per account, if any, as the Bank may from time to time determine. The Bank may decline to honour any one cheque exceeding the daily limit, if any.
- 4.9 **Where the Customer has more than one Renminbi Account with the Bank, the Customer authorizes the Bank to transfer funds from the Customer's other Renminbi Account(s) with the Bank designated in writing by the Customer to cover any shortfall in the RMB Current Account and agrees to pay such fee for each such funds transfer as determined by the Bank from time to time.** Notwithstanding this authorization, the Bank may bounce any cheque(s) drawn on the RMB Current Account without liability to the Customer. The Bank has the sole discretion to determine whether to allow overdraft facility.

5 Remittance

- 5.1 The Customer will only remit funds from its Renminbi Savings/Current Account to mainland China in accordance with relevant laws, regulations, codes, guidelines and / or rules from time to time issued by relevant authorities or entities in mainland China and / or Hong Kong, up to the limit of the amount as designated by the Bank from time to time.
- 5.2 The Bank will only, subject to compliance with the relevant legal and regulatory requirements and any limit on remittance, act on the instructions of and information provided by the Customer in executing the request for remittance and may refuse to provide the remittance service of Renminbi funds or part of it without giving any reason or prior notice. All remittance requests are facilitated by and subject to the clearance of the clearing bank for Renminbi in Hong Kong and / or the correspondent bank in mainland China. The Bank will not be responsible for failure to effect any remittance and any funds returned shall only be credited to the Customer's Renminbi Savings or Current Account (as the case may be).

6 Others

This Clause 6 is applicable to Renminbi Personal Accounts and Renminbi personal Services.

6.1 Renminbi Personal Account of Hong Kong residents

- (a) Only individuals aged 18 or above and holding a Hong Kong Identity Card may apply for the opening of Renminbi Personal Accounts of Hong Kong residents.
- (b) The Customer agrees that the operation of the Renminbi Personal Account will be subject to the restrictions from time to time imposed by the Bank (which restrictions may have immediate effect if so required by any regulator or other authority in Hong Kong or mainland China or by the clearing institution or RMB clearing and settlement services in Hong Kong), including Customer may remit funds in his Renminbi Savings or Current Account to an account maintained by him with a bank in mainland China subject to any daily maximum limit as the Bank may from time to time specify.

6.2 Renminbi Personal Account of non-Hong Kong residents

- (a) Only non-Hong Kong residents, as determined by the Bank from time to time and who have complied with such conditions as may be prescribed by the Bank, are eligible to apply for the opening of Renminbi Personal Accounts of non-Hong Kong residents.
- (b) The Customer agrees that the operation of the Renminbi Personal Account will be subject to the restrictions from time to time imposed by the Bank (which restrictions may have immediate effect if so required by any regulator or other authority in Hong Kong or mainland China or by the clearing institution for RMB clearing and settlement services in Hong Kong) including:
 - (i) cheques cannot be used in mainland China;
 - (ii) Customer shall ensure that remittances to and from mainland China through the Customer's Renminbi Personal Accounts are in compliance with Applicable Laws in mainland China, and the Customer shall obtain any approval required from the authorities in mainland China in respect of the Customer's remittance to mainland China. If a remittance is rejected, charges will remain payable.
- (c) The Customer shall promptly inform the Bank if the Customer becomes a holder of a Hong Kong Identity Card. The Customer's Renminbi Personal Accounts will thereafter be changed to Accounts for Hong Kong Identity Card holders, without affecting the completion of existing transactions.

Section XI – E-Cheque Services

The terms and conditions under this Section XI are supplemental to Part 1 and shall form part of the Account Terms governing the e-Cheques Deposit Services.

Expressions and terms used in this Section XI have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

1 Applicability and definitions

- 1.1 For the purpose of the e-Cheques Deposit Services, the following terms have the following meanings:

“**Bills of Exchange Ordinance**” means the Bills of Exchange Ordinance (Chapter 19 of the Laws of Hong Kong), as may be amended from time to time;

“**Clearing House**” means Hong Kong Interbank Clearing Limited and its successors and assigns;

“**Deposit Channel**” means any channel offered by the Bank from time to time for presentation of e-Cheques for deposit;

“**e-Cheque**” means a cheque (including a cashier's order), issued in the form of an electronic record (as such term is defined in the Electronic Transactions Ordinance (Chapter 553 of the Laws of Hong Kong)) with an image of the front and back of the e-Cheque or e-cashier's order (as the case may be). e-Cheques may be issued in Hong Kong dollars, US dollars and Renminbi;

“**e-Cheques Deposit Services**” mean the services offered by the Bank to customers from time to time for depositing e-Cheques;

“**e-Cheque Drop Box**” or “**e-Cheque Drop Box Service**” means an electronic drop box provided by the Clearing House that accepts presentation of e-Cheques in respect of which an e-Cheque Drop Box user must register an e-Cheque Drop Box Account with the Clearing House before presenting e-Cheques to a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms;

“**e-Cheque Drop Box Account**” means a user account for the e-Cheque Drop Box Service, and for which each user must register with the Clearing House before using the e-Cheque Drop Box for presenting e-Cheques for deposit into a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms;

“**e-Cheque Drop Box Terms**” means all the terms and conditions prescribed by the Clearing House from time to time for governing the e-Cheque Drop Box Service provided by the Clearing House and the use of the e-Cheque Drop Box Service;

“**Industry Rules and Procedures**” means the rules and operating procedures governing the handling of e-Cheques adopted by the Clearing House and the banking industry from time to time;

“**Payee Bank**” means the bank at which a Payee Bank Account is held;

“**Payee Bank Account**” means, in respect of each e-Cheque presented for deposit using the e-Cheques Deposit Services, the bank account of the payee of the e-Cheque maintained with the Bank into which the e-Cheque is to be deposited which may be a sole name or a joint name account of the payee; and

“**Payer Bank**” means the bank which digitally signed an e-Cheque created by its customer.

2 Nature and scope of e-Cheques Deposit Services

- 2.1 The Bank may provide e-Cheques Deposit Services at its discretion. If the Bank provide e-Cheques Deposit Services to the Customer, the Customer may deposit e-Cheques. In order to use the e-Cheques Deposit Services, the Customer has to provide such information and documents and accept such terms and conditions which may be required or prescribed by the Bank and the Clearing House respectively from time to time. The Customer may also be required to sign forms and documents prescribed by the Bank from time to time.
- 2.2 e-Cheques Deposit Services allow the Customer and other persons to present e-Cheques (whether payable to the Customer and / or any other holder of the Payee Bank Account) for deposit with the Bank (as Payee Bank), using the e-Cheque Drop Box Service offered by the Clearing House or using the Bank's Deposit Channels, in accordance with Clause 3 below.
- 2.3 The Bank may provide e-Cheques Deposit Services relating to e-Cheques that are issued in any currency specified by the Bank from time to time, including Hong Kong dollars, US dollars or Renminbi.
- 2.4 The Bank has the right to set or vary from time to time the conditions for using the e-Cheques Deposit Services. These conditions may include the following (or any of them):
 - (a) the service hours of the e-Cheques Deposit Services (including cut-off times for presenting e-Cheques); and
 - (b) any fees and charges payable by the Customer for the e-Cheques Deposit Services.

3 e-Cheques Deposit Services

- 3.1 The e-Cheques Deposit Services may allow presentment of e-Cheques for deposit with the Bank (as Payee Bank) using the e-Cheque Drop Box Service provided by the Clearing House or using the Bank's Deposit Channels.

3.2 e-Cheque Drop Box Service

- (a) The e-Cheque Drop Box Service is provided by the Clearing House. The Customer is bound by the e-Cheque Drop Box Terms in relation to the Customer's use of the e-Cheque Drop Box Service. The Customer is solely responsible for performing the Customer's obligations under the e-Cheque Drop Box Terms.
- (b) In order to use the e-Cheque Drop Box Service, the Customer is required by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with one or more Payee Bank Account for presenting e-Cheques. The Customer is allowed by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with a Payee Bank Account that is the Customer's same-name account or an account other than the Customer's same-name account. The Customer is responsible for the presentment of all e-Cheques by the Customer or any other person using the Customer's e-Cheque Drop Box Account (including presentment of any e-Cheques to a Payee Bank Account other than the Customer's same-name account).
- (c) Any issue relating to the use of the e-Cheque Drop Box Service should be handled in accordance with the e-Cheque Drop Box Terms. The Bank may (but have no obligation to) provide reasonable assistance to the Customer. In particular, the Bank does not have the electronic record or image of any e-Cheque deposited using the e-Cheque Drop Box Service. On the Customer's request, the Bank may (but have no obligation to) provide the date, e-Cheque amount, e-Cheque number, payee name and any other information agreed by the Bank relating to an e-Cheque deposited using the Customer's e-Cheque Drop Box Account.
- (d) The Bank gives no representation or guarantee, whether express or implied, relating to the availability, quality, timeliness or any other aspect of the e-Cheque Drop Box Service provided by the Clearing House. Unless otherwise stated in the e-Cheque Drop Box Terms, the Customer bears the responsibilities and risks relating to the use of the e-Cheque Drop Box Service. The Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the e-Cheque Drop Box Service.

3.3 The Bank's Deposit Channels

The Bank may specify or vary from time to time (i) the available Deposit Channels without notice; and (ii) the terms governing the use of any Deposit Channel.

3.4 Handling of e-Cheques, associated risks and the Bank's liabilities

(a) Handling of e-Cheques

The Customer understands that the Bank and other banks have to follow the Industry Rules and Procedures in the handling, processing, presentment, payment, collection, clearance and settlement of e-Cheques payable to the Customer. Accordingly, the Bank is entitled to collect for the Customer any e-Cheque payable to the Customer by presenting that e-Cheque to the Payer Bank in accordance with the Industry Rules and Procedures even if the Bills of Exchange Ordinance (Chapter 19 of the Laws of Hong Kong) or equivalent / relevant laws may not expressly provide for presentment of e-Cheques or may specify other manner for presentment of cheques.

(b) Restriction of the Bank's liability

Without reducing the effect of the provisions of the Existing Terms:

- (i) the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the e-Cheques Deposit Services or the handling, processing, presentment, payment, collection, clearance or settlement of e-Cheques presented by the Customer or any other person using the Deposit Channels provided by the Bank to the Customer, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from the Bank's negligence or wilful default or that of the Bank's officers, employees or agents;

- (ii) in particular and for clarity, the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the following (or any of them):
 - (1) use of the e-Cheque Drop Box Service by the Customer or any other person, or the e-Cheque Drop Box Terms;
 - (2) the Customer's failure to comply with the Customer's obligations relating to the e-Cheques Deposit Services;
 - (3) presentment of any e-Cheque payable to the Customer in accordance with the Industry Rules and Procedures despite the provisions of the Bills of Exchange Ordinance (Chapter 19 of the Laws of Hong Kong) or equivalent / relevant laws; and
 - (4) any failure or delay in providing the e-Cheques Deposit Services, or any error or disruption relating to the e-Cheques Deposit Services, caused by or attributed to any circumstance beyond the Bank's reasonable control; and
- (iii) in no event will the Bank be liable to the Customer or any other person for any loss of profit or any special, indirect, consequential or punitive loss or damages.
- (c) Customer's confirmation and indemnity
 - (i) The Customer accepts the restriction of liabilities and disclaimers imposed by the Bank and the Clearing House in relation to the e-Cheques Deposit Services and the services provided by the Clearing House respectively. The Customer accepts and agrees to bear the risks and the liabilities for depositing e-Cheques.
 - (ii) Without reducing the effect of any indemnity given by the Customer under the Existing Terms or any other rights or remedies that the Bank may have, the Customer will indemnify the Bank and its officers, employees and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by the Bank or any of them and all actions or proceedings which may be brought by or against the Bank or any of them as a result of or in connection with the Bank's provision of the e-Cheques Deposit Services or the Customer's use of the e-Cheques Deposit Services.
 - (iii) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from the Bank's negligence or wilful default or that of its officers, employees or agents.
 - (iv) The above indemnity shall continue to have effect after the termination of the e-Cheques Deposit Services.

Section XII – Foreign Exchange Services

The terms and conditions under this Section XII are supplemental to Part 1 and shall form part of the Account Terms governing the Foreign Exchange Services provided by the Bank.

Expressions and terms used in this Section XII have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

1 Interpretation

"**Foreign Currencies**" means currencies other than HKD and accounting units accepted internationally as equivalent to currency, which the Bank agrees are available for the purposes of the Bank's Services.

2 Foreign Exchange Services

- 2.1 The Bank may settle foreign currency transactions in HKD or the Foreign Currency, and may convert any currency into another currency at the Bank's Exchange Rate.
- 2.2 Deposits of Foreign Currency into an Account may be subject to restrictions. If accepted, a reasonable commission for exchange and the Bank's reasonable charges will be payable by the Customer to the Bank.
- 2.3 The Bank may pay withdrawals after deducting the Bank's charges in the specified means as determined by the Bank and without liability for any loss thereby incurred.
- 2.4 Deposits in Foreign Currency notes are accepted at the Bank's discretion, subject to payment of the Bank's charges.

3 Liability

- 3.1 The Bank assumes no liability for:
 - (a) any diminution in the value of funds in the Customer's Account for any reason whatsoever, whether due to, inter alia, fluctuation in exchange rates, taxes or depreciation; or
 - (b) the unavailability of such funds due to restrictions on convertibility, requisition, involuntary transfers, moratoria, exchange controls, distraints of any character, exercise of government or military powers (recognised or unrecognised), war strikes, technology, equipment and system defects and failures or any other causes beyond the Bank's control; or
 - (c) any causes (wherever occurring) beyond the Bank's control.
- 3.2 If the country of origin of any Foreign Currency restricts the availability, credit or transfer of any funds in that Foreign Currency, the Bank will have no obligation to pay, from any of the Customer's Accounts, such funds in that Foreign Currency. The Bank may (but is not obliged to) discharge the Bank's obligations with respect to such funds by paying to the Customer, at any time (whether before or after maturity), such funds in any other Foreign Currency at any Exchange Rate and in any manner as the Bank may determine in its absolute discretion. The Customer agrees that any such payment constitutes good, valid

and complete discharge of the Bank's obligations to the Customer with respect to such funds.

- 3.3 Without prejudice to Clauses 3.1 and 3.2 above, the Customer acknowledges that all Foreign Currency deposits are subject to fluctuations in prevailing market conditions which upon maturity will result in either gains or losses to earnings and / or investments.
- 3.4 Except in the case of fraud, negligence or wilful default on the Bank's part, the Customer agrees that the Customer is solely responsible for and bears any and all risks, liabilities, losses and costs in connection with any Foreign Exchange Service if the Customer instructs the Bank to convert any deposit from one currency to another and the Customer indemnifies the Bank on demand and holds the Bank harmless from any liability, loss or costs whatsoever of a reasonable amount and reasonably incurred by the Bank arising from such transactions.

4 **Bank as principal**

The Bank shall act as the principal in all contracts relating to the Transactions under this Section and will benefit from entering into the Transactions.

Section XIII – Faster Payment System

The terms and conditions under this Section XIII are supplemental to Part 1 and shall form part of the Account Terms governing the Faster Payment System provided by the Bank.

Expressions and terms used in this Section XIII have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions.

1 **Interpretation**

In this Section XIII, the following terms have the following meanings:

“**Addressing Service**” means a service provided by HKICL as part of HKICL FPS to facilitate customers of Participants to use predefined Proxy ID instead of account number to identify the destination of a payment or funds transfer instruction and other communications for the purpose of HKICL FPS;

“**Bank Services**” means the services (including the QR Code Services) provided by the Bank to its Customers from time to time to facilitate payments and funds transfers using HKICL FPS and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time;

“**Default Account**” means the account maintained by the Customer with the Bank or any other Participant and set as the default account for receiving payment or funds using HKICL FPS or (if and to the extent specified or permitted by the rules, guidelines and procedures of HKICL) for debiting payment or funds using HKICL FPS;

“**eDDA**” means a direct debit authorisation set up by electronic means using HKICL FPS;

“**eDDA Service**” means a service provided by HKICL as part of HKICL FPS to facilitate customers of Participants to set up direct debit authorisation;

“**FPS Identifier**” means a unique random number generated by HKICL FPS to be associated with the account of a customer of a Participant;

“**HKICL FPS**” or “**Faster Payment System**” means the Faster Payment System and related facilities and services provided, managed and operated by HKICL from time to time for (i) processing direct debits and credits, funds transfers and other payment transactions and (ii) exchanging and processing instructions relating to eDDA Service and Addressing Service;

“**Participant**” means a participant of HKICL FPS which may be a bank or other financial institution, a retail payment system operator, a licensed stored value facility, or any other person accepted by HKICL as a participant of HKICL FPS from time to time;

“**Proxy ID**” means the identifiers which may be accepted by HKICL for registration in the Addressing Service to identify the account of a customer of a Participant, including the mobile phone number or email address or Hong Kong Identity Card number of the customer, or the FPS Identifier;

“**QR Code Services**” means the QR code and the associated payment and funds transfer services provided by the Bank to Customers from time to time; and

“**Regulatory Requirement**” means any law, regulation or court order, or any rule, direction, guideline, code, notice or restriction (whether or not having the force of law) issued by any regulatory authority, governmental agency (including tax authority), clearing or settlement bank or exchange, or industry or self-regulatory body, whether in or outside Hong Kong, to which HKICL, the Bank or any other Participant or the respective affiliates or group companies, or the Customer are subject or are expected to comply with from time to time.

2 **Bank Services relating to Faster Payment System**

(a) The Bank provides the Bank Services to the Customers to facilitate payments and funds transfers using the Faster Payment System. The Faster Payment System is provided and operated by HKICL. The Bank Services are therefore subject to the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time. This Section XIII governs the Bank's provision to Customers and the Customers' use of the Bank Services in relation to the Faster Payment System. The Bank Services form part of the Bank's Services.

(b) **By requesting the Bank to register any Proxy ID for the Customer in the HKICL FPS or to set up any eDDA for the Customer using the HKICL FPS, or by initiating any payment or funds transfer using the HKICL FPS, the Customer will be regarded as having accepted and will be bound by the provisions of this Section XIII. The Customer should not request the Bank to register any Proxy ID or set up any eDDA for the Customer and should not initiate any payment or funds transfer using the HKICL FPS unless the Customer accept the provisions of this Section XIII.**

3 Scope of Bank Services and conditions for use

- (a) The Bank provides the Bank Services to its Customers to facilitate payment and funds transfer using the Faster Payment System and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time. The Bank has the right to set or vary from time to time the scope of the Bank Services and the conditions and procedures for using the Bank Services. In order to use the Bank Services, the Customer has to accept and follow these conditions and procedures.
- (b) The Bank may provide the Bank Services to facilitate payment and funds transfer in any currency (and subject to any threshold limit) specified by the Bank from time to time, including Hong Kong Dollars and Renminbi.
- (c) **In order to enable the Bank to handle an instruction for the Customer in relation to payment or funds transfer using HKICL FPS, the Customer has to provide or input the necessary information and complete the process by such means or in such manner prescribed by the Bank from time to time.**
- (d) All payment or funds transfer transactions using HKICL FPS will be processed, cleared and settled under the interbank clearing and settlement arrangements including without limitation the arrangements in relation to the Faster Payment System agreed by the Participants and HKICL from time to time.
- (e) The Bank reserves the right to restrict, limit, suspend or terminate the Bank Services in whole or in part at any time without giving notice or reason.

4 Addressing Service - registration and amendment of Proxy ID and related records

- (a) In order to use the Addressing Service to receive payment or funds transfer using HKICL FPS, the Customer has to register the Customer's Proxy ID in the HKICL FPS. The Bank has discretion as to whether to offer the FPS Identifier as Proxy ID to the Customer.
- (b) Registration and amendment of Proxy ID and related records in the HKICL FPS must be done in accordance with the applicable rules, guidelines and procedures imposed by HKICL from time to time. In order to enable the Bank to register or amend Proxy ID or any related records for the Customer, the Customer has to provide or input the necessary information and complete the registration process by such means or in such manner prescribed by the Bank from time to time.
- (c) **At any time where the same Proxy ID is registered by the Customer for more than one Account (whether maintained with the Bank or with any other Participant), the Customer must set one Account as the Default Account. By instructing the Bank to set or change the Default Account for the Customer, the Customer consents and authorizes the Bank to submit the request on the Customer's behalf to HKICL FPS to override the existing Default Account registered in HKICL FPS.**

5 eDDA Service

In order to enable the Bank to handle a request for the Customer in relation to eDDA setup, the Customer has to provide or input the necessary information and complete the process by such means or in such manner prescribed by the Bank from time to time. The prescribed process may include requiring the relevant parties to set up the eDDA using their respective account numbers or customer identification numbers or codes. For the avoidance of doubt, a Proxy ID is not intended for verifying eDDA setup. Any amendment of a Proxy ID and the related records or termination of a Proxy ID after an eDDA setup will not affect that eDDA.

6 The Customer's responsibility

(a) Present genuine owner or authorized user of Proxy ID and accounts

The Customer can only register the Customer's own Proxy ID for the Customer's own accounts or set up eDDA for the Customer's own Accounts. The Customer must be the present genuine owner or authorized user of each Proxy ID and each Account provided to the Bank for registration in the Addressing Service and the eDDA Service. By instructing the Bank to register any Proxy ID or any Account for the Customer in relation to the Faster Payment System, the Customer confirms that the Customer is the present genuine owner or authorized user of the relevant Proxy ID or account. This is particularly important for mobile phone numbers as they may be recycled in Hong Kong.

(b) Proxy ID

Any Proxy ID to be registered by the Customer for the Addressing Service must satisfy any applicable requirements imposed by HKICL from time to time. For example, HKICL may require the mobile phone number or email address or Hong Kong Identity Card number to be registered as Proxy ID to be the same number or address registered by the Customer as contact information on the Bank's records at the relevant time. The Customer understands and agrees that the Bank, other Participants and HKICL have the right and discretion without giving notice to deregister any Proxy ID that is not correct or up-to-date in accordance with available information without the Customer's consent.

(c) Correct information

- (i) **The Customer has to ensure that all the information provided by the Customer for registration or amendment of Proxy ID (or any related records) or for any eDDA setup is correct, complete, up-to-date and not misleading. The Customer has to notify the Bank as soon as reasonably practicable of any changes or updates to such information by such means or in such manner specified by the Bank from time to time.**
- (ii) **The Customer is fully responsible for using the correct and up-to-date Proxy ID and related records in giving each payment or funds transfer**

instruction. The Customer is solely liable for and will hold the Bank harmless from any incorrect payment or transfer effected by the Bank and HKICL FPS due to incorrect or outdated Proxy ID or related records.

(d) **Timely updates**

The Customer is fully responsible for giving instructions and information changes or updates to the Bank on a timely basis for amending the Customer's Proxy ID (or related records) or any eDDA setup, including without limitation changing the Customer's Default Account, or terminating any Proxy ID or eDDA. The Customer acknowledges that keeping the Customer's Proxy ID, eDDA and all related records up-to-date is critical for ensuring effective execution of payment and funds transfer instructions and for avoiding incorrect payment or transfer due to incorrect or outdated Proxy ID, eDDA or related records.

(e) **Change of Default Account**

If an Account is terminated as the Default Account by the Customer or by the relevant Participant for any reason (including suspension or termination of the account), the system of HKICL will automatically assign the most recently registered record in the Addressing Service that is associated with the same Proxy ID to be the Default Account. If the Customer wishes to set another account as the Default Account, the Customer has to change the registration through the Participant where the Customer maintains that other Account.

(f) **Transactions binding on the Customer**

(i) For any payment or funds transfer, once the Customer confirms the details of a transaction and submits an Instruction to the Bank, such Instruction and any resulting Transaction is final, irrevocable and binding on the Customer.

(ii) For any Proxy ID registration or eDDA setup, once the Customer submits an Instruction to the Bank, such Instruction is irrevocable and binding on the Customer. The Customer may amend or cancel any Proxy ID or eDDA setup in accordance with the procedures and requirements prescribed by the Bank from time to time.

(g) **Use Bank Services responsibly**

The Customer must use the Bank Services in a responsible manner. In particular, the Customer has to comply with the following obligations:

(i) The Customer must comply with all Regulatory Requirements that govern the Customer's use of the Bank Services, including collecting, using and handling the personal data and other information relating to any other person in compliance with the Regulatory Requirements protecting data privacy. The Customer must not use the Bank Services for any unlawful purposes or any purposes other than those authorized or contemplated in the rules, guidelines and procedures of HKICL.

(ii) In sending remarks or messages to be displayed to recipients or counterparties of the Customer's payment or funds transfer instructions or eDDA setup using HKICL FPS, the Customer should mask the name or other data of such recipients or counterparties to prevent unauthorized display or disclosure of any personal data or confidential data.

(iii) If the Bank offers the FPS Identifier as Proxy ID to the Customer, the Customer should not repeatedly cancel the registration and request for generation of another FPS Identifier in an attempt to generate a number or value that the Customer desires.

(h) **Other obligations regarding payments and funds transfers**

Any Instruction given by the Customer in relation to the Bank Services will be handled by the Bank in accordance with this Section XIII and the applicable provisions in the Account Terms. The Customer has to comply with the other obligations with respect to payments, funds transfers and direct debit authorisations, including without limitation maintaining sufficient funds in the relevant accounts for settling payment and funds transfer instructions from time to time.

(i) **The Customer is responsible for the Customer's authorized persons**

Where the Customer authorizes any other person to give Instructions or requests to the Bank in connection with the use of the Bank Services:

(i) the Customer is responsible for all the acts and omissions of each person authorized by the Customer;

(ii) any Instruction or request received by the Bank, believed by the Bank in good faith to be given by the Customer or any person authorized by the Customer, will be irrevocable and binding on the Customer; and

(iii) the Customer is also responsible for ensuring that each person authorized by the Customer will comply with the provisions of this Section XIII that are applicable to the Customer when acting on the Customer's behalf.

7 The Bank's responsibility and restriction of liability

(a) The Bank will process and submit the Customer's Instructions and requests to HKICL FPS in accordance with the applicable rules, guidelines and procedures imposed by HKICL from time to time. HKICL FPS has the right to process and execute the Customer's Instructions and requests in such sequence or manner as HKICL considers appropriate. The Bank has no control over the operation of HKICL FPS nor the timing on which the Customer's Instructions or requests are executed by HKICL FPS. Where the Bank receives status update notifications involving any of the Customer's Proxy ID (or related records) or eDDA setup or any other matter

relating to HKICL FPS from or through HKICL FPS from time to time, the Bank will notify the Customer accordingly by such means and at such time as the Bank considers appropriate.

- (b) Without reducing the effect of Clause 7(a) above or the provisions of the Account Terms:
- (i) the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the Bank Services or the processing or execution of Instructions or requests given by the Customer in relation to the Bank Services or HKICL FPS, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from the Bank's negligence or wilful default or that of the Bank's officers, employees or agents;
 - (ii) for clarity, the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with one or more of the following:
 - (1) the Customer's failure to comply with the Customer's obligations relating to the Bank Services; and
 - (2) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS, or arising from any circumstances beyond the Bank's reasonable control; and
 - (iii) in no event will the Bank, its affiliates or group companies, the Bank's licensors, and the Bank's and their respective officers, employees, service providers, contractors and agents be liable to the Customer or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages (whether or not they were foreseeable or likely to occur).
- (c) The Customer's confirmation and indemnity
- (i) Without reducing the effect of any indemnity given by the Customer under the Account Terms or any other rights or remedies that the Bank may have, the Customer will indemnify the Bank and the Bank's officers, employees, service providers, contractors and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by the Bank or any of them and all actions or proceedings which may be brought by or against the Bank or any of them as a result of or in connection with the Bank's provision of the Bank Services or the Customer's use of the Bank Services.
 - (ii) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from the Bank's negligence or wilful default or that of the Bank's officers, employees or agents. The above indemnity shall continue to have effect after the termination of the Bank Services.

8 Collection and use of Customer Information

- (a) For the purposes of using the Bank Services, the Customer may be required to provide the Bank with the personal data and other information relating to one or more of the following persons from time to time:
- (i) the Customer; and
 - (ii) the recipient of any payment or funds transfer to be made by the Customer, or the counterparty of any eDDA to be set up by the Customer,
- all personal data and information provided to the Bank or compiled by the Bank from time to time in connection with the Bank Services are collectively referred to as "Customer Information".
- (b) The Customer agrees that the Bank may collect, use, process, retain or transfer any of the Customer Information for the purposes of the Bank Services. These purposes include without limitation one or more of the following:
- (i) providing the Bank Services to the Customer, maintaining and operating the Bank Services;
 - (ii) processing and executing the Customer's Instructions and requests in relation to the Bank Services from time to time;
 - (iii) disclosing or transferring the Customer Information to HKICL and other Participants for their use for the purpose of the operation of HKICL FPS;
 - (iv) meeting the requirements to make disclosure under any Regulatory Requirements; and
 - (v) purposes relating to any of the above.
- (c) The Customer understands and agrees that the Customer Information may be further disclosed or transferred by HKICL, the Bank or any other Participants to their customers and any other third parties who are users of HKICL FPS for the purposes of providing and operating the Addressing Service and the eDDA Service.
- (d) If the Customer Information includes personal data or other information of any person other than the Customer (including any persons specified in Clause 8(a)(ii) above), the Customer confirms that the Customer will obtain and has obtained the consent from such person regarding the use (including disclosure and transfer) of the Customer's personal data and other information by HKICL, the Bank and the other Participants as specified in this Clause 8.

9 QR Code Services

- (a) This Clause 9 applies to the use of the QR Code Services, together with the Existing

Terms and any other terms and conditions that apply to the mobile application ("App") through which the Customer accesses the QR Code Services.

- (b) Using the QR Code Services and the Customer's responsibility
- (i) The QR Code Services allow the Customer to scan a QR code provided by the Bank or by another person to automatically capture the payment or funds transfer data without the need for manually entering the data. Any QR code provided by another person must meet the specifications and standards prescribed by HKICL in order to be accepted. **The Customer is fully responsible for ensuring that the captured data is accurate and complete before confirming any payment or funds transfer instruction. The Bank is not responsible for any error contained in such payment or funds transfer data.**
 - (ii) The QR Code Services can be used on a mobile device running an operating system supported and specified by the Bank from time to time.
 - (iii) Updates to the QR Code Services may be issued periodically through the supplying app store for the App. For some devices, updates will be downloaded automatically. For other devices, the Customer will need to download the updates. Depending on the update, the Customer may not be able to use the QR Code Services until the latest version has been downloaded. **The Customer is fully responsible for ensuring the latest version has been downloaded to the Customer's mobile device for the purpose of using the QR Code Services.**
 - (iv) The QR Code Services are intended for use by the Customers only. The Bank has the right to cancel the Customer's Account for the App and / or block the Customer from accessing the QR Code Services if the Bank discovers that the Customer is not eligible to use the QR Code Services.
 - (v) The QR Code Services are not intended for use in any jurisdiction where their use would be contrary to any law or regulation of that jurisdiction or where the Bank is not licensed or authorized to provide the QR Code Services.
 - (vi) **The Customer must comply with all Applicable Laws that govern the Customer's download of the App, or access or use of the App or the QR Code Services.**
- (c) Security
- (i) **The Customer must not use the QR Code Services on any device or operating system that has been modified outside the mobile device or operating system vendor supported or warranted configurations. This includes devices that have been "jail-broken" or "rooted". A jail broken or rooted device means one that has been freed from the limitations imposed on it by the Customer's mobile service provider and the phone manufacturer without their approval. The use of the QR Code Services on a jail broken or rooted device may compromise security and lead to fraudulent transactions. Use of the QR Code Services in a jail broken or rooted device is entirely at the Customer's own risk and the Bank will not be liable for any losses or any other consequences suffered or incurred by the Customer as a result.**
 - (ii) **The Customer is fully responsible for all instructions or requests given by the Customer or any other person authorized by the Customer during the use of the QR Code Services.**
 - (iii) **The Customer is fully responsible for ensuring that the information shown or stored on the Customer's mobile device is kept secure.**
 - (iv) **If the Customer knows or suspects that any other person knows the Customer's security details, or has used or tried to use them, or if the Customer's mobile device is lost or stolen, the Customer must notify the Bank as soon as reasonably practicable.**
- (d) The Bank's responsibility and restriction of liability
- (i) While the Bank makes commercially reasonable efforts to provide the QR Code Services, the Bank is not liable for any failure to provide the QR Code Services.
 - (ii) The QR Code Services are provided on an "as is" basis with no representation, guarantee or agreement of any kind as to their functionality. The Bank cannot guarantee that no viruses or other contaminating or destructive properties will be transmitted or that no damage will occur to the Customer's mobile device in the use of the QR Code Services. The Bank is not responsible for any loss the Customer may incur as a result of the Customer's use of the QR Code Services.
 - (iii) **The Customer understands and agrees that:**
 - (1) **The Customer uses the QR Code Services at the Customer's sole risk. To the maximum extent permitted by law, the Bank expressly disclaims all warranties and conditions of any kind, whether express or implied.**
 - (2) **The Customer downloads or obtain any material or information through the use of the QR Code Services at the Customer's sole risk and discretion. The Customer is solely responsible for any damage to the Customer's computer or other device or loss of data resulting from downloading, obtaining or using such material or information.**
 - (iv) For the avoidance of doubt, nothing above is intended to exclude or restrict any condition, warranty, right or liability which may not be lawfully excluded or restricted.

Section XIV – Other Services

- 1 The Bank may agree from time to time to provide other Services (such as payroll, cashier's order, gift cheque, foreign cheque purchase, bank notes, bulk payment and collection) to the Customer. Any person may, subject to the Bank's discretion and such terms and conditions as specified from time to time, make an Application for the provision of such other Services.

Part 3: Terms and Conditions for Securities and Investment Services

Section I – General Terms for Securities and Investment Services

1 General

- 1.1 The Bank is a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), CE Number AAA621, for the regulated activities of Dealing in Securities, Advising on Securities, and Asset Management, whose registered place of business in Hong Kong is at Ground Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong.
- 1.2 The Customer may enter into one or more Transaction(s) with the Bank, each evidenced by a Confirmation and expressed to be subject to the Account Terms. The parties will be legally bound by each Transaction as soon as they have made an agreement (orally or otherwise). The Bank will issue a Confirmation to evidence the terms of each Transaction. The terms of each Transaction will be as set out in the relevant Confirmation. Any other information provided by any means by the Bank or others is for reference only.
- 1.3 In the event of inconsistency between the Confirmation and the Account Terms, unless otherwise specified, the Confirmation shall prevail.
- 1.4 Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 unless otherwise defined or specified in these terms and conditions. Currency, interest and other rates, day count fraction, prices, sources and any terms used without definition in a Confirmation or the Account Terms have the meaning determined by the Bank by reference to market practice or any sources the Bank deems appropriate at its sole discretion. The Bank may adjust any date that would otherwise fall on a non-Business Day by reference to market practice. The Bank may round down or up percentages and amounts by reference to market practice.
- 1.5 If any provisions of the Account Terms are not appropriate to a Transaction, or if any event is not dealt with in the Confirmation or the Account Terms, the Bank may make any adjustments to the prices, rates and any other variable relevant to the Transaction to preserve the economic terms of the Transaction.
- 1.6 The Customer shall read carefully and understand the Account Terms and the other terms applicable to a Transaction. In case of doubt, the Customer should seek independent professional advice.

2 Definitions and interpretation

- 2.1 In the terms and conditions under this Part 3 (“**these terms and conditions**”), the following words and expressions have the following meanings unless the context otherwise requires or permits:

“**Deal**” includes to subscribe for, purchase, sell, switch, redeem, convert, dispose of or otherwise deal and “**Dealing**” shall be construed accordingly;

“**Dealing Day**” means, in respect of each type of Investments, a day on which dealings in general take place in those Investments, which may be specified from time to time by the Bank;

“**Dealing Procedures**” means, in respect of each type of Investments, any procedures which may be specified from time to time by the Bank to the Customer to govern Dealing with those Investments and other incidental matters which may be different from the dealing procedures specified in any applicable Offer Documents of those Investments;

“**Depository**” means, in respect of each type of Investments, any bank, institution, depository or clearing system (whether or not connected with the Bank and whether in Hong Kong or overseas) with which those Investments are deposited for the account and at the risk of the Customer;

“**Investments**” means investments of all kinds, including all stocks, shares, Securities, bonds, notes, debentures, certificates of deposit, warrants, options, rights issue, units or other interests in any unit trust, mutual fund or collective investment scheme, structured products (whether or not authorized by the Securities and Futures Commission) and any other instruments or investments similar thereto or certificates or other documents evidencing title, or the right to title, thereto, but excluding any of them which is under any Applicable Law or applicable accounting standard required to be accounted for as a book debt by the Customer, and excluding all gold, silver, platinum and other precious metals or jewellery;

“**Investment Account**” means each investment account opened, maintained and operated by the Customer with the Bank for the purpose of holding the Customer’s Investments made pursuant to these terms and conditions;

“**Investment Account Opening Form**” means the account opening form(s) and any other ancillary document(s) that are required to be executed by a Customer in opening, maintaining and operating an Investment Account and / or Settlement Account;

“**Manager**” means, in respect of any Investments, the party to which applications are to be made to subscribe or purchase the Investments, and the parties responsible in respect of the Investments, including, where the context permits, the manager, initial subscriber, arranger or issuer of those Investments from time to time;

“**Nominee Company**” means any nominee company (which may be connected or otherwise associated with the Bank or with a Depository) designated by the Bank at its sole discretion from time to time;

“**Offer Documents**” means, in respect of any Investments, the financial reports (if any), statements, constitutional documents, information memoranda, prospectuses, product booklets and specifications, disclosure documents, supplements, addenda, notices, term sheets and other documentation in relation to those Investments;

“**Person**” includes an individual, a sole proprietor, a firm, a company, a corporation and an unincorporated body of persons, where applicable;

“SFC” means the Hong Kong Securities and Futures Commission;

“Securities and Futures Ordinance” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) together with the subsidiary legislation enacted thereunder, as amended from time to time; and

“Settlement Account” means each account (whether in single or multiple currencies and of whatever type) opened and maintained by the Customer with the Bank for the purposes of settling Transactions and making other payments in connection with the Investment Account and / or the Services.

3 Services

- 3.1 The Customer irrevocably and unconditionally requests and authorizes the Bank to open one or more Investment Accounts which shall be maintained and operated subject to these terms and conditions.
- 3.2 The Bank may, from time to time and at its sole discretion, choose to supplement the Account Terms with separate terms and conditions containing provisions relating to certain types of Transactions. Where a Transaction is specified as such, the terms set out in such separate terms and conditions will apply to such Transaction in addition to these Account Terms.
- 3.3 The Customer irrevocably and unconditionally requests and authorizes the Bank to Deal with any Investments and provide other services incidental to and in connection with such Investments, in each case in accordance with the Instructions. The Customer agrees that Investments may be registered in the name of the Nominee Company on such terms and conditions as the Bank may see fit, unless otherwise agreed by the Bank in writing.
- 3.4 The Customer irrevocably and unconditionally authorizes the Bank to cause any Investments to be held on behalf of the Customer by any Depository for the account and at the sole risk of the Customer and on such terms and conditions as such Depository may require. If any Investments are held by any Depository, the following provisions shall apply:
- (a) all Investments deposited with a Depository will be held absolutely to the order of the Bank to be dealt with by the Bank in accordance with these terms and conditions and the Bank shall have the sole right (to the exclusion of the Customer and any third party) to obtain possession of any such Investments from such Depository;
 - (b) the Customer shall not be entitled to obtain possession of any script or other documents and any evidence of title relating to the Investments, unless otherwise permitted by the Bank and, if so permitted, all costs and expenses in connection with obtaining possession of any script, documents and evidence by the Customer shall be borne by the Customer absolutely;
 - (c) nothing in these terms and conditions shall require the Bank or the Nominee Company to segregate the Investments held by the Depository for the account of the Customer from Securities held by the Bank or the Nominee Company for the account of another customers;
 - (d) any transit of the Investments will be handled in accordance with the Bank's usual procedures but for the account of the Customer, and the Bank shall not be liable for any loss or damage suffered by the Customer as a result of any such transit of Investments unless the same was caused by the negligence or wilful misconduct of the Bank or any of its employees or agents; and
 - (e) the Bank shall not be liable for any act, omission, negligence, or default of any Depository provided, where the Depository is appointed by the Bank, the Bank has exercised reasonable care in appointing the Depository as it would employ for its own business.
- 3.5 The Bank may at its absolute discretion specify, designate or re-designate the Investments which may be dealt with for the purposes of these terms and conditions. The Bank may add to, reduce or otherwise change the list of available Investments from time to time without prior notice to the Customer.
- 3.6 For the purposes of Clauses 3.1 and 3.3, the Bank may (but is not obliged to) provide all or any of the following services to the Customer:
- (a) to make application to the relevant Manager to Deal with Investments in accordance with Instructions following receipt of any available funds required for the Transaction;
 - (b) without prejudice to the generality of Clause 3.6(a), to offer any other investment products relating to Investments subject to such terms and conditions as the Bank may from time to time prescribe at its sole discretion;
 - (c) to transmit to the relevant Manager or its authorized representatives the relevant application forms signed by the Customer (or an application aggregating other applications), subscription proceeds and / or other requisite materials and documents in connection with the application;
 - (d) to hold or to arrange for the Investments to which the Customer is entitled to be held in safe custody and to register such Investments in such name at its sole discretion from time to time and, where appropriate, in the name of the Customer or the Nominee Company in compliance with all Applicable Laws;
 - (e) to deal with the proceeds from redemption (if any) or other disposal of the Customer's Investments and any payment or distribution attributable to the Investments (following their actual receipt and, where applicable, clearance by the Bank) in accordance with the Instructions. The Bank is not responsible for any delay, error or default by any party responsible to make any such payment or distribution. The Bank may take any action required by the party from which it receives the payment or distribution, including to debit the Customer's account and to refund any amount received;
 - (f) to deliver to the Customer or to the order of the Customer the contract notes, daily and / or monthly statements, documents of title (if available under the respective

Investments) and any other instruments relating to any Investments to which the Customer is entitled in accordance with the Instructions at the Customer's own risk;

- (g) to request, collect, receive and make payments and / or distributions attributable to any Investments to which the Customer is entitled;
- (h) to enter into any agreement and / or instrument in relation to Investments in accordance with the Instructions;
- (i) to provide ancillary and incidental services; and
- (j) to provide such other services as the Bank and the Customer may from time to time agree.

3.7 The Bank shall be entitled (but is not obliged), without prior notice to or consent from the Customer, to take such steps as it may consider expedient or appropriate at its sole discretion to enable it to provide the Services and exercise its powers under these terms and conditions including the following:

- (a) to comply with any Applicable Law, directive, notice or request of any competent authority, government agency, exchange or body (whether or not having the force of Applicable Law) requiring the Bank to take or refrain from action (including requiring the Bank to provide identity details and / or other information relating to the Customer, the Investment Account and / or the Settlement Account in accordance with Applicable Laws or other requirements);
- (b) on behalf of the Customer, to withhold and / or to make payment of any taxes, duties, levies or expenses payable on or in respect of the Investments to which the Customer is entitled;
- (c) to combine the Customer's orders with orders of other Persons (including other customers or employees of the Bank) and the Bank may allocate Investments, and where applicable, redemption proceeds, distributions, dividends and / or other payments in such manner as the Bank considers appropriate subject to all Applicable Laws;
- (d) where the Investments to which the Customer is entitled are registered in the name of the Bank or any other Person appointed by it, to notify the Customer where required by applicable Hong Kong regulations of any relevant information, notices and other communications received by the Bank in relation to the Investments. The Bank is not obliged to act as the Customer's proxy to attend meetings or vote in any meetings or take any other action in relation to such information, notices or communications unless the Bank agrees, and provided the instructions are received by the Bank in time for such actions to be taken and, in the absence of or if there is delay in receiving such instructions, to act or refrain from acting as it may deem expedient or reasonable;
- (e) to act on the opinion and / or advice of its legal advisers, accountants, brokers or other professional advisers, but without liability for any acts, omissions, negligence or default on their part provided that the Bank has exercised reasonable care in appointing such Person as it would employ for its own business;
- (f) upon termination of any Investment Account, Settlement Account and / or the Services for any reason and in the absence of Instructions to dispose of the Investments in the Investment Account, to continue to hold the Investments at the Customer's risk and subject to the Bank's rights, but without the obligations, under these terms and conditions;
- (g) to participate in, and comply with (subject to Applicable Laws, including regulations, codes, guidelines and rules issued by the Securities and Futures Commission and / or the Hong Kong Monetary Authority and / or other regulators of competent authority from time to time) the rules and regulations of any organisation which regulates the conduct of banking and / or Securities business and any system which provides central clearing, settlement, custodian, depository and similar facilities for banks and / or in respect of Securities but, in each case, without liability for any acts or omissions on the part of the operator or manager of any such organisation or system; and
- (h) generally, but subject to all Applicable Laws (including regulations, codes, guidelines and rules issued by the Securities and Futures Commission and / or the Hong Kong Monetary Authority and / or other regulators of competent authority from time to time), to do all acts and things which are, in the Bank's absolute opinion, necessary or desirable for or incidental to the provision of the Services or the carrying out of any Instructions.

3.8 By executing the Investment Account Opening Form, the Customer is deemed to have given written standing Instruction to the Bank in the manner as set out in Clause 4.9 below:

- (a) subject to any specific Instruction to the contrary that is received and acknowledged by the Bank, to re-invest any dividends actually received by the Bank on the Investments to which the Customer is entitled by subscribing for further Investments at the Bank's sole discretion or in such other manner as the Bank may consider appropriate;
- (b) to co-mingle the Investments to which the Customer is entitled with the property of other Persons;
- (c) to return to the Customer any Investments that may not have the same serial number and / or identification as those originally deposited with and / or received by the Bank; and
- (d) to return to the Customer any of the Investments to which the Customer is entitled without giving any reason or prior notice.

4 Instructions

4.1 The Customer irrevocably and unconditionally requests and authorizes the Bank to act on any Instructions. Any Instruction that the Bank reasonably believes is given by the

Customer or with the Customer's authority will be valid and binding on the Customer, whether or not it is in fact authorized. The Bank may (but is not obliged to) require evidence of identity or authority. The Bank need not verify the validity, genuineness or completeness of any Instruction which the Bank reasonably believes to be genuine. If required by the Bank, the Customer will within the time required by the Bank deliver to the Bank a duly signed, original written Instruction.

- 4.2 The Bank shall be entitled to act in accordance with its regular business practice and procedure and will only accept Instructions insofar as it considers it practicable and reasonable to do so.
- 4.3 The Bank reserves the right to prescribe any conditions (as the same may be amended by the Bank from time to time at its absolute discretion) subject to which it may accept any Instruction and the absolute right to refuse to act on any Instruction without disclosing any reason to the Customer.
- 4.4 Any Instruction (save for those standing Instructions that are deemed as given by the Customer under these terms and conditions and which shall be deemed as accepted by the Bank, unless otherwise specified in writing) shall not be deemed as received by the Bank unless and until acknowledged by the Bank in writing or in such other manner as the Bank may specify from time to time and in accordance with Applicable Laws.
- 4.5 An Instruction will not be executed and / or processed by the Bank unless there are sufficient funds or pre-arranged credit in the Settlement Account of the Customer to effect such Instruction. The Bank may at its absolute discretion act on an Instruction notwithstanding any insufficiency of funds or lack of credit without prior notice to or approval of the Customer. In this case, the Customer shall be responsible for repaying any such shortfall (including any interest charged and accrued thereon by the Bank) by depositing the requisite funds into the Settlement Account. The Bank may on receipt of an Instruction debit funds from the Customer's accounts, or put a "hold" in the Customer's accounts on funds in any currencies and property, in the amounts reasonably estimated by the Bank to be required to carry out the Instruction. The Bank's rights are not affected if it does not do so or by anything done or omitted by the Bank in good faith.
- 4.6 Any Instruction (save for standing Instructions and / or authorities made in the manner as set out in Clause 4.9 from time to time), once given, may not be rescinded, amended, revoked or withdrawn without the written consent of the Bank.
- 4.7 Subject to the Bank's discretion, reversal of Deals can only be completed as redemption or disposal of Investments and subject to payment by the Customer of (i) all costs and expenses incurred by the Manager, trustee of the Investments (if any) and the Bank up to the time of reversal and (ii) all loss of profits and other loss or damage resulting to the Manager, trustee of the Investments and the Bank by reason of such reversal.
- 4.8 If an Instruction is accepted by the Bank or the Manager based on facts or information provided by the Customer and that information is incorrect, misleading, inaccurate, incomplete or obsolete, the Customer is liable to pay the Bank all costs, charges, damages, expenses and interest which the Bank may incur by reason of correction of such facts or information or as a result of acting on such Instruction. The Customer shall be responsible for all costs, charges, damages, expenses and interest occasioned by any delay caused by any inaccurate facts or information provided by the Customer.
- 4.9 The Customer may from time to time give and / or be deemed as giving written standing Instructions and / or authorities to the Bank in respect of the Services and / or the Investment and / or Settlement Accounts. These standing Instructions and / or authorities may be revoked by the Customer by giving written notice of not less than 14 Business Days to the Bank, or by the Bank upon the occurrence of certain specific events. Subject to their revocations as aforesaid, such standing Instructions and / or authorities shall (unless expressly stated otherwise) remain valid for a period of 12 months, before or upon the expiry of which they shall be automatically renewed for further periods of 12 months in the absence of any written objection by the Customer to the Bank's written notice to such effect. For the avoidance of doubt, this Clause 4.9 shall not operate as an obligation of the Bank to renew any such standing Instruction and / or authority upon its expiration.
- 4.10 Without prejudice to any other provision of these terms and conditions, the following standing Instructions are deemed to have been given by the Customer in the manner as set out in Clause 4.9 above:
 - (a) where a scrip dividend option is made available to the Customer by virtue of its interest in the relevant Investments, in the absence of any written Instructions to the contrary, the Bank is authorized to elect to receive cash dividend only on behalf of the Customer;
 - (b) where warrants held by or on behalf of the Customer has lapsed or otherwise expired, in the absence of any written Instructions to the contrary, the Bank is authorized to withdraw and dispose of such warrants for cancellation; and
 - (c) without prejudice to any of the above, where a right to vote or otherwise elect on any matter is made available to the Customer by virtue of its interest in the relevant Investments and the Bank has not received any written Instructions from the Customer in respect thereof, the Bank is authorized to abstain from voting or electing on such matter.
- 4.11 The Customer acknowledges that the Bank may, from time to time, seek the Customer's consent (whether oral or written) to:
 - (a) round down, to the nearest whole figure or in such manner as the Bank may otherwise consider appropriate, any fractional entitlements of Securities and / or dividends which may otherwise be available to the Customer by virtue of its interests in the relevant Investments upon completion of a consolidation, sub-division or rights issue of Securities or declaration of dividends (as the case may be); and / or
 - (b) retain or otherwise dispose of, for its own benefit and account, any of the Customer's fractional entitlements as a result of situations contemplated under sub-clause (a) above and / or any dividend entitlements that are unclaimed by and / or could

not be allocated to the Customer (for any reason whatsoever) for a period of more than 7 years, and that the fees and charges payable from time to time in respect of the administration and / or holding of or otherwise dealing in any such fractional entitlements and / or unclaimed/unallotted dividends may erode or otherwise exceed any income generated from the principal and / or the principal itself.

5 Settlement of transactions

- 5.1 The Bank shall provide the Services to the Customer on condition that the Customer opens one or more Settlement Accounts with the Bank.
- 5.2 Subject to Clauses 5.3 and 5.4, the Customer is deemed to have given a written standing Instruction, in the manner as set out in Clause 4.9, to the Bank:
- (a) to credit (if applicable) any sale proceeds, refunds, interest, redemption proceeds, cash dividends, other payments and distributions arising out of any Transaction and / or Investments (within 2 Business Days after such sale proceeds, refunds, interest, redemption proceeds, cash dividends, other payments or distributions have actually been received and, where applicable, cleared by the Bank) to, and debit any payment required pursuant to or as a result of a Transaction (on such date as the Bank may, at its sole discretion, determine) from, the Settlement Account; and
 - (b) to credit any Investments received by the Bank on behalf of the Customer pursuant to or as a result of a Transaction (following actual receipt of the Investments by the Bank) to, and withdraw any Investments pursuant to or as a result of a Transaction (on such date as the Bank may, at its sole discretion, determine) from, the Investment Account unless the Bank has received and acknowledged Instructions to the contrary.
- 5.3 Without prejudice to Clause 4.9 and other Transactions effected by the Bank, the deemed written instructions in Clause 5.2 may be revoked by the Customer by written notice of not less than 14 Business Days to the Bank, provided that the Bank shall not be under any obligation (but shall be entitled) to accept the Customer's Instructions and / or complete any Transaction if there is insufficient credit or committed credit facilities in the Customer's Settlement Account(s) maintained with the Bank (substituted or otherwise). For the avoidance of doubt, any amendment or modification to details of the Settlement Account(s) shall not operate as a revocation of such deemed written instructions, unless otherwise expressly stated by way of written notice of not less than 14 Business Days to the Bank.
- 5.4 For the avoidance of doubt, the Bank is authorized to deduct all fees, charges, taxes, commissions, duties, levies, withholdings and other expenses payable by the Customer, in connection with or as a result of any Transaction, from any proceeds of that Transaction, and / or income generated and / or derived from the relevant Investments and / or the Settlement Account, provided that the Bank shall promptly thereafter inform the Customer of the nature and amount of any such deductions.

6 Customer's acknowledgements

- 6.1 The Customer further acknowledges and agrees that:
- (a) the Bank does not act as agent of any Manager and has no power to bind any Manager nor any authority to accept or to refuse any application to Deal with Investments for and on behalf of any Manager or otherwise to commit any Manager to any obligation or liability of any nature or to pledge the credit of any Manager. The Bank does not guarantee or otherwise provide any assurance in respect of the obligations of any Manager;
 - (b) the information contained in the sales materials and any applicable Offer Documents issued or provided by the relevant Manager may be relied upon to be accurate in the exact circumstances in which it is expressed, and any illustrations or performance details are based on past historical experience and do not indicate future performance; information contained in the Manager's sales materials and any applicable Offer Documents is provided for general guidance only and forms no part of the contract unless expressly incorporated herein or agreed by the Manager or the Bank in writing;
 - (c) receipt of application forms, the requisite payment and / or other materials by the Bank shall not amount to an acceptance of the applications by the relevant Manager;
 - (d) all Instructions and the resulting Dealings, Transactions and payment in relation to Dealing with Investments shall be subject to any applicable Offer Documents and the Dealing Procedures;
 - (e) the Dealing Procedures shall be specified and amended from time to time at the Bank's sole discretion by giving reasonable written notice to the Customer or otherwise in the manner as provided in Clause 28 of Part 1, and any amendments so notified to the Customers will take effect on the effective date specified in the notice;
 - (f) the Bank shall distribute to the Customer any applicable Offer Documents produced and supplied by the issuer of the Investments which are subject to amendment from time to time at the issuer's sole discretion or otherwise specified by the Manager;
 - (g) the Bank is entitled, without reference to the Customer, either to ignore, withhold and / or reverse any Instruction which fails to comply with any applicable Offer Documents or the Dealing Procedures or to execute such Instruction with such modifications and / or changes as the Bank may think necessary;
 - (h) where there is any conflict in relation to procedural matters between any applicable Offer Documents and the Dealing Procedures, those of the Dealing Procedures shall prevail;
 - (i) any application to Deal with Investments must be accompanied by the requisite payment, available funds, the requisite certificate (if required) and all other necessary materials and documents as the Bank may require;
 - (j) any application received by the Bank after the Bank's prescribed cut-off time on a Dealing Day (which may be amended from time to time) shall be processed by the

Bank as soon as practicable on the next Dealing Day;

- (k) the actual bid and offer prices of any Transaction will be determined in accordance with any applicable Offer Documents at the time when such Transaction is effected;
 - (l) the Bank may, at its absolute discretion, deal with Investments for its own account or for the account of its other customers;
 - (m) in executing Instructions, the Bank may effect Transactions as a principal, the Bank may effect Transactions in which the Bank has, directly or indirectly, a material interest or a potential conflict of interest with the Customer in which case the Bank shall ensure that such Transactions are effected on terms which are not less favourable in substance to the Customer than if the Bank had not traded as principal and / or if the material interest or potential conflict of interest had not existed; the Bank shall be entitled to retain for its benefit any profit, commission, remuneration and / or other benefit made or received from or by reason of such Transactions and / or any connected transactions and shall not be liable to account for them to the Customer;
 - (n) the Bank is authorized to enter into any Transaction with any other member of the Bank Group Members, and shall not be accountable to the Customer for any profit or benefit or otherwise arising therefrom;
 - (o) the Bank may have banking or other financial relationships with the Manager or the issuer of any Investments;
 - (p) any other member of the Bank Group Members may be the Manager or the issuer of any Investments;
 - (q) in providing the Services to the Customer the Bank shall act as agent of the Customer and shall not be deemed as having acted as principal in relation to any Transaction effected by it on behalf of the Customer unless the Bank so indicates in writing, whether by contract note, confirmation, statement or advice for the relevant Transaction or otherwise;
 - (r) the Customer's Investments will be treated as fungible and held as part of a larger holding of identical Investments held for the Bank's customers. The Customer will be entitled to the same share of the payments and rights arising on the holding as the Customer's share of the total holding;
 - (s) the market value of Investments held for the Customer's account as indicated on the monthly statement of the Customer's Investment Account may represent the nominal face value of the Investments only. The proceeds which the Customer may obtain on selling the Investments prior to its maturity (if possible), and the proceeds or value of security which the Customer may obtain at maturity of the Investments, may be less than the face value of the Investments (possibly significantly, depending on market conditions);
 - (t) depending on the terms of the Investment, the Customer may not have any direct contractual relationship with the Manager or the issuer of the Investment. In the event of default by the Manager, the issuer or any other party responsible in respect of the Investments, the Bank may (but is not obliged to) take legal action against such party at the Customer's written request and after the Customer has provided to the Bank full indemnity and security satisfactory to the Bank in respect of all costs, interest and expenses (in the amount estimated by the Bank in good faith) that might be incurred; and
 - (u) the Bank need not commence or take any action if it considers that such action is not appropriate, and the Bank shall have absolute control over any legal action, arbitration, mediation or other alternative dispute resolution proceedings commenced (including to settle or discontinue any such action or proceedings). Provided that the Bank acts in good faith and on professional advice, it will not in any circumstances incur any liability to the Customer if it decides against commencing any action or proceedings (in which event, the Bank will take reasonable action where possible to assign the relevant claim to the Customer or the Customer's representative) or in respect of any actions taken or not taken in connection with any legal action or proceedings.
- 6.2 Without prejudice to the generality of relevant provisions in Part 1, the Customer agrees and confirms that the Bank shall be entitled to disclose to any Manager and any of the Bank's agents, representatives and / or associates which provides services in connection with the Investment Account, the Settlement Account and / or the Investments, whether within or outside Hong Kong, any Data for the purposes of or in connection with any Instruction or Transaction.
- 6.3 The Customer warrants and declares that:
- (a) the Customer has thoroughly read, fully understood, and agrees to be bound in full by the provisions and implications of these terms and conditions;
 - (b) the Customer is fully aware of the risks involved in investing in the Investments and has thoroughly read, fully understood and irrevocably accepted the Risk Disclosure Statements set out in Section XIII of Part 3 and those signed by the Customer. The Customer further understands that the price of the Investments and the income generated and / or derived from them (if any) can fluctuate significantly and may increase or decrease;
 - (c) all the information provided by or on behalf of the Customer to the Bank in connection with these terms and conditions and any Services and / or to facilitate the provision or maintenance of any Services is true, accurate, complete and up-to-date, and shall inform the Bank immediately of any material change thereto;
 - (d) the Customer shall maintain the Investment Account and the Settlement Account (and comply with the terms and conditions governing the same as may be in force from time to time), and shall give Instructions and / or enter into each Transaction, as principal and not as trustee or agent for any other person;

- (e) the Customer shall have thoroughly read, fully understood, and agreed to be bound by the up-to-date versions of any applicable Offer Documents in respect of the relevant Investments (including having understood the nature and risks of the Investments and, where applicable, understood the procedures by which the Customer may enforce the rights of holders of the Investments and related costs and expenses, and confirmed the Customer's understanding of, and agreement to give, the confirmations, acknowledgments and representations required by the applicable Offer Documents) prior to giving any Instruction relating to those Investments and shall have consulted independent professional advisers if the Customer considers appropriate for protecting the Customer's interests and in respect of each Instruction given in relation to any Investments (whether for purchase, subscription, sale, switching, redemption, conversion or other disposal of Investments or otherwise);
- (f) the Customer is not a person who would breach any selling restrictions applicable to the Investments by investing in the Investments;
- (g) the Customer has or will obtain independent advice regarding the applicable legal, tax and exchange control laws and regulations or other Applicable Laws and other requirements governing Dealing with Investments, and has not and will not be relying on any advice from the Bank in this regard; and
- (h) the Customer represents that the Customer is not a resident of or domiciled in the United States of America or otherwise connected with the United States of America in such a way which would make such Customer a "U.S. Person" (or other similar concept) whether for tax purposes or otherwise, and the Customer will notify the Bank in writing as soon as reasonably practicable and in any event within 14 days of any change in such status or becoming aware of the likelihood of any change of such status.

6.4 The Customer further irrevocably and unconditionally undertakes:

- (a) to provide the Bank with such information, materials and documents to enable the Bank to effect an Instruction and undertakes to inform the Bank immediately of any material change to such information, materials and documents;
- (b) to ensure that the information provided to the Bank, including information contained in application forms, is complete, true, accurate, up-to-date and not misleading in any respects, and the Bank shall not be obliged to verify the completeness, truthfulness and accuracy of such information and accepts no liability for any cost, claim, expense, loss or damage of whatever nature suffered, sustained or incurred by the Customer or any person arising from or out of or as a result of any error and / or omission in providing any information and / or completing any application form unless caused by its own negligence or wilful misconduct; and
- (c) not to create any encumbrance over the Investment Account and / or the Settlement Account without the prior written consent of the Bank, which consent may be withheld by the Bank at its sole discretion and / or subject to such conditions as the Bank may in its sole discretion impose.

7 Limitations on Bank's responsibilities

- 7.1 Any application to Deal with Investments is subject to approval by the relevant Manager (if applicable). The Bank does not warrant that any application will be approved by the relevant Manager.
- 7.2 The provision of the Services does not render the Bank a trustee of the Customer.
- 7.3 The Bank does not guarantee any gains or profitability to the Customer and shall not be liable for any loss or diminution in the value of the Investments to which the Customer is entitled, save and except for any liability which the Bank cannot exclude pursuant to the Applicable Laws.
- 7.4 Any representations, advice, financial information and data that may be provided by the Bank or its directors, officers, employees, agents or representatives have been provided to the Bank by other Persons or compiled by the Bank from information and materials provided by other Persons. The Bank does not warrant, represent or guarantee the sequence, accuracy, truth, reliability, adequacy, timeliness or completeness of any such representations, advice, financial information or data provided by other Persons or whether they are fit for any purpose.
- 7.5 Notwithstanding any representations, advice, financial and data supplied by the Bank, its directors, officers, employees, agents or representatives at or without the Customer's request, the Customer shall be responsible for:
 - (a) making the Customer's own independent investigation and appraisal of the Investments in which the Customer intends to Deal;
 - (b) making the Customer's own independent decision in Dealing in the Investments; and
 - (c) taking independent legal and professional advice on the risks of, and the laws, rules, codes, guidelines and regulations applicable to, the Investments.

The Customer irrevocably and unconditionally requests and directs the Bank to accept and act on any and all Instructions in connection with the Investments on the above basis.

- 7.6 Unless caused by negligence, fraud or wilful misconduct on the part of the Bank, the Bank does not assume any liability or responsibility to the Customer or any third party for any loss whatsoever arising out of or in connection with:
 - (a) any Instruction, Transaction and / or access to the Services by the Customer or any other person whether or not authorized;
 - (b) any interruption, suspension, delay, loss, mutilation or other failure or inaccuracy in transmission of Instructions or other information howsoever caused outside of the Bank's reasonable control;
 - (c) its inability to execute any Instruction due to prevailing market conditions, or the manner or timing of the execution of any Instruction;

- (d) imposition or change of any Applicable Law, market disruption or fluctuation, or procedures, restrictions or suspension of trading imposed by any government, exchange, clearing house or market, or bankruptcy, insolvency or liquidation of any relevant bank, financial institution, broker, exchange or clearing house or government; and / or
 - (e) any mechanical or system failure, power failure, malfunction, breakdown, interruption or inadequacy of equipment or installation in connection with the Services, Acts of God, government act, flood, fire, civil commotion, strike, war or any other causes beyond the reasonable control of the Bank.
- 7.7 The Bank is not liable for any loss caused by a third party, government, market disruption or any event beyond its reasonable control. The Bank is not responsible for any act, omission, representation or information of any third party (except the Bank's authorized agents).

8 Customer's indemnity

- 8.1 The Customer shall indemnify the Bank, its directors, officers, nominees, agents, representatives and employees or any other Person from and against all liabilities, actions, claims, demand, losses, damages, taxes, costs, charges, interest and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) reasonably incurred by any of them and all actions or proceedings which may be brought by or against any of them in connection with the provision of the Services or the exercise or preservation of the Bank's powers and rights under these terms and conditions or in connection with or arising from the Customer's breach of any of these terms and conditions, unless the same result from the Bank's negligence, wilful misconduct or fraud.
- 8.2 The Customer shall indemnify and keep indemnified the Bank, its directors, officers, nominees, agents, representatives and employees or any other Person from and against all liabilities, actions, claims, demand, losses, damages, taxes, costs, charges, interest and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred), which the Bank, its directors, officers, nominees, agents, representatives and employees or any other Person may reasonably incur or sustain directly or indirectly as a result of acting on any Instructions, or any error, incompleteness or inaccuracy in Data or in relation to the purchase, subscription, sale, switching, redemption, conversion or other disposal of Investments.
- 8.3 The Customer shall pay to the Bank interest charged on the amount which may be owed by Customer to the Bank under Clause 8.1 or 8.2 at a rate as may be determined by the Bank at its absolute discretion from time to time.
- 8.4 This Clause 8 shall continue to have effect notwithstanding the termination of the Investment Account, Settlement Account and / or the Services.

9 Set-off and lien

- 9.1 The Bank is entitled at any time to combine or consolidate any monetary balances standing to the credit of any of the Customer's accounts with the Bank (including the Settlement Account) and set-off any sum thereof against, and / or apply any such sum in or towards satisfaction of, any of the obligations, indebtedness and liabilities owed by the Customer to the Bank in whatever capacity and whether actual or contingent or joint or several. If such combination, consolidation, set-off, debit, withholding or transfer requires the conversion of one currency into another, such conversion shall be calculated at the Exchange Rate. The Bank shall notify the Customer of any such set-off or application as soon as practicable after effecting it.
- 9.2 The Bank is authorized to exercise a lien over all property of the Customer which is in or coming into the possession or control of the Bank, whether for custody or any other reason and whether or not in the ordinary course of its business, with power for the Bank to sell such property and apply the proceeds of sale, after deduction of reasonable charges and expenses, to satisfy any obligations, indebtedness and liabilities owed by the Customer to the Bank.
- 9.3 By executing the Investment Account Opening Form, the Customer is deemed to have given a written standing authority to the Bank, in the manner as set out in Clause 4.9, in respect of the Bank's rights or otherwise entitlements under this Clause 9 insofar as they should involve any of the Customer's Investments and / or credits in the Investment and / or Settlement Accounts, provided that the Bank may in its absolute discretion refuse to accept any further Instructions and / or execute any further Transactions in the event that such standing authority shall not be validly renewed for any reason whatsoever.

10 Delegation

- 10.1 The Bank may, at its sole discretion, appoint any other Person(s) (whether in Hong Kong or elsewhere) as its nominee, broker or agent to perform any of the Services on its behalf and may delegate (including rights to sub-delegate subject to no limit) any of its powers under these terms and conditions to such Person to be carried out in accordance with market practice and the normal dealing and operational practices of such nominee, broker or agent. The Bank will exercise reasonable care in the selection of such person. Save in the case of fraud, negligence or wilful misconduct of the Bank, the Bank shall not, to the extent permissible by Applicable Laws, be liable for any act, omission, fraud, negligence or default of any such Person and in any case, such liability shall be strictly limited to reasonably foreseeable loss directly and solely arising as a result of any of the foregoing.
- 10.2 In connection with the provision of the Services to the Customer, the Bank is authorized to disclose Data and any information about the Customer and in relation to the Customer's Investment Account, Transactions and / or Instructions to any other Person appointed by the Bank in connection with the performance of the Services.
- 10.3 The Bank may also appoint any Person as its agent to collect any or all indebtedness owed by the Customer to the Bank and the Customer shall be responsible for all costs, interest and expenses reasonably incurred by the Bank for that purpose on each occasion.

11 Account statements and records

- 11.1 Subject to Applicable Laws, account statements shall be supplied to the Customer at monthly or at such other regular intervals as the Bank may prescribe. No statement shall be supplied if there is a nil balance in both the Investment Account and Settlement Account. The Bank will, where applicable, deliver to the Customer a confirmation in respect of any Transaction within the time limit prescribed by Applicable Law.
- 11.2 The Customer confirms that the Bank may issue account statements in electronic form and agrees to receive the same by electronic means.
- 11.3 The Customer must examine each account statement or confirmation and must notify the Bank in writing of any error or omission in an account statement within 90 days of the day of deemed delivery of such account statement pursuant to Clause 25 of Part 1 and of any error or omission in a confirmation within 7 days of the day of deemed delivery of such confirmation pursuant to Clause 25 of Part 1. After the aforesaid respective periods, the account statement or confirmation shall be deemed to be correct and conclusive. No claim to the contrary by the Customer shall be admissible against the Bank unless:
- (a) the Bank has failed to exercise reasonable care and skill in respect of any error or omission;
 - (b) any error or omission arose from the forgery or fraud of any of the Bank's agents, officers, employees or representatives; or
 - (c) any error or omission arose from the negligence or wilful misconduct of the Bank or any of its agents, officers, employees or representatives.
- 11.4 In providing the Services, the Bank shall maintain records in compliance with all Applicable Laws.

12 Expenses and costs

All expenses and costs, legal or otherwise, reasonably incurred by the Bank in connection with the provision of the Services (including enforcement or attempted enforcement of any right or action of the Bank under these terms and conditions) shall be borne by the Customer.

13 Rebate and commission

The Bank shall be entitled to, and the Customer agrees that the Bank may, without further disclosure to the Customer, accept and retain for the Bank's own account and benefit absolutely any profit, rebate, brokerage, commission, fee, benefit, discount and / or other advantage arising out of or in connection with the provision of Services and / or the handling of Transactions, provided that the Bank has complied with all Applicable Laws in providing the Services and / or handling the Transactions.

14 Exchange rate

- 14.1 The Bank shall be entitled to effect any Transaction or payment in relation to any Investments, the Investment Account or the Settlement Account in such currency as the Bank may consider appropriate. If a conversion of one currency into another currency is required under these terms and conditions, such conversion shall be calculated at the Exchange Rate.
- 14.2 No payment to the Bank under this Agreement pursuant to any judgment or order of any court or otherwise shall operate to discharge the obligations of the Customer under these terms and conditions unless and until payment in full shall have been received by the Bank in the currency in which such payment was due (the "currency of obligation"). To the extent that the amount of such payment shall on actual conversion into the currency of obligation at the Exchange Rate fall short of the amount due in the currency of obligation, the Bank shall have a separate and additional cause of action against the Customer for the recovery of such sum as shall, after conversion into the currency of obligation, be equal to the amount of the shortfall.

15 Service charge

The Bank shall be entitled to prescribe and vary, from time to time, fees and charges payable in respect of or in connection with the Services subject to the Bank giving to the Customer notice of at least 30 days at the Customer's last known address in accordance with the Bank's record or displaying notices at branches of the Bank, advertising or bringing to the attention of the Customer by any other reasonable means as the Bank may at its absolute discretion determine at least 30 days before making such changes effective (except for any variation which is beyond the control of the Bank).

16 Suspension and termination of Services

- 16.1 The Bank reserves the right to suspend or terminate any of the Services at any time without giving any notice or reason to the Customer.
- 16.2 Without prejudice to the generality of Clause 16.1, the Bank shall be entitled to terminate, freeze or suspend any of the Services and / or close the Investment Account and / or Settlement Account immediately without notice to the Customer if:
- (a) there is any change or introduction of Applicable Law or regulatory requirement which prohibits or renders illegal the provision of the relevant Service, and / or maintenance or operation of the Investment Account and / or Settlement Account or any part thereof;
 - (b) the Customer commits any breach of or omits to observe any terms, conditions or obligations under these terms and conditions and fails to remedy the same within 14 days of being notified by the Bank so to do;
 - (c) the Bank's books and records show a zero or negative balance on the Investment Account and / or Settlement Account for a period of at least 6 continuous months or for such shorter period as the Bank may prescribe from time to time and notify to the Customer; or
 - (d) the Customer becomes bankrupt or suffers any similar action.

- 16.3 The Customer may, by written notice or in such other manner as the Bank may at its absolute discretion permit from time to time, request the suspension of any Services for such period as the Bank may at its absolute discretion allow from time to time. Any such suspension shall only become effective when acknowledged by the Bank in writing. For the avoidance of doubt, the Bank shall not be responsible for any losses whatsoever and howsoever arising as a result of any delay to comply with any such request (or any part thereof), unless otherwise caused by fraud, negligence or wilful misconduct of the Bank, its authorized employee or agent.
- 16.4 The suspension or termination of any of the Services, and any withdrawal of cash or property, whether or not following such suspension or termination, shall be without prejudice to the right of the Bank to settle any Transaction entered into, or to settle any liability incurred, by the Customer under these terms and conditions or by the Bank on behalf of the Customer, prior to suspension or termination.
- 16.5 Upon suspension or termination of any of the Services, the Bank may cancel and / or withhold all or any un-executed and / or un-processed Instructions at its absolute discretion.

17 Binding effect

These terms and conditions shall be binding on and ensure to the benefit of the Bank and its successors and assigns, and the Customer and the Customer's legal representatives and successors.

18 Recording

The Customer consents to the recording by tape or any other means of all communications over the telephone between the Bank and the Customer and to the use of such recording by the Bank as evidence of the contents of the communications in any dispute.

19 Events of Default

- 19.1 The occurrence at any time of any of the following events with respect to the Customer or any person who has provided any guarantee or security in support of the Customer's obligations under a Transaction (each a "**relevant party**") constitutes an event of default ("**Event of Default**"):
- (a) (**Fail to pay or deliver**) Failure to make, when due, any payment or delivery required under a Transaction. Disclaiming, repudiating or rejecting, in whole or in part, any Transaction.
 - (b) (**Breach**) Failure to comply with any other obligation in accordance with a Transaction if not remedied within 14 days after notice of such failure is given to the Customer.
 - (c) (**Support default**)
 - (i) Failure to perform any agreement to provide any guarantee or security in support of the Customer's obligations under a Transaction;
 - (ii) such guarantee or security expires or ceases to be in full force and effect without the Bank's written consent; or
 - (iii) any relevant party (or any person appointed to manage it or act on its behalf) disclaims or repudiates, in whole or in part, or challenges the validity of, such guarantee or security.
 - (d) (**Misrepresentation**) Any representation proves to be incorrect, incomplete or misleading in any material respect.
 - (e) (**Cross default**) The occurrence or existence of:
 - (i) a default (however described) under one or more financial, Securities, derivative or borrowing transactions which has resulted in such transactions becoming, or becoming capable of being declared, due and payable or deliverable, or otherwise terminated prematurely;
 - (ii) a default in making one or more payments or deliveries on the due date under any financial, Securities, derivative or borrowing transaction (after giving effect to applicable notice requirement or grace period); or
 - (iii) a disclaimer, repudiation or rejection, in whole or in part, of any financial, Securities, derivative or borrowing transaction (or such action is taken by any person appointed or empowered to manage any relevant party or act on its behalf).
 - (f) (**Insolvency**) Any relevant party:
 - (i) becomes insolvent or fails or admits in writing its inability to pay its debts as they become due;
 - (ii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (iii) or any other person commences any judicial, administrative or other proceeding, or takes any action:
 - (A) seeking a judgment of or arrangement for insolvency, bankruptcy, liquidation, reorganization or rehabilitation with respect to the relevant party or its debts or assets;
 - (B) seeking the appointment of a trustee, receiver, liquidator, supervisor or custodian for the relevant party or any part of its assets; or
 - (C) which has a similar effect;
 - (iv) has a resolution passed for its liquidation, reorganization or rehabilitation;
 - (v) has a secured party take possession of all or any part of its assets or has a distress, execution, attachment or other legal process enforced against all or any part of its assets; or

- (vi) causes or is subject to any event which, under any Applicable Law, has a similar effect to any of the above.
 - (g) **(Merger)** Any relevant party amalgamates or merges with or transfers all or any substantial part of its assets to, or reconstitutes as, another entity.
 - (h) **(Death)** If any relevant party is an individual, such relevant party dies or becomes mentally incapacitated.
 - (i) **(Change of Control)**
 - (i) Any person acquires directly or indirectly any beneficial ownership interest enabling it to appoint a majority of the board of directors (or its equivalent), or to exercise control of, of any relevant party.
 - (ii) Any relevant party effects any substantial change in its capital structure.
 - (j) **(Force majeure)**
 - (i) Any relevant party, by reason of any event or circumstance, is or would be prevented from complying with, or it is or would be impossible or impracticable to comply with, any material provision of the Agreement where such event or circumstance is beyond the commercially reasonable control of the affected party; or
 - (ii) It is or would be unlawful under any Applicable Law for any relevant party to comply with any material provision of a Transaction.
- For this purpose, material provisions include the obligation to make or receive a payment or delivery on a timely basis under a transaction.
- (k) **(Adequate assurances)** Any relevant party fails to provide adequate assurances of its ability to perform its outstanding obligations under a Transaction or any other agreement between the parties on or before the second Business Day after the Bank's written request when the Bank has reasonable grounds for insecurity.

20 Early Termination

- 20.1 If at any time an Event of Default has occurred and is continuing, the Bank may, by not more than 14 days' notice to the Customer specifying the Event of Default, designate a day as an Early Termination Date in respect of the affected or all outstanding Transactions (which will terminate on the designated Early Termination Date).
- 20.2 The Bank will determine in good faith the Bank's losses or gains, and costs, that are or would be incurred or realized under then prevailing circumstances in replacing or providing the economic equivalent of the material terms of each terminated transaction including the remaining payments, deliveries and rights. The Bank will determine such amounts as of a commercially reasonable date, using commercially reasonable procedures and to produce a commercially reasonable result. The Bank may apply different valuation methods to different transactions depending on type, complexity or other relevant factors. The Bank may take into account any relevant information including market data and information from internal sources, and without duplication:
 - (a) cost of funding;
 - (b) any reasonable loss, cost or gain incurred in connection with the Bank terminating or obtaining any hedge related to a terminated transaction.

All amounts will be expressed in HKD or another currency reasonably chosen by the Bank. The Bank will convert amounts in another currency at its Exchange Rate.

The Bank will net off (i) amounts that became payable to either party in respect of all terminated transactions on or prior to the Early Termination Date and which remain unpaid as at such date and (ii) an amount equal to the fair market value as of the original scheduled date for delivery (as reasonably determined by the Bank) of anything which was required to be delivered to either party in respect of each terminated transaction on or prior to the Early Termination Date and which has not been so delivered as at such date, together with interest from (and including) the original due date to (but excluding) the Early Termination Date, at the rate for overdue interest.

- 20.3 As soon as reasonably practicable after an Early Termination Date, the Bank will provide to the Customer a statement showing, in reasonable detail, the calculations and any amount payable following the Bank's calculation under Clause 20.2. Such amount will be payable on the day specified in the notice (being at least 7 days after the date of the notice), together with interest thereon (before and after judgment) from (and including) the Early Termination Date to (but excluding) the date such amount is paid, at the rate for overdue amounts.
- 20.4 The parties agree that an amount recoverable under Clause 20.2 is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for loss of bargain and loss of protection against future risks. Except as otherwise provided in a Transaction, neither party will be entitled to recover any additional damages for such losses.

21 Miscellaneous

- 21.1 The Bank will not, without the Customer's specific authority, deposit any Investments to which the Customer is entitled as collateral for loans or advances made to the Bank or lend or otherwise part with the possession of such Investments for any purpose.
- 21.2 These terms and conditions shall be read and construed together with the other documents in respect of the Investments as prescribed by the Bank from time to time, including the Investment Application Form(s), declarations made by the Customer, the Risk Disclosure Statements and the Investment Account Opening Form.
- 21.3 The Bank undertakes to notify the Customer in the event of any material change to the Bank's name, principal address, registration status, CE number or the nature of the Bank's services, fees or charges. The Bank undertakes to provide the Customer upon request the Offer Documents.

- 21.4 Nothing in these terms and conditions shall affect the statutory rights of the Customer under Applicable Laws.
- 21.5 **If the Bank solicits the sale of or recommend any Financial Product to the Customer, the Financial Product must be reasonably suitable for the Customer having regard to the Customer's financial situation, investment experience and investment objectives. No other provision of these terms and conditions or any other document the Bank may ask the Customer to sign and no statement the Bank may ask the Customer to make derogates from this Clause.**
- For the purpose of this Clause 21.5, "Financial Product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity under the Securities and Futures Ordinance.**
- 21.6 Without derogating from Clause 21.5, before the Customer enters into a transaction with the Bank, the Customer accepts and agrees to the following, and the Bank will rely on the Customer's acceptance of and agreement to the following:
- any information provided by the Customer to the Bank, including for the purpose of assessing suitability in accordance with Clause 21.5 above, is valid, true, complete, accurate and up-to-date;
 - if circumstances relating to the Customer or the product change, the product which the Bank solicited the sale of or recommended may no longer remain suitable for the Customer;
 - the Bank has no responsibility to ensure that a product the Bank has solicited or recommended to the Customer remains suitable for the Customer;
 - in order to make an informed investment decision, the Customer would need to:-
 - understand the nature, terms and risks of the product; and
 - consider the Customer's own circumstances, including but not limited to the Customer's financial situation, investment experience and investment objectives; and
 - where necessary, the Customer will seek independent professional advice about the product that the Customer wishes to buy.

Section II – Securities Trading Services

1 General

The terms and conditions under this Section II are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing Securities Trading Services.

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Applicable rules and regulations

- 2.1 Each Transaction shall be subject to the constitution, rules, regulations, customs, usages, rulings and interpretations from time to time in force of the relevant exchange, the relevant clearing house through which the Transaction is conducted and any other authority having jurisdiction and to the Applicable Laws in Hong Kong or in any other jurisdiction so that:
- in the event of any conflict between (a) any provision of these Account Terms and (b) any such constitution, rules, regulations, customs, usages, rulings, interpretations, Applicable Laws, the relevant provision of these Account Terms shall be deemed to be modified or rescinded to the extent necessary to secure compliance; and
 - the Bank may take or omit to take any action which it determines to be necessary in order to ensure compliance with the same, which shall bind the Customer, and the Customer shall at all times ensure that the Customer is in compliance with the same.

3 Fees and exchange levies

- 3.1 If the Customer is the purchaser of Securities, the Customer is responsible for the full purchase price of such Securities. In addition, (whether the Customer is a purchaser or seller of Securities), the Customer is liable for all relevant levies imposed by any relevant exchange or Clearing House, brokerage expenses, stamp duties, bank charges, transfer fees, settlement fees, registration fees, interest, currency conversion expenses, nominee or custodial expenses, premiums on any options purchased, tax and other charges, penalties and disbursements.
- 3.2 The Bank may impose fees, commissions and charges for effecting Transactions in Securities on the Customer's behalf.

4 IPO Subscription

- 4.1 The Bank may provide all or any of the following services to the Customer in connection with Securities:
- at the Customer's request grant a short term loan in the amount determined by the Bank, to be applied by the Bank on the Customer's behalf solely to pay for part of the subscription price. The Customer will, if the Bank so requests, apply in such form as the Bank may prescribe; and
 - to provide such other services (including services which are ancillary to the above) as the Bank may from time to time offer and which the Customer accepts or requests.
- 4.2 The Bank may accept an application for less than the loan amount applied for and subject to such terms and conditions as the Bank considers appropriate. The terms of the loan including the applicable interest rate will be as set out in the Bank's confirmation to the Customer.
- 4.3 The Customer will put the Bank in funds for the balance of the full subscription price and all charges and expenses 2 Business Days before expiry of the subscription period or an

earlier date notified by the Bank.

- 4.4 The subscription application will be made in the name of the Bank's nominee. The Customer authorizes the Bank's nominee and the Bank to do all things necessary for the purpose of the application.
- 4.5 Interest will accrue on the loan at the agreed rate and in the agreed manner, from the date the subscription application is sent to the issuer to the date of full repayment (before and after judgment).
- 4.6 The loan and interest will be repayable on demand and, in the absence of a demand, within 5 Business Days after the Bank has notified the Customer of the result of the Customer's subscription.
- 4.7 Any refund in respect of the Customer's application will be held in trust for the Bank and be applied to reduce the amounts owing by the Customer, in the order the Bank selects. The Customer will immediately pay to the Bank any refund received by the Customer and will hold the money in trust for the Bank.
- 4.8 If any part of the loan or interest thereon is not paid when due, the Bank may without notice sell any or all of the Securities allotted to the Customer and use the sale proceeds after deducting all reasonable expenses to pay any amounts owing by the Customer in the order the Bank selects. The Customer charges to the Bank all rights arising from the Customer's application and all Securities allotted to the Customer as continuing security for the payment of all amounts owing by the Customer to the Bank. The Customer will within the time required by the Bank do all things which the Bank requires to perfect the Bank's security interests.

5 Savings plan

- 5.1 The Bank may from time to time offer certain Investments for selection and specify the requirements for a savings plan. If the Customer wishes to establish a plan, the Customer should apply in the form provided by the Bank. The Customer will select the Investments the Customer wishes to buy from the available Investments, and specify in accordance with the Bank's requirements the monthly contribution amounts the Customer will pay for each issue of Investments.
- 5.2 If the Customer's plan application and direct debit application are approved by the Bank, the Customer's plan will commence and the coming direct debit date will be the date for the first monthly contribution under the Customer's plan. The Customer will pay by direct debit in Hong Kong dollars through an account acceptable to the Bank the agreed monthly contribution amounts on the agreed date in each calendar month (or, if it is not a Business Day, on the next Business Day). No reminder will be sent. If there are insufficient funds, the Bank may, but is not obliged to, make another attempt to collect the monthly contribution amount within the month. The Customer will pay all related charges and fees if any.
- 5.3 The Customer may change or terminate the Customer's plan by giving the Bank 30 Business Days' prior notice and complying with the Bank's reasonable requirements (a fee may be incurred). The time required to change the Customer's direct debit authorization will depend on the bank with which the Customer's account is kept. The Customer should regularly review the Customer's circumstances, financial situation, objectives and ability to assume risks to ensure that the plan continues to be suitable for the Customer's requirements. The Bank may terminate the Customer's plan by 30 days' prior notice to the Customer.
- 5.4 The Bank will use each monthly contribution amount actually received from the Customer (after deducting the Bank's service charges and all fees and reasonable expenses) towards buying, on the Customer's behalf, a whole number of the agreed Investments.
- 5.5 No interest will be paid for the period before the amount is used to purchase the Investments or on any unused portion or on the monthly contribution for the period between its debit date and the date of purchasing the Investments. Any unused monthly amount may be withdrawn 2 Business Days after the date for purchasing the Investments.
- 5.6 If any purchased Investments are less than the total requirements of similar plans of all the Bank's Customers, the Bank may allocate them in a fair manner.

Listed Investments

- 5.7 Purchase of listed Investments will be made by way of a market order placed on the relevant exchange at any time on the next exchange trading day following the date of receipt of the monthly contribution amount.
- 5.8 In determining the price payable by the Customer, the Bank may use the average price of purchases of the Investments under similar plans of all the Bank's customers.

Section III – Custody Services

1 General

The terms and conditions under this Section III are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing Custody Services.

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Safe custody

- 2.1 The Customer may from time to time deposit with the Bank stocks, shares, debentures, loan stocks, funds, bonds, notes, certificates of deposit, warrants, options, units and / or other interests in any unit trust, mutual fund or collective investment scheme and / or other securities including without limitation securities as defined in the Securities and Futures Ordinance to be credited to and held in the Investment Account (collectively "Securities"). The Bank may in its absolute discretion refuse to accept a deposit of any Securities for credit into the Investment Account.

- 2.2 The Bank will be responsible for the safe-keeping of all certificates, instruments or documents of title representing the Securities. The Customer hereby authorizes the Bank to hold all such certificates, instruments or documents of title in its own custody or in the custody of other dealers, custodians, depositories, clearing houses, institutions or entities as permitted and in accordance with the Securities and Futures Ordinance and other Applicable Laws (collectively “**Securities laws**”) subject to such person’s usual terms and conditions.
- 2.3 Without prejudice to Clause 2.2 above, the Customer further instructs (where required under the Securities laws, by way of standing instruction) the Bank to hold, transfer, deposit, withdraw or otherwise deal with some or all of the Securities with and from the relevant Clearing House or entities as permitted under the Securities laws in accordance with the rules of the Clearing House from time to time in force and / or other instructions of the Customer (whether standing or otherwise) from time to time given (or deemed given) under or pursuant to these terms and conditions. In this connection, the Customer irrevocably agrees that:
- (a) the determination of the Bank that some or all of the Securities are to be held in a Clearing House; and
 - (b) the allocation by the Bank to the Customer of, and the consequences of actions or decisions or the exercise of rights by the Clearing House which affect, some or all of such Securities, shall be binding on the Customer.
- 2.4 The Customer represents and warrants that the Securities are free from defects, liens, charges, mortgages or encumbrances and that the Customer is the sole beneficial owner thereof or is otherwise entitled or authorized to deposit the Securities with the Bank and to deal with them free from all encumbrances and third party rights and where applicable has obtained the relevant authorization and approvals including without limitation those required pursuant to Section 148 of the Securities and Futures Ordinance and the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong) (as the case may be) to deal with the Securities. The Customer further undertakes with the Bank to notify the Bank forthwith if any authorization given to the Customer pursuant to Section 148 of the Securities and Futures Ordinance and the Securities and Futures (Client Securities) Rules (as the case may be) has been revoked or otherwise modified.
- 2.5 In respect of the Securities issued in registered form, the Bank may register such Securities in its own name or in the name of its nominees.
- 2.6 The Bank is entitled to treat the Securities or any part thereof as fungible and accordingly, any allocation by the Bank to the Customer of securities of the same class or type as the Securities shall be accepted by and be binding on the Customer.
- 2.7 The Customer shall give not less than 1 Business Day’s written notice to the Bank if the Customer wishes to withdraw or transfer any Securities from the Investment Account. Any such withdrawal or transfer shall take place at such location as designated by the Bank and at the Customer’s risk, cost and expense.
- 2.8 Subject to the agreement of the Bank, if the Customer requests the Bank to make delivery of any of the Securities to any person other than the Customer, the delivery shall be made by the Bank at the Customer’s risk, cost and expense. If the Customer requests the Bank to make such delivery against payment by such other person, unless otherwise instructed in writing by the Customer (but always subject to the Bank’s right not to entertain such request), the Bank shall be free to accept any cheque, draft or other instrument of payment from such person as payment in full discharge of the Bank’s obligations to the Customer and the Bank may at its sole discretion deposit such cheque, draft or instrument of payment so received to the Bank’s account and credit the same amount (subject nevertheless to deduction of the Bank’s charges and other relevant expenses, if any) to the Investment Account. Where a Clearing House is involved, the Bank shall be entitled to make use of any delivery versus payment or any other money settlement facilities of the Clearing House, if any.

3 Customer to act as principal

- 3.1 The Customer unconditionally and irrevocably undertakes that the Customer shall at all times act as principal in entering into these terms and conditions and giving any instruction to the Bank hereunder. For the avoidance of doubt, insofar as the rights of the Bank against the Customer and the liabilities owed to the Bank by the Customer are concerned, the Customer shall be treated as acting as principal at all times, and not as agent, and shall be liable to the Bank as such.
- 3.2 Subject to any Securities laws, the Bank shall be under no obligation to recognize any right or interest which any person other than the Customer may have or claim to have in the Securities, or any matters concerning the Securities.

4 Nominee services

- 4.1 The Bank may, if it agrees, provide nominee services in respect of the Securities in such manner and to such extent as the Bank considers appropriate in its absolute discretion. Such nominee services may include:
- (a) the collection, transfer and disposal of dividends, interest, distributions, rights, entitlements, options, warrants and other securities accruing to the Securities to be allocated by the Bank to the Investment Account (any such collection, transfer and disposal to be done in accordance with the Bank’s usual business practice); and
 - (b) the seeking of instructions from the Customer with regard to the exercise of rights or entitlements accruing to the Securities or the participation in other actions, transactions or matters affecting them and giving effect to such instructions.
- 4.2 Notwithstanding the foregoing, the Customer acknowledges and confirms that the Bank shall be under no obligation to provide nominee services to the Customer in respect of the Securities and any nominee services provided will be at the Bank’s discretion and may be provided subject to such reasonable charges imposed by the Bank as it may in its discretion determine and in accordance with the Bank’s usual business practice.

4.3 The Customer hereby authorizes the Bank from time to time to appoint, on a joint and / or several basis, one or more banks, custodians, trust companies, nominee companies, registrars, subsidiary companies or such other entities insofar as permitted under the Securities laws to provide or to assist in the provision of any of the nominee and similar services contemplated herein as the Bank may in its sole discretion see fit. The Bank shall be entitled to determine solely the terms and conditions upon which any person appointed shall act, the scope of services to be rendered and the procedures to be adopted in relation thereto.

5 Time limit

5.1 In respect of any action, transaction or other matter affecting the Securities, the Bank may prescribe a time limit within which:

- (a) any action required to be taken by the Customer must be completed; and / or
- (b) instructions and / or the relevant documents from the Customer must be received by the Bank.

If the Customer fails to complete the required action, give instructions or deliver the relevant documents within the prescribed time, the Bank shall be entitled not to give effect to such actions, transactions or matters and / or to take such other action as the Bank may, in its sole discretion, consider appropriate or desirable for the benefit of the Customer.

6 Fractional Securities and unclaimed dividends

6.1 The Customer acknowledges that the Bank will, from time to time, seek the Customer's consent and / or confirmation (whether oral or written) to:

- (a) round down, to the nearest whole figure or in such manner as the Bank may otherwise consider appropriate, any fractional entitlements of Securities and / or dividends which may otherwise be available to the Customer by virtue of its interests in the relevant Securities upon completion of a consolidation, sub-division or rights issue of Securities or declaration of dividends (as the case may be); and / or
- (b) retain or otherwise dispose of, for its own benefit and account, any of the Customer's fractional entitlements as a result of situations contemplated under Clause 6.1(a) above and / or any dividend entitlements that are unclaimed by and / or could not be allocated to the Customer (for any reason whatsoever) for a period of more than 7 years.

6.2 The Customer further acknowledges and agrees that Clause 6.1 shall operate as a condition to the continuance of the Bank's provision of services under these terms and conditions such that any failure by the Customer to give the appropriate consent and / or confirmation may result in the immediate and automatic suspension and / or termination of such services.

7 Rights or entitlements

The Bank and its nominee are not responsible to exercise any rights or entitlements (including, without limitation, voting rights) or to participate in any actions, transactions or other matters affecting all or any Securities held in a Clearing House.

Section IV – Currency Linked Deposits

1 General

The terms and conditions under this Section IV are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing the rights and obligations in connection with the Customer placing Currency Linked Deposits with the Bank, which will be legally binding in event of acceptance by the Bank of the Customer's order (whether in writing or orally in person).

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Definitions and interpretation

In these terms and conditions, the following words and expressions have the following meanings unless the context otherwise requires or permits:

“**Banking Day**” means a day on which:

- (a) the Bank is open for business in Hong Kong, but excluding:
 - (i) Saturdays; and
 - (ii) any period of time between:
 - (A) the hoisting of typhoon signal number 8 or above or a black rainstorm warning; and
 - (B) such time after the lowering of such signal or warning as the Bank may in its absolute discretion determine; and

if any payment is to be made in a currency other than HKD, commercial banks are open for business in the principal financial centre of that currency;

“**Confirmation**” has the meaning set out in Clause 8 of these terms and conditions;

“**Currency Linked Deposit(s)**” or “**CLD(s)**” has the meaning set out in Clause 3.1 of these terms and conditions;

“**Deal Date**”, in respect of a Currency Linked Deposit, means the day on which a binding contract for CLD is formed between the Customer and the Bank pursuant to Clause 7;

“**Deposit Currency**” means the currency, as selected by the Customer and agreed by the Bank, in which the Customer makes their original deposit for the purposes of placing a Currency Linked Deposit with the Bank;

“**Fixing Date**”, in respect of a Currency Linked Deposit, means the date, as agreed by the Bank and the Customer on the Deal Date, on which the Bank determines the applicable Fixing Rate;

“**Fixing Rate**”, in respect of a Currency Linked Deposit, means the prevailing market exchange rate (expressed in the same quotation method as the Strike Rate) between the relevant Deposit Currency and its Linked Currency at or about 2:00 p.m. (Hong Kong time) on the relevant Fixing Date as determined by the Bank in its absolute discretion from time to time;

“**Investment Account**” means each investment account opened, maintained and operated in the name of the Customer with the Bank for the purpose of holding the Customer’s investments (including Currency Linked Deposit(s)) made pursuant to these terms and conditions;

“**Linked Currency**”, in respect of a Currency Linked Deposit, means the currency, as selected by the Customer and agreed by the Bank, into which the relevant Deposit Currency may be converted;

“**Maturity Date**”, in respect of a Currency Linked Deposit, means the last day of the tenor in respect of the related Currency Linked Deposit, as stated on the relevant Confirmation;

“**PDPO Notice**” means the Personal Information Collection Statement - Notice to Customers and Other Persons relating to the Personal Data (Privacy) Ordinance and data policies of the Bank, issued or made available by the Bank to its customers and other persons which may be amended or supplemented by the Bank at its sole discretion from time to time;

“**Principal**” has the meaning set out in Clause 9;

“**Risk Disclosure Statement**” includes any or all of the risk disclosure statements as set out in the Account Terms;

“**Settlement Account**” means the account designated by the Customer in relation to the Customer’s Investment Account into which the principal and interest in relation to the Customer’s CLD (in either Deposit Currency or Linked Currency) will be credited on the Settlement Date;

“**Settlement Date**” means the date on which the proceeds of the CLD will be credited to the Settlement Account of the Customer as stated on the relevant Confirmation; and

“**Strike Rate**”, in respect of a Currency Linked Deposit, means the exchange rate as determined by the Bank in its absolute discretion and agreed by the Customer between the relevant Deposit Currency and its Linked Currency on the date of the contract for that Currency Linked Deposit and specified in the Confirmation for that Currency Linked Deposit.

3 Application

These terms and conditions apply to all moneys placed or to be placed with the Bank for the purpose of its Currency Linked Deposit product under which, depending upon changes in the currency exchange rate between a Deposit Currency and its Linked Currency, the principal of and interest on such moneys may be paid in the Linked Currency instead of the Deposit Currency (all such principal moneys to be collectively called “**Currency Linked Deposit**” or “**CLD**”).

4 Bank as principal

The Bank shall act as the principal in all contracts relating to the Transactions under this Section and will benefit from entering into the Transactions.

5 Risk disclosure

- 5.1 The Customer has read, understood and agreed to accept the risks as disclosed under the Risk Disclosure Statements together with such other risks as may be involved.
- 5.2 The Customer may not withdraw CLD, or request the Bank to close the Customer’s position, before maturity. CLD will not be automatically renewed.

6 Not a protected deposit Under Deposit Protection Scheme

Pursuant to the principles of the Deposit Protection Scheme in Hong Kong, structured deposits are not protected. Currency Linked Deposit is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong.

7 Formation of contracts for CLDs

- 7.1 Prior to entering into any contract for a CLD, the Customer shall open and maintain an Investment Account with the Bank pursuant to, among others, the Account Terms.
- 7.2 The Bank shall have from time to time the sole and absolute discretion to determine:
 - (a) the provision of quotation of a specific currency pair in respect of a CLD;
 - (b) the interest rate payable in respect of a CLD;
 - (c) the minimum and maximum amount of a Deposit Currency;
 - (d) the tenor of a CLD and its Maturity Date;
 - (e) any exchange rate to apply in respect of a CLD;
 - (f) any other terms of a CLD; and
 - (g) whether or not to accept any instructions from the Customer in relation to a CLD.
- 7.3 If the Customer accepts or agrees to any terms offered as quoted by the Bank for a CLD, whether such acceptance or agreement is made either orally or in writing, there shall form forthwith upon such acceptance or agreement a binding contract for such CLD between the Customer and the Bank. The Customer shall accordingly be bound to make, and the Bank shall be bound to take, the deposit in the Deposit Currency and on such terms as agreed, which shall be recorded in the Bank’s Confirmation to the Customer.

For the avoidance of doubt, the contract shall not be conditional nor shall depend on/be otherwise effected by the receipt by the Customer of such Confirmation or any written confirmation. If the Customer does not place adequate funds for the Customer’s CLD after formation of a binding contract, the Customer will be liable for all costs and losses

incurred by the Bank as a consequence, including the cost of unwinding hedging positions taken by the Bank in respect of the relevant CLD and interest. The Customer agrees to inform the Bank immediately if the Customer fails to receive the Currency Linked Deposit Confirmation from the Bank within 5 Banking Days after such acceptance or agreement of CLD.

- 7.4 Without prejudice to the terms of Account Terms, the Customer agrees that the Bank may (without obligation) from time to time record any conversations (including instructions) at telephone or otherwise between the Customer and the Bank by any system operated by the Bank and or else in writing and that the Bank may (without obligation) record all other instructions in writing and / or by other means (including electronic or digital means). The Bank's records of such conversations shall be conclusive and binding on the Customer in the absence of manifest error, negligence or fraud on the part of the Bank. The Bank may dispose of and / or erase any such written or other records after the expiration of such period as the Bank may determine at its sole discretion subject to Applicable Laws.
- 7.5 The Bank will not be liable for any loss which the Customer may suffer if the Bank fails or is unable to take instructions from the Customer for any reason beyond the Bank's reasonable control including the case where the Bank's computer and / or other systems is/ are inoperative or defective for any reason but excluding cases caused by fraud, negligence or wilful default of the Bank, its authorized employee or agent.

8 Confirmation

Within 2 Banking Days after the day on which a contract for a Currency Linked Deposit has been formed pursuant to Clause 7, the Bank shall issue to the Customer a written confirmation ("**Confirmation**") setting out the terms of such contract of Currency Linked Deposit. The Customer must immediately examine all the details of the Confirmation and notify the Bank forthwith if the Customer considers that any detail set out in the Confirmation as incorrect, incomplete or otherwise erroneous in any respect. If the Bank does not receive any notification from the Customer within 5 Banking Days after the deemed receipt of the Confirmation by the Customer pursuant to Clause 25 of Part I, the Customer shall be deemed to have confirmed all the contract details set out in the Confirmation as true, complete and accurate in all respects absent manifest error.

9 Maturity Date

- 9.1 On the Maturity Date, the Bank will pay to the Customer principal and interest of the relevant Currency Linked Deposit subject to the following:
- (a) if on the basis of a comparison between the Fixing Rate and the Strike Rate on the Fixing Date:
- (i) the Linked Currency has appreciated against the Deposit Currency; or
- (ii) the Fixing Rate is equal to the Strike Rate,
- the Bank shall pay to the Customer the principal of the relevant Currency Linked Deposit ("**Principal**") in the Deposit Currency and interest on such Principal in the Deposit Currency as stated in the Confirmation; or
- (b) if on the basis of a comparison between the Fixing Rate and the Strike Rate on the Fixing Date, the Linked Currency has depreciated against the Deposit Currency, at the Bank's option (which may be exercised by the Bank at its absolute discretion no later than the time specified in the relevant Confirmation on the Fixing Date as the time of expiry of the exercise of such option), the Bank shall pay to the Customer the relevant Principal and interest on such Principal at the contract interest rate stated in the Confirmation converted into the relevant Linked Currency at the applicable Strike Rate.
- 9.2 Interest on the Principal shall accrue and be payable in arrears on the Maturity Date, which shall be calculated on the basis of the actual number of days elapsed (including the first day but excluding the last day of the tenor during which it accrues) and a 360/365 day year, depending on the "day count" convention applicable by market practice to the relevant Deposit Currency, as determined by the Bank at its sole discretion in good faith.
- 9.3 If, for any reason, the Maturity Date and / or Fixing Date originally specified for a Currency Linked Deposit is not a Banking Day, then it shall be postponed to the following Banking Day, and additional interest will accrue on the relevant Principal at the Bank's ordinary savings deposit rate for the Deposit Currency of that Currency Linked Deposit (which may be different from the interest rate specified in the Confirmation) for each day from, and including, the originally specified Maturity Date to, but excluding, the actual Maturity Date, which shall be determined by the Bank at its sole discretion.

10 Payment

- 10.1 Unless the Bank shall have received instructions from the Customer to the contrary 2 Business Days before the relevant Maturity Date in relation to the Principal and interest, such Principal and interest shall be credited in the relevant currency into the Customer's Settlement Account with the Bank.
- 10.2 At its discretion, the Bank may effect payment in respect of any Currency Linked Deposit established in a currency other than Hong Kong Dollars either in the Deposit Currency or its Linked Currency pursuant to Clause 9.1 above or the equivalent amount of Hong Kong Dollars converted at the Bank's Exchange Rate at the time of payment, as determined by the Bank at its sole discretion.
- 10.3 Each Currency Linked Deposit will be payable only at the relevant branch of the Bank in Hong Kong where the deposit is made even if the Currency Linked Deposit is made (or may be repaid) in a currency other than Hong Kong Dollars.
- 10.4 Notwithstanding any provision to the contrary of these terms and conditions including Clause 9.1 and this Clause 10, the Bank may at any time without liability and without disclosing any reason suspend, freeze or terminate Currency Linked Deposit and any account of the Customer for compliance with the legal and / or regulatory requirements, or as the Bank may deem as prudent.

11 Information for reference only

- 11.1 The Bank may make available to the Customer information which may include indicative exchange rates from time to time, which is and shall be provided for the Customer's reference only.
- 11.2 The Customer agrees that the Bank does not assume any liability for the accuracy or completeness of any indicative exchange rates and such information is provided for the Customer's reference only. The Customer shall consult the Customer's independent professional advisors in relation to the Customer's placement of the CLD and the terms and conditions governing or relating thereto.

12 Early withdrawal of Currency Linked Deposits

The Customer shall not withdraw Currency Linked Deposit, or request the Bank to close the Customer's position, before its Maturity Date.

13 Bank's decisions conclusive

If any exchange rate (other than a Strike Rate) or any other matter relating to a Currency Linked Deposit is to be determined or decided on by the Bank, the Bank shall make such determination or decision in good faith and, in the case of exchange rates other than a Strike Rate, in accordance with generally accepted practices in the relevant foreign exchange market. Subject to the latter qualification, each such determination or decision shall, at the Bank's sole discretion, be conclusive and binding in the absence of manifest error, negligence or fraud.

14 Currency Linked Deposits free from charges

The Customer shall not assign, mortgage, transfer, dispose of, charge, pledge or otherwise encumber any of the Customer's title or interest of and in the Currency Linked Deposit other than to the Bank to secure the liabilities of the Customer or any other person in favour of the Bank as the Bank may agree from time to time.

15 Market disruption

- 15.1 If any event occurs making it, in the Bank's bona fide view commercially, impossible or impracticable for the Bank to obtain a Fixing Rate on the Fixing Date, the Bank will, acting in good faith and in a commercially reasonable manner, determine the Fixing Rate. Such determination by the Bank will, in the absence of manifest error, be binding and conclusive on the Customer.
- 15.2 Notwithstanding Clause 15.1 above, if there is a No. 8 typhoon signal or above or a black rainstorm warning that affects or occurs on or around the Fixing Date causing the Bank to be unable to obtain the Fixing Rate, the Bank will determine a fixing rate in its sole and absolute discretion in respect of the relevant CLD and inform the Customer of such rate pursuant to Clause 10 on the following Business Day.

16 Representations

The Customer warrants, represents and agrees in favour of the Bank that:

- (a) the Customer is not a citizen or resident of the United States of America or Canada;
- (b) the Customer is and will be making the Currency Linked Deposits as a principal on the Customer's own behalf and not as trustee or agent;
- (c) the Customer understands the nature and suitability for the Customer's purposes of the types of currency transactions to be made under Currency Linked Deposits and the risks involved in them, and the Customer has sufficient experience to assess the suitability of such transactions;
- (d) the Customer shall make each Currency Linked Deposit relying on the Customer's own independent judgment;
- (e) all the representations, warranties and agreements made by the Customer shall remain true, complete and accurate at all times.

Section V – Asset Linked Investments

1 General

The terms and conditions under this Section V are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing the rights and obligations in connection with the Customer placing Asset Linked Investments with the Bank, which will be legally binding in event of acceptance by the Bank of the Customer's order (whether in writing or orally in person).

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Definitions and interpretation

In these terms and conditions, the following words and expressions have the following meanings unless the context otherwise requires or permits:

“**Asset Linked Investment**” includes an ELI, ELN, index-linked notes, interest rate-linked notes, commodity-linked notes, currency-linked notes, fund-linked notes, multi asset-linked notes (or in the form of “investment”) issued by the Bank or by third party (with the Bank acting as a distributor) which the Bank may, from time to time, offer to its Customer at the Customer's request; and

“**Equity Linked Investment (“ELI”)**” or “**Equity Linked Note (“ELN”)**” means an investment with investment return linked to the performance of its underlying asset made under the Account Terms where the underlying asset can be a stock, exchange traded fund (“ETF”), real estate investment trust (“REIT”) or a basket of stock, ETF or REIT.

3 Application

- 3.1 The Customer may from time to time request the Bank to issue or subscribe (as the case may be) an Asset Linked Investment for the Customer. The Bank, may, but is not obliged

to, accept any such request from the Customer on such terms as the Bank in its sole discretion thinks fit. Acceptance may be effected by oral agreement between the Bank and the Customer or by the Bank sending to the Customer a Confirmation.

- 3.2 Each Asset Linked Investment will be subject to the terms and conditions in respect of such Asset Linked Investment as set out in the Offer Documents for the Asset Linked Investment, which are issued by the Bank or provided by the third party issuer (as the case may be). In the event of any inconsistency between the provisions of the Offer Documents and the Account Terms, the Offer Documents shall prevail.
- 3.3 Upon the Customer's request, the Bank will provide to the Customer the relevant Offer Documents relating to the Asset Linked Investment.
- 3.4 The Customer should note that an Asset Linked Investment is subject to risks as set out in Section XIII of Part 3 and the Offer Documents. Investment in Asset Linked Investments may involve special risks. By investing in an Asset Linked Investment, the Customer confirms that the Customer has received a copy of or been provided with the relevant Offer Documents of the Asset Linked Investment and has read and understood the information contained therein and has carefully considered the terms of and risks set out in such documents.

4 Bank as principal or as agent of Customers

The Bank shall act as the principal or as agent of Customers (which will be disclosed to the Customers) in distributing any Asset Linked Investment under this Section and will benefit from entering into the Transactions (acting as the principal).

Section VI – Securities Margin Trading

1 General

The terms and conditions under this Section VI are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing Securities Margin Trading.

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Investment margin account

- 2.1 The Customer may request the Bank to open an investment margin account. The Customer may give the Bank instructions to buy Investments (as defined in Section I of Part 3) on the Customer's behalf. For each Transaction, the Customer will pay an initial cash margin set by the Bank. The Bank may in its discretion accept or decline the Customer's instructions. If the Bank accepts the Customer's instructions, the Bank will finance the balance of the price payable for the Investments by way of a loan to the Customer. All purchased Investments will be held in the Customer's margin account.
- 2.2 The Bank may at any time, without notice, change the type or issue of Investments which the Bank will buy for the Customer's margin account, the amount of margins required, or the amount of the loan available in the Customer's margin account.
- 2.3 All amounts owing by the Customer on the Customer's margin account are repayable on demand.
- 2.4 The Bank may not have time to check whether the Customer has not paid the initial cash margin or has exceeded the undrawn amount of the available loan in the margin account. If either of the foregoing occurs, the Bank may without notice cancel the instruction or sell the purchased Investments. The Customer will indemnify the Bank against all reasonable losses and expenses.
- 2.5 Upon termination of the Customer's margin account for any reason, the Customer will repay all debit balance together with interest thereon at the rate(s) determined by the Bank.

3 Additional margins

- 3.1 The Customer will on demand pay such additional cash margins as the Bank requires from time to time. The Bank may debit any initial and additional margins from any of the Customer's accounts.
- 3.2 The Bank may at any time without notice apply any cash in the Customer's margin account including margins to reduce any amounts owing by the Customer, in the order the Bank selects.
- 3.3 The Customer will at all times maintain sufficient initial and additional margins in the Customer's margin account, so that the margins plus the market value (as determined by the Bank) of the unsold Investments held in the Customer's margin account will at all times exceed the Customer's outstanding loan by the percentage determined by the Bank and previously notified to the Customer. Failure to do so (whether or not the Customer receives a demand for additional margin) is an Event of Default.
- 3.4 The Customer will stand ready to receive margin calls. A demand for any margin is effective upon a message being left at the Customer's telephone number on any machine or with any person, or upon sending an email or fax to the Customer's email address or fax number known to the Bank, whether or not (or when) the communication is received by the Customer.

4 Charge

- 4.1 The Customer will charge to the Bank all Investments purchased by the Bank for the Customer's margin account as continuing security for the payment of all amounts owing by the Customer to the Bank (whether or not in connection with the Customer's margin account). The charge will extend to all dividends, interest, distributions, allotments, offers, benefits, entitlements, Investments and rights accruing, paid, made, offered or arising in respect of, and the proceeds of sale of, the Investments.
- 4.2 The Customer will within the time required by the Bank do all things which the Bank reasonably requires to perfect the Bank's security interests. The Customer will (where applicable) deposit with the Bank all share and other certificates, and duly signed and stamped instruments of transfer and sold notes, in respect of the charged Investments.

They will be held at the Customer's sole risk and reasonable expense. They may be held by the Bank's nominees or agents in or outside Hong Kong. The Bank may at any time register any charged Investments in the name of its nominees, and deposit any charged Investments in any clearing system, without notice and at the Customer's reasonable cost and risk.

- 4.3 The Bank will not be liable for any failure to collect any amount payable on the charged Investments, to pay any call or instalment, or to take any action in respect of them, or for any loss in connection with them.
- 4.4 On release of any Investments, the Bank will discharge its liabilities to the Customer by transferring to an account nominated by the Customer or by making available for the Customer's collection Investments (or certificates, instrument of transfer and sold note) of the same class and denomination (subject to any capital reorganisation which may have occurred).

5 Sale

Before the occurrence of an Event of Default, and subject to the Bank's consent, the Customer may instruct the Bank to sell the Investments in the Customer's margin account.

6 Events of Default

- 6.1 If any Event of Default (as defined in Clause 3.3 above or in Clause 19 of Section I of Part 3) occurs, or if any circumstances arise which in the Bank's opinion might jeopardize its interests in relation to the Customer's margin account, whether or not the Bank has made a call for margin and whether the time to meet the call has expired, all sums owing by the Customer in the Customer's margin account will immediately become due and payable, and the Bank may without notice:
- (a) transfer from any or all of the Customer's accounts (of any nature, and whether the amounts are matured or not) any amounts to the Customer's margin account; and
 - (b) sell any or all of the Investments in the Customer's margin account and use the sale proceeds after deducting all reasonable expenses to pay any amounts owing by the Customer in the order the Bank selects.

- 6.2 If any Event of Default occurs, the Bank may cancel any outstanding instructions or terminate any contracts for the Customer's margin account without notice and without liability.

7 Interest

- 7.1 Interest will accrue on the debit balance in the Customer's margin account at the rates and in the manner decided by the Bank from time to time, and will be debited to the Customer's account at the times decided by the Bank.
- 7.2 Interest will accrue on all sums due from the Customer but unpaid, and on any debit exceeding the pre-arranged loan limit, at the rates decided by the Bank from time to time from the due date until full repayment (before and after judgment).
- 7.3 The Bank will pay interest on the net credit cash balance in the Customer's margin account at the Bank's rate for savings account for the relevant currency.

8 Additional risk disclosure

There is a high degree of leverage associated with margined transactions in Investments because of the small initial margin payable. High leverage can work for as well as against the Customer and can lead to large losses as well as gains. Under certain market conditions, the Customer may find it difficult or impossible to liquidate a position and therefore the losses may not be limited to the margins or Investments the Customer has paid or charged to the Bank.

Section VII – FX Margin Trading

1 General

The terms and conditions under this Section VII are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing FX Margin Trading.

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Contracts

The Customer may, if the Bank agrees, enter into contracts with the Bank (in the Bank's capacity as principal) to sell or buy currencies. The Bank will on request specify the available contract amounts and currencies (which may be changed without notice). The Bank will agree, or designate, a currency to be the base currency for the purposes of calculating any amount payable. The other currency of the currency pair will be the other currency. The exchange rate is fixed at the time of the contract (first contract), but delivery will be deferred until:

- (a) the Customer makes another contract with the Bank for the same currency pair to be delivered by a different party (second contract); or
- (b) the parties agree to effect physical delivery.

3 Netting

The first and second contracts will be netted as follows:

- (a) If the two contracts have the same other currency amount, the party having to pay any larger amount in the base currency will pay the difference in the base currency amount, and both contracts will be discharged.
- (b) If one contract has a larger other currency amount, it will be deemed divided into two contracts: one with the same other currency amount as the other pre-existing contract, to be dealt with as in Clause 3(a); and the other contract will remain in effect.
- (c) If there is more than one second contract, the Bank may decide which to net, unless otherwise agreed with the Customer.

(d) The Bank may defer netting.

4 Interest

(a) In respect of a contract from its original settlement date to the date it is discharged, each party will pay interest on the amount to be delivered by it at the rates and manner determined by the Bank from time to time (or in the form of swap points determined by the Bank). Different rates (or swap points) will apply on the amounts payable by the Bank and by the Customer. Such interest is payable monthly (or as otherwise decided by the Bank) and on demand.

(b) Interests payable may at the Bank's option be netted for each currency.

5 Margins

(a) The Customer will, before making a contract, deposit with the Bank a cash margin equal to the initial percentage (notified by the Bank from time to time) multiplied by the value (as determined by the Bank) of the contract.

(b) If at any time the Customer's margin (expressed as a percentage of the value determined by the Bank of the outstanding contracts) falls below the maintenance percentage (being such percentage as notified by the Bank from time to time), the Customer will immediately pay cash to top up the margin to the required initial percentage.

(c) Margins may not be withdrawn except with the Bank's consent. Unless otherwise agreed by the Bank, no interest will be paid on margins. Interest payable (or swap points) will be calculated at the rate and in the manner determined by the Bank. The Bank may at any time (but is not obliged to) apply the Customer's margins to pay any amount due from the Customer. If the Customer's margin is not sufficient, interest (or swap points) will accrue on the deficit at the rate determined by the Bank from time to time.

(d) The Bank will calculate the values of all outstanding contracts with reference to a formula determined by the Bank from time to time. The Bank may discount the amount of currency (except HKD or USD) held as margin by the percentages notified by it and take into account any accrued net interest. For cross currency trades and locked positions, unless the Bank decides otherwise, only one set of margin is required.

(e) The Customer will stand ready to receive margin calls and notices. A demand for any margin is effective upon a message being left at the Customer's telephone number on any machine or with any person, or upon sending an email or fax to the Customer's email address or fax number last known to the Bank, whether or not (or when) the communication is received by the Customer.

6 Close out

The Bank may close out, or at the Customer's cost and risks obtain hedges for, one or more outstanding contracts at any time and without notice after any Event of Default has occurred. Contracts will be closed out by netting in accordance with Clause 3(a) as if relevant second contracts at the Exchange Rates as of the time of closing out had been made. Events of Default are defined in Clause 19 of Section I of Part 3. It is also an Event of Default if the Customer fails to comply with Clause 5(b) or if the Customer's margin (expressed as a percentage of the value determined by the Bank of the outstanding contracts) falls below the initial percentage by such percentage as notified by the Bank from time to time.

7 Bank as principal

The Bank shall act as the principal in all contracts relating to the Transactions under this Section and will benefit from entering into the Transactions.

Section VIII – FX and Currency Derivative Transactions

1 General

The terms and conditions under this Section VIII are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing FX and Currency Derivative Transactions.

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Definitions and interpretation

2.1 Business Day Convention

The following terms, used in conjunction with "Business Day Convention", mean that an adjustment will be made if any relevant date would otherwise fall on a day that is not a Business Day, so that:

(a) "Following": that date will be the first following day that is a Business Day;

(b) "Modified Following" or "Modified": that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;

(c) "Nearest": that date will be the first preceding day that is a Business Day, if the relevant date otherwise falls on a day other than a Sunday or a Monday, and will be the first following day that is a Business Day, if the relevant date otherwise falls on a Sunday or a Monday;

(d) "Preceding": that date will be the first preceding day that is a Business Day.

2.2 Price source / rate / rounding

If a specified price source or currency exchange rate is not available on the date a calculation is required to be made, then any other available price source or successor rate as determined by the Bank may be used.

For the purposes of any calculation, percentages resulting from the calculation, and any currency amounts used in or resulting from the calculation, will be rounded as the Bank deems appropriate.

2.3 In these terms and conditions, the following words and expressions have the following meanings unless the context otherwise requires or permits:

“**American option**” may be exercised during an Exercise Period of more than 1 day;

“**Call Currency**”, if not specified in the Confirmation, is the currency to be purchased by Buyer;

“**Call Currency Amount**”, if not specified in the Confirmation, is the Put Currency Amount multiplied by the Strike Price where the Strike Price is expressed as the amount of Call Currency to be paid per unit of Put Currency;

“**Call Option**” entitles Buyer upon exercise to purchase the Call Currency Amount at Strike Price (in the case of a Deliverable Currency Option Transaction), and to receive In-the-Money Amount, if positive (in the case of a Non-Deliverable Currency Option Transaction), subject to any condition precedent and these terms and conditions;

“**Commencement Date**” is the first day on which the option may be exercised, being the Trade Date unless otherwise specified in the Confirmation;

“**Deliverable**” a Transaction will be Deliverable, unless the Confirmation otherwise provides;

“**European option**” may be exercised only on the Expiration Date;

“**Exercise Period**” means, unless otherwise specified:

(a) For an “American” option, all Business Days from the Commencement Date to the Expiration Date (both days inclusive) between (a) 9:00 a.m. and (b) 6:00 p.m. (Hong Kong time) or, if specified, the Latest Exercise Time;

(b) For a “European” option, the Expiration Date between (a) 9:00 a.m. (Tokyo time) and (b) 3:00 p.m. (Tokyo time) or, if specified, the Expiration Time;

“**Forward Rate**” is a rate expressed by way of Reference Currency per unit of Settlement Currency, or if not specified in the Confirmation, the rate obtained by dividing the Reference Currency Notional Amount by the Notional Amount;

“**FX Transaction**” is the purchase of an agreed amount of one currency by one party in exchange for the sale by it of an agreed amount of another currency;

“**Non-Deliverable**” a Transaction is Non-Deliverable, if the Confirmation specifies Non-Deliverable, “Cash Settlement” or “In-the-Money Settlement”;

“**Notional Amount**”, if not specified in the Confirmation for a Non-Deliverable FX Transaction, is the quantity of the Settlement Currency equal to the Reference Currency Notional Amount divided by the Forward Rate. If not specified in the Confirmation for a Non-Deliverable Currency Option Transaction, the Call Currency Amount or the Put Currency Amount whichever is denominated in the Settlement Currency;

“**Latest Exercise Time**”, if not specified in the Confirmation, is the Expiration Time;

“**Premium**” is the amount payable by Buyer to Seller on the Premium Payment Date, subject to any condition precedent;

“**Put Currency**”, if not specified in the Confirmation, is the currency to be sold by Buyer;

“**Put Currency Amount**”, if not specified in the Confirmation, is the Call Currency Amount divided by the Strike Price where the Strike Price is expressed as the amount of Call Currency to be paid per unit of Put Currency;

“**Put Option**” entitles Buyer upon exercise to sell the Put Currency Amount at Strike Price (in the case of a Deliverable Currency Option Transaction), and to receive In-the-Money Amount, if positive (in the case of a Non-Deliverable Currency Option Transaction), subject to any condition precedent and these terms and conditions;

“**Reference Currency Buyer**”, if not specified in the Confirmation, is the party to which the Reference Currency is owed (or would be owed if the Transaction were a Deliverable Transaction) on the Settlement Date;

“**Reference Currency Notional Amount**”, if not specified in the Confirmation for a Non-Deliverable FX Transaction, is the quantity of the Reference Currency equal to the Notional Amount multiplied by the Forward Rate. If not specified in the Confirmation for a Non-Deliverable Currency Option Transaction, whichever of the Call Currency Amount or the Put Currency Amount is denominated in the Reference Currency;

“**Settlement Rate**”, if not specified or determined in accordance with the Confirmation for a Non-Deliverable Transaction, is the Exchange Rate at the time at which the currency exchange rate is to be determined for foreign exchange transactions in the relevant currency pair for value on the Settlement Date as determined in a commercially reasonable manner by the Bank;

“**Strike Price**” is the currency exchange rate specified as such in the Confirmation;

“**Trade Date**” is the date specified as such in the Confirmation, being the date on which the parties entered into the Transaction; and

“**Valuation Date**”, if not specified or determined in accordance with the Confirmation for a Non-Deliverable Transaction, is 1 Business Day before the Settlement Date (in the case of an FX Transaction payable in Canadian Dollars), 2 Business Days before the Settlement Date (in the case of an FX Transaction payable in other currencies) and the Business Day on which the option is exercised (in the case of a currency option).

Capitalized terms, not otherwise defined, bear the meaning ascribed in the relevant Confirmation.

3 FX Transactions

- 3.1 In the case of a Deliverable FX Transaction, each party will on the Settlement Date pay the amount specified as payable by it in the Confirmation, subject to any condition precedent and these terms and conditions.
- 3.2 For a Non-Deliverable FX Transaction, if the Settlement Currency Amount is a positive number, the Reference Currency Buyer will on the Settlement Date pay that amount in the Settlement Currency to the Reference Currency Seller and, if the Settlement Currency Amount is a negative number, the Reference Currency Seller will on the Settlement Date pay the absolute value of that amount in the Settlement Currency to the Reference Currency Buyer, in each case, subject to any condition precedent and these terms and conditions.

$$\text{"Settlement Currency Amount"} = \text{Notional Amount} \times \frac{(1 - \text{Forward Rate})}{\text{Settlement Rate}}$$

where Forward Rate and Settlement Rate are quoted by way of Reference Currency per unit of Settlement Currency.

4 Currency Option Transactions

- 4.1 An option entitles but does not oblige Buyer to exercise certain rights.

Exercise of an option

- 4.2 A Currency Option may be exercised only in whole, unless otherwise specified in the Confirmation.
- 4.3 Unless Automatic Exercise is specified to be applicable in the Confirmation, Buyer must give irrevocable notice of its exercise of an option to Seller during the Exercise Period. If such notice is not received by Seller before or at the Expiration Time on the Expiration Date (and Automatic Exercise does not apply), the option will expire and become of no effect.
- 4.4 A notice exercising an option is effective on receipt by Seller within the Exercise Period (in the case of an "American" option, if received after the Latest Exercise Time, the notice takes effect as of 9:00 a.m. (Hong Kong time) on the following Business Day, if any, in the Exercise Period).
- 4.5 If Automatic Exercise applies (which will be the case unless otherwise specified in the Confirmation) and the option has not been exercised at the Expiration Time on the Expiration Date, the option will be deemed exercised as of that time, unless Buyer notifies Seller otherwise before that time, if In-the-Money Amount at that time equals or exceeds the product of:
- 4.6 1% of Strike Price x the Call Currency Amount or the Put Currency Amount, as appropriate.
- 4.7 In the case of a Deliverable Currency Option Transaction, Seller may elect to settle by:
- (a) paying the Call Currency Amount and receiving from Buyer the Put Currency Amount; or
 - (b) paying to Buyer the In-the-Money Amount (if positive), in each case subject to any condition precedent and these terms and conditions.
- 4.8 Seller will notify Buyer of its election as soon as reasonably practicable after the Expiration Time.
- 4.9 Upon exercise of a Non-Deliverable Currency Option Transaction, Seller will pay to Buyer In-the-Money Amount, if positive, on the Settlement Date, subject to any condition precedent and these terms and conditions.
- 4.10 "In-the-Money Amount":

- (a) if a Settlement Currency is specified, an amount expressed in the Settlement Currency calculated by the following formula:

- (i) where Reference Currency is Put Currency and Settlement Currency is Call Currency:

$$\text{Call Currency Amount} \times \frac{(\text{Settlement Rate} - \text{Strike Price})}{\text{Settlement Rate}}$$

where Settlement Rate and Strike Price are quoted by way of Reference Currency per unit of Settlement Currency;

- (ii) where Reference Currency is Call Currency and Settlement Currency is Put Currency:

$$\text{Put Currency Amount} \times \frac{(\text{Strike Price} - \text{Settlement Rate})}{\text{Settlement Rate}}$$

where Strike Price and Settlement Rate are quoted by way of Reference Currency per unit of Settlement Currency.

- (b) if a "Settlement Currency" is not specified:

- (i) in the case of a call option, the excess of Settlement Rate over Strike Price, multiplied by Call Currency Amount, where Strike Price and Settlement Rate are quoted by way of Put Currency per unit of Call Currency.

- (ii) in the case of a put option, the excess of Strike Price over Settlement Rate, multiplied by Put Currency Amount, where Strike Price and Settlement Rate are quoted by way of Call Currency per unit of Put Currency.

5 Disruption Events

- 5.1 A "Disruption Event" occurs if (as determined by the Bank):

- (a) a specified currency exchange rate splits into more than 1 currency exchange rate ("Dual Exchange Rate");

- (b) any event occurs that generally makes it, in the Bank's bona fide view commercially, impossible to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels ("**General Inconvertibility**");
- (c) any event occurs that generally makes it, in the Bank's bona fide view commercially, impossible to deliver:
 - (i) the Non-Event Currency from inside to outside the Event Currency Jurisdiction; or
 - (ii) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction ("**General Non-Transferability**");
- (d) a default, event of default or other similar event (however described) with respect to any security or indebtedness for borrowed money of, or guaranteed by, a governmental authority including:
 - (i) failure of full, timely payment (disregarding any applicable grace periods);
 - (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling; or
 - (iii) the amendment or modification of the terms and conditions of any such security, indebtedness or guarantee without the consent of all holders of such obligation, in any case, without regard to any lack or alleged lack of authority or capacity of such governmental authority ("**Governmental Authority Default**");
- (e) it becomes, in the Bank's bona fide view commercially, impossible to obtain a firm quote of the Settlement Rate for the Minimum Amount (in one transaction or a commercially reasonable number of transactions) on the Valuation Date (or, if different, the day on which rates for the Valuation Date would, in the ordinary course, be published by the relevant price source) or by another other date ("**Illiquidity Valuation Date**") specified for such purpose in the Confirmation ("**Illiquidity**");
- (f) "**Inconvertibility/Non-Transferability**" refers to General Inconvertibility, Specific Inconvertibility, General Non-Transferability and Specific Non-Transferability;
- (g) any event (other than those specified as Disruption Events in paragraphs (a) to (f), and (h) to (l)) in the Event Currency Jurisdiction beyond the control of the parties to a Transaction which makes it, in the Bank's bona fide view commercially, impossible:
 - (i) for a party to fulfil its obligations under that Transaction; and
 - (ii) generally to fulfil obligations similar to such party's obligations under that Transaction,
 ("**Material Change in Circumstance**");
- (h) any expropriation, confiscation, requisition, nationalization or other action by any authority of the Event Currency Jurisdiction which deprives a party (or its affiliate) of all or substantially all of its assets in the Event Currency Jurisdiction ("**Nationalization**");
- (i) "**Party Specific Events**" refers to Specific Inconvertibility and Specific Non-Transferability Disruption;
- (j) the Primary Rate (determined according to the Confirmation) differs from the Secondary Rate (determined according to the Confirmation) by at least the Price Materiality Percentage specified in the Confirmation ("**Price Materiality**");
- (k) it becomes, in the Bank's bona fide view commercially, impossible to obtain the Settlement Rate on the Valuation Date (or, if different, the day on which rates for the Valuation Date would, in the ordinary course, be published by the relevant price source) ("**Price Source Disruption**"); Price Source Disruption will apply to a Non-Deliverable Transaction, whether or not it is specified in the Confirmation;
- (l) any event occurs that makes it, in the Bank's bona fide view commercially, impossible for a party (or the Relevant Class) to convert the Minimum Amount of the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by that party (or the Relevant Class) to comply with any law or regulation of the Event Currency Jurisdiction, unless such law or regulation is enacted after the Trade Date and it is impossible for that party (or the Relevant Class) to comply with such law or regulation due to an event beyond its control ("**Specific Inconvertibility**");
- (m) any event occurs that makes it, in the Bank's bona fide view commercially, impossible for a party (or the Relevant Class) to make a delivery as mentioned in (i) or (ii) of General Non-Transferability, other than where such impossibility is due solely to the failure by that party (or the Relevant Class) to comply with any law or regulation of the Event Currency Jurisdiction, unless such law or regulation is enacted after the Trade Date and it is impossible for that party (or the Relevant Class) to comply with such law or regulation due to an event beyond its control ("**Specific Non-Transferability**").

5.2 In this Clause 5, the following words and expressions have the following meanings unless the context otherwise requires or permits:

"**Event Currency**" is the currency specified as such in the Confirmation and, in respect of a Non-Deliverable Transaction, if such currency is not specified, the Reference Currency;

"**Event Currency Jurisdiction**" is the country for which the Event Currency is the lawful currency;

"**Non-Event Currency**" is the currency of the currency pair specified in the Confirmation that is not the Event Currency; and

"**Minimum Amount**", if not specified, means the Reference Currency Notional Amount (for purposes of Illiquidity) or the Event Currency equivalent of US\$1 (for purposes of Specific Inconvertibility).

5.3 **Consequences:** If a Disruption Event occurs on the Valuation Date, Illiquidity Valuation Date or Settlement Date in respect of a FX Transaction or a Currency Option Transaction, the Bank may postpone, determine or adjust the Valuation Date, Settlement Date or Settlement Rate, or apply any source, method or basis to settle the Transaction, taking into consideration all relevant information in good faith, including:

- (a) settle the Transaction in any currency, amount and date as determined by the Bank;
- (b) in settlement of the Bank's obligations, assign its or its affiliate's official claim against any governmental authority for recovery of the nationalized assets in an amount equal to the Event Currency Amount to the Customer ("**Claim**") if such assignment is permitted under Applicable Law, or if such assignment is not permitted, transfer a beneficial interest in the Claim to the Customer;
- (c) require the Customer to pay any amount payable by the Customer on the Settlement Date into escrow in an interest-bearing account with the Bank, to be applied towards paying the Customer's obligations; and / or
- (d) terminate the Transaction in accordance with Clause 20 of Section I of Part 3 as if an Event of Default had occurred, the Transaction was the only affected Transaction, and the Termination Currency is the Non-Event Currency.

6 Bank as principal

The Bank shall act as the principal in all contracts relating to the Transactions under this Section and will benefit from entering into the Transactions.

Section IX – Share Option and Share Forward Transactions

1 General

The terms and conditions under this Section IX are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing Share Option and Share Forward Transactions.

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Definitions and interpretation

In these terms and conditions, the following words and expressions have the following meanings unless the context otherwise requires or permits:

"All Exchanges" means all exchanges or quotation systems where trading has a material effect (as determined by the Bank) on the overall market for futures or options contracts relating to the Share;

"American option" may be exercised during an Exercise Period of more than 1 Scheduled Trading Day;

"Basket" means a basket of Shares of each issuer in the proportions or numbers of Shares specified in the Confirmation;

"Call Option" entitles Buyer upon exercise to receive an Option Cash Settlement Amount if Settlement Price exceeds Strike Price (if cash settlement applies), or to purchase Shares or Baskets of Shares at Settlement Price per Share or Basket (if physical settlement applies);

"Commencement Date", in respect of an "American" option, means the day specified as such in the Confirmation or, if that date is not a Scheduled Trading Day, the next Scheduled Trading Day. If not specified, the Trade Date;

"Exchange" includes its successor or any substitute selected by the Bank to which trading in the Shares has temporarily relocated;

"Expiration Date" means the date specified in the Confirmation (or, if it is not a Scheduled Trading Day, the next Scheduled Trading Day). If such date is a Disrupted Day by reason of an event resulting in a Disrupted Day prior to the Latest Exercise Time on such date, the Expiration Date will be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the 8 Scheduled Trading Days following the original date is a Disrupted Day. In that case, that 8th Scheduled Trading Day will be the Expiration Date. However, if an option is exercised on a Scheduled Trading Day which would have been an Expiration Date (if it is not a Disrupted Day), that Scheduled Trading Day will be considered the Expiration Date for the purpose of determining whether the option is exercised with the Exercise Period;

"European option" may be exercised only on the Expiration Date;

"Exercise Period" means, unless otherwise specified:

- (a) for an "American" option, means all Scheduled Trading Days from the Commencement Date to the Expiration Date (both days inclusive) between 9:00 a.m. (Hong Kong time) and the Latest Exercise Time;
- (b) for a "European" option, means the Expiration Date between 9:00 a.m. (Hong Kong time) and the Expiration Time;

"Forward Price" means the price per Share, or the amount per Basket, specified or determined according to the Confirmation;

"Knock-in Event", if applicable, then a party's right to exercise an option under an option transaction and its right to receive, or its obligation to make, a payment or delivery under an option transaction (once exercised or deemed exercised) or a forward transaction shall be conditional upon the occurrence of an event ("**Knock-in Event**") specified in the Confirmation;

"Knock-out Event", if applicable, then a party's right to exercise an option under an option transaction and its right to receive, or its obligation to make, a payment or delivery under an option transaction (once exercised or deemed exercised) or a forward transaction shall be conditional upon an event ("**Knock-out Event**") specified in the Confirmation

not having occurred;

“Knock-in Determination Date” / “Knock-out Determination Date” the Bank shall determine whether a Knock-in Event or Knock-out Event has occurred. The day on which such a determination is agreed to have taken place shall be stated on the Confirmation as a **“Knock-in Determination Day”** or a **“Knock-out Determination Day”**;

“Latest Exercise Time”, if not specified in the Confirmation, means the Expiration Time;

“Number of Baskets to be Delivered”, in respect of a share basket option transaction, means a number of Baskets equal to the number of options exercised or deemed exercised multiplied by the Option Entitlement, rounded down to the nearest whole Share;

“Number of Shares” means:

- (a) in respect of a share option transaction, the number of Shares obtained by multiplying the Number of Options by the Option Entitlement;
- (b) in respect of share forward transaction, the number of Shares specified as such in the Confirmation; and
- (c) in respect of a share basket transaction for the Shares of each issuer comprised in the Basket, the number of such Shares per Basket specified or otherwise determined according to the Confirmation;

“Number of Shares to be Delivered”, in respect of a share option transaction, means a number of Shares equal to the number of options exercised or deemed exercised multiplied by the Option Entitlement, rounded down to the nearest whole Share;

“Option Entitlement” means the number of Shares or Baskets per option specified in the Confirmation, or, in the absence of specification, 1 Share or Basket per option;

“Premium” means the amount payable by Buyer to Seller on the Premium Payment Date;

“Premium Payment Date”, if not specified in the Confirmation, means the date that is 1 Settlement Cycle following the Trade Date;

“Put Option” entitles Buyer upon exercise to receive an Option Cash Settlement Amount if Strike Price exceeds Settlement Price (if cash settlement applies) or to sell Shares or Baskets of Shares at Settlement Price per Share or Basket (if physical settlement applies);

“Scheduled Trading Day” means any day on which each Exchange and Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

“Settlement Cycle” means in respect of a Share, the period of Clearance System Business Days following a trade in the Shares on the Exchange in which settlement will customarily occur according to the rules of the Exchange;

“Settlement Price” means in relation to a Valuation Date:

- (a) in respect of a cash-settled share option transaction or share forward transaction, the price per Share determined by the Bank as provided in the Confirmation at the Valuation Time on the Valuation Date or, if no means for determining the Settlement Price are so provided:
 - (i) in respect of any Share for which the Exchange is an auction or “open outcry” exchange that has a price as of the Valuation Time at which any trade can be submitted for execution, the Settlement Price shall be the price per Share as of the Valuation Time on the Valuation Date, as reported in the official real-time price dissemination mechanism for the Exchange; and
 - (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Settlement Price shall be the mid-point of the highest bid and lowest ask prices quoted as of the Valuation Time on the Valuation Date (or the last such prices quoted immediately before the Valuation Time), without regard to quotations that “lock” or “cross” the dealer exchange or dealer quotation system;
- (b) in respect of a cash-settled share basket option transaction or a share basket forward transaction, an amount for the Basket determined by the Bank as provided in the Confirmation as of the Valuation Time(s) on the Valuation Date or, if no means for determining the Settlement Price are so provided, an amount for the Basket equal to the sum of the values for the Shares of each issuer as the product of:
 - (i) the Settlement Price of such Share (determined in accordance with (a) above); and
 - (ii) the relevant Number of Shares comprised in the Basket;
- (c) in respect of a physically-settled share option transaction or physically-settled share basket option transaction, an amount equal to the Strike Price multiplied by the Number of Shares to be Delivered;

“Strike Price” means the price per Share, or the amount per Basket, specified or determined according to the Confirmation;

“Shares” means the securities specified in the Confirmation; and

“Trade Date” means the date specified as such in the Confirmation.

Capitalized terms, not otherwise defined, bear the meaning ascribed in the relevant Confirmation.

3 Exercise of an Option

- 3.1 Unless Automatic Exercise is specified to be applicable in the Confirmation, Buyer must give irrevocable notice of its exercise of an option to Seller during the Exercise Period. A notice exercising an option is effective on receipt by Seller within the Exercise Period (in the case of an “American” option, if received after the Latest Exercise Time, the notice takes effect as of 9:00 a.m. (Hong Kong time) on the following Scheduled Trading Day, if any, in the Exercise Period).

- 3.2 Where Multiple Exercise is specified to be applicable in the Confirmation, Buyer must specify in the notice the number of options being exercised, which must not exceed the Maximum Number of Options or be less than the Minimum Number of Options, in each case if specified in the Confirmation. If a number is specified Integral Multiple, the number of options being exercised must be an integral multiple of that number.
- 3.3 An exercise of the option of more than the Maximum Number of Options is an exercise of the Maximum Number of Options. An exercise of the option of less than the Minimum Number of Options is ineffective. An exercise of the option of other than an integral multiple of the Integral Multiple is an exercise of a number of options equal to the next lowest integral multiple of the Integral Multiple. However, Buyer may exercise all remaining options not exceeding the Maximum Number of Options on any Scheduled Trading Day, and any number of options on the Expiration Date.
- 3.4 If **Automatic Exercise** applies, each option not already exercised will, unless Buyer notifies Seller otherwise before such time, be deemed to be automatically exercised at the Expiration Time on the Expiration Date:
- if cash settlement applies;
 - if physical settlement applies, if the option is In-the-Money as determined by the Bank.
- 3.5 **"In-the-Money"** means:
- in respect of a call, that:
 - the Reference Price is equal to or greater than the price for a Share at which any Related Exchange would automatically exercise a physically-settled option with the Strike Price relating to such Share; or
 - if no options relating to such Share are listed on any Related Exchange or no Related Exchange is specified in the Confirmation, the Reference Price is greater than the Strike Price; and
 - in respect of a put, that:
 - the Reference Price is equal to or less than the price for a Share at which any Related Exchange would automatically exercise a physically-settled option with the Strike Price relating to such Share; or
 - if no options relating to such Share are listed on any Related Exchange or no Related Exchange is specified in the Confirmation, the Reference Price is less than the Strike Price.
- 3.6 **"Reference Price"** means the price per Share or amount per Basket determined as provided in the Confirmation as of the Expiration Time on the Expiration Date or, if no means of determining such price or amount are so provided, in respect of a share option transaction, the Settlement Price of the Share (determined in accordance with paragraph (a) of the definition of "Settlement Price" using the Expiration Time and the Expiration Date for the Valuation Time and the Valuation Date, respectively) and, in respect of a share basket option transaction, the sum of the values calculated as of the Expiration Time on the Expiration Date for the Shares of each issuer as the product of the Settlement Price of such Share (determined in accordance with paragraph (a) of the definition of "Settlement Price" using the Expiration Time and the Expiration Date for the Valuation Time and the Valuation Date, respectively) and the relevant Number of Shares comprised in the Basket.

4 Valuation

4.1 Some definitions:

"Valuation Time", if none is specified in the Confirmation, means the scheduled weekday closing time of the Exchange or Related Exchange on the relevant Valuation Date, disregarding after hours or other trading outside the regular trading session hours. If the relevant Exchange closes before the specified Valuation Time, the Valuation Time will be the actual closing time;

"Valuation Date", in respect of an option, means each Scheduled Trading Day within the Exercise Period on which the option is or is deemed to be exercised;

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"Market Disruption Event" means the occurrence or existence of:

- an Exchange Disruption or Trading Disruption, which the Bank determines is material, at any time during 1 hour ending at the relevant Valuation Time or Latest Exercise Time; or
- an Early Closure;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Bank) the ability of market participants in general to effect transactions in, or obtain market values for:

- the Shares on the Exchange; or
- futures or options contracts relating to the Share on any relevant Related Exchange;

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

- relating to the Share on the Exchange; or
- in futures or options contracts relating to the Share on any relevant Related Exchange;

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its scheduled weekday closing time (disregarding after hours or other trading outside the regular trading session hours) unless

such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least 1 hour prior to the earlier of:

- (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day; and
- (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

4.2 **Consequences of Disrupted Day:** If a Valuation Date, Knock-in Determination Date or Knock-out Determination Date would otherwise be a Disrupted Day, it will instead be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the 8 Scheduled Trading Days following the original date is a Disrupted Day. In that case, that 8th Scheduled Trading Day will be the Valuation Date, Knock-in Determination Date or Knock-out Determination Date. The Bank will determine its good faith estimate of the value for the Share, or each Share of the Basket which is affected by the occurrence of the Disrupted Days, as of the Valuation Time on that 8th Scheduled Trading Day. In the case of a Share Basket Transaction, the Valuation Date for each Share not affected by an occurrence of the Disrupted Day will remain the Valuation Date.

5 Settlement

5.1 Cash Settlement

In the case of an Option Transaction where Cash Settlement applies, for all options exercised or deemed exercised, Seller will pay to Buyer the Option Cash Settlement Amount, if any, on the Cash Settlement Payment Date.

For the purposes of this Clause 5.1:

“**Cash Settlement Payment Date**” means any date specified or otherwise determined according to the Confirmation or, if it is not a Business Day, the next following Business Day. If no such date is specified in the Confirmation, the Cash Settlement Payment Date will fall on the date that is one Settlement Cycle following the Valuation Date, or if it is not a Business Day, the next following Business Day. In the case of a Share Basket Transaction, if as a result of the occurrence of a Disrupted Day there is more than one Valuation Date with respect to Shares comprised in the Basket, then the relevant Cash Settlement Payment Date shall be determined by reference to the Valuation Date which is the last to occur;

“**Option Cash Settlement Amount**” means an amount calculated by the Bank equal to the number of options exercised or deemed exercised multiplied by the Option Entitlement multiplied by the Strike Price Differential;

“**Strike Price Differential**”, unless otherwise provided in the Confirmation, means an amount equal to the greater of:

- (a) the excess of Settlement Price over Strike Price (for a call), or the excess of Strike Price over Settlement Price (for a put); and
- (b) zero.

On each Cash Settlement Payment Date under a **Forward Transaction** where Cash Settlement applies:

- (a) if the Forward Cash Settlement Amount is a positive number, Seller will pay Buyer the Forward Cash Settlement Amount;
- (b) if the Forward Cash Settlement Amount is a negative number, Buyer will pay Seller the absolute value of the Forward Cash Settlement Amount; and

“**Forward Cash Settlement Amount**” means an amount calculated by the Bank equal to the Number of Shares or Number of Baskets multiplied by an amount equal to the Settlement Price minus the Forward Price.

5.2 Physical Settlement

In the case of an Option Transaction where Physical Settlement applies:

- (a) in the case of a call, Buyer will pay to Seller the Settlement Price multiplied by the Number of Shares to be Delivered or Number of Baskets to be Delivered, and Seller will deliver to Buyer the Number of Shares to be Delivered or Number of Baskets to be Delivered, and will pay any Fractional Share Amount;
- (b) in the case of a put, Buyer will deliver to Seller the Number of Shares to be Delivered or Number of Baskets to be Delivered, and will pay any Fractional Share Amount, and Seller will pay to Buyer the Settlement Price multiplied by the Number of Shares to be Delivered or Number of Baskets to be Delivered.

In the case of a **Forward Transaction** where Cash Settlement applies, Buyer will pay to Seller an amount equal to the Forward Price multiplied by the Number of Shares or Number of Baskets, and Seller will deliver to Buyer the Number of Shares or, (in the case of a share basket forward transaction) in respect of each issuer comprising the Basket, the Number of Shares of such issuer multiplied by the Number of Baskets, and will pay any Fractional Share Amount.

Payment and delivery will be made on the Settlement Date to the account specified in the Confirmation through the clearance system(s) customarily used in Hong Kong for settling trades in the relevant Share. If the relevant Clearance System permits settlement to occur on a delivery versus payment basis, settlement will occur on that basis.

5.3 Settlement Method Election

If “Settlement Method Election” is specified in the Confirmation to be applicable to a Transaction, then the party specified as entitled to make the election (or if no party is so specified, the Bank) (“**Electing Party**”) must give irrevocable notice to the other party of its election to have Cash Settlement or Physical Settlement apply to a Transaction. Such notice will be given on or prior to the relevant Settlement Method Election Date. If the Electing Party does not deliver any notice to the other party of the settlement method it elects, the settlement method shall be the default settlement method (“**Default Settlement**”).

Method) specified in the Confirmation or if no Default Settlement Method is specified in the Confirmation, the settlement method in respect of a share forward or a share basket forward transaction shall be Physical Settlement.

"Fractional Share Amount" means an amount in the Settlement Currency representing the fractional Share resulting from the calculation of the Number of Shares to be Delivered or Number of Baskets to be Delivered as determined by the Bank multiplied by:

- (a) in respect of a share option transaction or a share basket option transaction, the Settlement Price attributable to the relevant Share on the date the option is exercised or deemed exercised (determined assuming cash settlement were applicable and the date the option is exercised or deemed exercised were the Valuation Date); and
- (b) in respect of a share forward transaction or a share basket forward transaction, the Settlement Price attributable to the relevant Share on the Valuation Date related to the relevant Settlement Date (or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the relevant Settlement Date).

"Settlement Date":

- (a) in relation to Shares to be delivered under an option transaction, is the day that falls 1 Settlement Cycle following the Scheduled Trading Date on which the option is exercised,
- (b) in relation to Shares to be delivered under a forward transaction, if not specified in the Confirmation, is the day that falls 1 Settlement Cycle following the Valuation Date,

or, if it is not a Clearance System Business Day, the next Clearance System Business Day. If a Settlement Disruption Event prevents delivery on that date, the Settlement Date will be the first succeeding day on which delivery of the Shares can take place through the relevant Clearance System, unless a Settlement Disruption Event continues on each of the 8 Clearance System Business Days following the original date. In that case:

- (a) if the Shares can be delivered in another commercially reasonable manner, the Settlement Date will be the first day on which settlement customarily would take place following a sale on that 8th day, using such other manner of delivery; and
- (b) if the Shares cannot be delivered in any other commercially reasonable manner, the Settlement Date will be postponed until delivery can be effected through the relevant Clearance System or in a commercially reasonable manner. If such an event affects some but not all of the Shares in a Basket, the Settlement Date for Shares not affected will not be affected. Where some but not all of the Shares in a Basket are to be delivered, the Bank will determine in its discretion the pro rata amount to be paid in respect of the partial settlement.

"Clearance System Business Day" means a day on which the relevant Clearance System is open for the acceptance and execution of settlement instructions.

"Settlement Disruption Event" means, in relation to a Share, an event beyond the control of the parties which results in the relevant Clearance System being unable to clear the transfer of the Share.

"Representation" / "Agreement" The party required to deliver Shares agrees that it will convey, and, on each date that it delivers such Shares, represents that it has conveyed, good title to the Shares it is required to deliver, free from:

- (a) any lien, charge, claim or other encumbrance (other than a lien routinely imposed on all Securities by the relevant Clearance System) and any other restrictions whatsoever, including any restrictions under applicable securities laws, without any obligation on the part of the receiver of such Shares in connection with that party's subsequent sale of such Shares to deliver an offering document, or comply with any volume or any manner of sale restrictions;
- (b) any and all restrictions that any sale, assignment or other transfer of such Shares be consented to or approved by any person or entity;
- (c) any limitation on the type or status, financial or otherwise, of any purchaser, pledgee, assignee or transferee of such Shares;
- (d) any requirement of the delivery of any certificate, approval, consent, agreement, opinion of counsel, notice or any other document of any person or entity to the issuer of, any other obligor on or any registrar or transfer agent for, such Shares; and
- (e) any registration or qualification requirements or prospectus delivery requirement for such Shares pursuant to applicable securities laws. A party required to deliver Shares under a Transaction represents that to the extent appropriate for the relevant Clearance System, the Shares are properly in book-entry form.

"Failure to Deliver" If the Customer fails to perform any obligation to deliver Shares, it will indemnify the Bank on demand for any costs, losses or reasonable expenses (including the costs of borrowing the relevant Shares, if applicable) resulting from such failure. A certificate signed by the Bank setting out such costs, losses or expenses in reasonable detail will be conclusive evidence that they have been incurred.

"Expenses" The Customer will pay all expenses relating to the transfer of Shares in a physical settlement.

"Dividends" All dividends on Shares to be delivered will be payable to the party that would receive such dividends according to market practice for a sale of such Shares to be settled through the relevant Clearance System on the relevant date the option is exercised or deemed exercised (in the case of a physically-settled share option transaction) or Settlement Date (in the case of a physically-settled share forward transaction).

6 Adjustments

6.1 Adjustments to Shares

Following declaration by the issuer of the terms of a Potential Adjustment Event, the Bank will determine whether such event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, make any adjustments to any one or more of the terms and

any variables relevant to the exercise, settlement or payment of the relevant Transaction as appropriate to account for that diluting or concentrative effect, and determine the effective date of the adjustments.

“**Potential Adjustment Event**” means:

- (a) a subdivision, consolidation or reclassification of the Shares (unless a Merger Event) or a free distribution or dividend of the Shares to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution or dividend to existing holders of the Shares of:
 - (i) the Shares;
 - (ii) other share capital or Securities granting the right to payment of dividends and / or proceeds of liquidation of the issuer, equally or proportionally with such payments to holders of Shares;
 - (iii) share capital or other Securities of another issuer acquired or owned (directly or indirectly) by the issuer as a result of a spin-off or other similar transaction; or
 - (iv) any other type of Securities, rights, warrants or other assets, in any case for payment (cash or otherwise) at less than the prevailing market price as determined by the Bank;
- (c) an extraordinary dividend (such characterization of the dividend or a part thereof to be determined by the Bank);
- (d) a call by the issuer in respect of the Shares not fully paid;
- (e) a repurchase by the issuer or its subsidiary of the Shares;
- (f) in respect of the issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the issuer pursuant to a shareholder rights plan or arrangements directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Bank, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event determined by the Bank to have a diluting or concentrative effect on the theoretical value of the Shares.

Adjustments to certain share transactions in European currencies In respect of Shares originally quoted, listed and / or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the EC Treaty, if such Shares are at any time after the Trade Date quoted, listed and / or dealt exclusively in Euro on the relevant Exchange or, where no Exchange is specified, the principal market on which those Shares are traded, then the Bank will adjust any one or more of the prices and any other variable relevant to the Transaction as the Bank determines appropriate to preserve the economic terms of the Transaction. The Bank will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at any appropriate mid-market Exchange Rate determined by the Bank to be prevailing as of the Valuation Time. No adjustments under this Clause will affect the currency denomination of any payment obligation arising out of the Transaction.

Correction of share prices If any price published on the Exchange and which is utilized for any calculation or determination is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Bank will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust the terms of the relevant Transaction to account for such correction.

7 Extraordinary Events

7.1 Extraordinary Event means a Merger Event, Tender Offer, Nationalization, Insolvency or Delisting.

“**Merger Event**” means, in respect of any Shares:

- (a) any reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all Shares outstanding;
- (b) any consolidation, amalgamation or merger of the issuer with or into another entity (unless the issuer is the continuing entity and it does not result in any such reclassification or change of all of the Shares outstanding);
- (c) any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any 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 such Shares owned or controlled by such other entity or person); or
- (d) any other consolidation, amalgamation or merger 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 (a “**Reverse Merger**”),

in each case if the Merger Date is on or before:

- (a) in the case of a physically settled option transaction, the later to occur of the Expiration Date or, the final Settlement Date;
- (b) in the case of a physically settled forward transaction, the relevant Settlement Date; or
- (c) in any other case, the final Valuation Date.

“**Merger Date**” means the closing date of a Merger Event or, if a closing date cannot be

determined under the applicable local law, such other date as determined by the Bank.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the issuer, as determined by the Bank, based upon the filings with governmental or self-regulatory agencies or such other information as the Bank deems relevant.

“**Tender Offer Date**” means the date on which voting shares in the applicable percentage threshold are actually purchased or obtained (as determined by the Bank).

“**Nationalization**” means all Shares, all or substantially all assets of an issuer are nationalized, expropriated or required to be transferred to any governmental, de facto governmental or its controlled entity.

“**Insolvency**” means by reason of voluntary or involuntary liquidation, bankruptcy or insolvency of or any similar proceeding affecting an issuer:

- (a) all Shares of the issuer are required to be transferred to a trustee, liquidator or other similar official; or
- (b) holders of the Shares of the issuer are legally prohibited from transferring them.

“**Delisting**” means the Shares cease or will cease to be listed, traded or publicly quoted on the Exchange for any reason other than a Merger Event or Tender Offer, and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country.

7.2 If there is a Merger Event or Tender Offer, the Bank will make any adjustments to the exercise, settlement, payment or any other terms of the Transaction as the Bank determines to be appropriate to account for the economic effect on that Transaction of the Merger Event or Tender Offer, and determine the effective date of the adjustments. Alternatively, if the Bank determines that no adjustment could be made to produce a commercially reasonable result, notify the Customer that the Transaction will be cancelled as of the Merger Date or the Tender Offer Date and any payment to be made will be determined in accordance with Clause 7.4.

7.3 If a Nationalization, Insolvency or Delisting occurs, the relevant Transaction will be cancelled as of the Announcement Date and any payment to be made will be determined in accordance with Clause 7.4.

“**Announcement Date**” means:

- (a) in the case of a Nationalization, the date of the first public announcement to nationalize (whether or not amended or on the terms originally announced) that leads to the Nationalization;
- (b) in the case of Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to Insolvency; and
- (c) in the case of a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted.

In respect of any Extraordinary Event, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be next following Scheduled Trading Date.

7.4 Payment

(a) In respect of an option transaction:

- (i) the amount to be paid by one party (“**Payer**”) to the other will be the amount determined by the Bank which may take into consideration any information which it considers appropriate (including any cost arising from unwinding or re-establishing any hedge position with respect to such Transaction); and
- (ii) the party which shall be the Payer shall be determined by the Bank.

(b) In respect of a forward transaction, the amount determined by the Bank:

- (i) to be paid by the Customer being the losses or costs of the Bank (including any cost arising from unwinding or re-establishing any hedge position with respect to such Transaction); or
- (ii) to be received by the Customer being the gains of the Bank, in each case, that are or would be realised under then prevailing circumstances in replacing, or in providing for the Bank the economic equivalent of the material terms of the relevant Transaction, including the payments and deliveries by the parties under the relevant Transaction that would, but for the occurrence of the Extraordinary Event, have been required on or after the date that the relevant Transaction is, or is deemed to have been, cancelled and the option rights in respect of the relevant Transaction.

(c) A payment to be made Clause 7.4(a) or 7.4(b) shall be made not later than 3 Business Days following the determination by the Bank of such amount (denominated in the currency for settlement of the Transaction as determined by the Bank) and which party shall pay such amount.

8 Bank as principal

The Bank shall act as the principal in all contracts relating to the Transactions under this Section and will benefit from entering into the Transactions.

Section X – Unit Trusts and Mutual Funds

1 General

The terms and conditions under this Section X are supplemental to Part 1 and Section I of

Part 3 and shall form part of the Account Terms governing Unit Trusts and Mutual Funds. Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Unit Trusts and Mutual Funds

- 2.1 The Bank may from time to time offer certain unit trusts and mutual funds for selection by Customers, subject to this Section X and other applicable terms and conditions as specified from time to time.
- 2.2 Such services may be offered online through the Bank's online trading service via Internet Banking and Mobile Banking.
- 2.3 An application to purchase the units will usually be made by the Bank within 4 Business Days (subject to change by the Bank or fund houses) after the date of receipt of subscription monies or the monthly contribution amount (for monthly plan).
- 2.4 Any distributions in respect of the Customer's units will be invested in purchasing additional units or, if permitted by the funds concerned and selected by the Customer, be credited to the Customer's Settlement Account.

3 Application

- 3.1 The Customer may from time to time request the Bank to subscribe a unit trust or mutual fund for the Customer. The Bank, may, but is not obliged to, accept any such request from the Customer on such terms as the Bank in its sole discretion thinks fit. Acceptance may be effected by oral agreement between the Bank and the Customer or by the Bank sending to the Customer a Confirmation.
- 3.2 Each unit trust or mutual fund will be subject to the terms and conditions in respect of such unit trust or mutual fund as set out in the Offer Documents for the unit trust or mutual fund, which are provided by the third party issuer or product provider. In the event of any inconsistency between the provisions of the Offer Documents and the Account Terms, the Offer Documents shall prevail.
- 3.3 Upon the Customer's request, the Bank will provide to the Customer the relevant Offer Documents relating to the unit trust or mutual fund.
- 3.4 The Customer understands and accepts that a unit trust or mutual fund is subject to risks as set out in Section XIII of Part 3 and the Offer Documents. Investment in unit trust or mutual fund may involve special risks. By investing in a unit trust or mutual fund, the Customer confirms that the Customer has received a copy of or been provided with the relevant Offer Documents of the unit trust or mutual fund and has read and understood the information contained therein and has carefully considered the terms of and risks set out in such documents.

4 Bank as agent of Customers

The Bank shall act as agent of Customers (which will be disclosed to the Customers) in distributing any unit trust or mutual fund under this Section.

Section XI – Bonds and Fixed Income Products

1 General

The terms and conditions under this Section XI are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing Bonds and Fixed Income Products.

Expressions and terms used in these terms and conditions have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Bonds and Fixed Income Products

- 2.1 The Bank may from time to time offer certain fixed income products (including bonds) for selection by Customers, subject to this Section XI and other applicable terms and conditions as specified from time to time.
- 2.2 The fixed income products (including bonds) may be offered online through the Bank's online trading service via Internet Banking and Mobile Banking.
- 2.3 The Customer may provide Instructions to the Bank to purchase or dispose of certain fixed income products (including bonds).
- 2.4 The Bank is under no obligation to take or refrain from taking any action pursuant to a Customer's Instruction.
- 2.5 The Bank will decide from time to time at its sole discretion whether or not to act (or to refrain from acting) on any particular Instructions with or without prior notice as the Bank may determine in good faith without any liability or obligation to the Customer.

3 Capacity of the Bank

- 3.1 The Bank will act as the agent in distributing i-bonds, silver bonds and any other bonds as the Bank may advise the Customer from time to time. The Bank will charge a commission on the Bank's distribution of i-bonds, silver bonds and any other bonds as the Bank may advise the Customer from time to time.
- 3.2 Except for the Transactions referred to in Clause 3.1 above, the Bank shall act as the principal in all contracts relating to the Transactions under this Section and will benefit from entering into the Transactions.

Section XII – Swap Deposits

1 General

The terms and conditions under this Section XII are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing Swap Deposits.

Expressions and terms used in these terms and conditions have the meanings ascribed to

them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these terms and conditions.

2 Swap deposits

- 2.1 The Bank may from time to time offer Swap Deposits for selection by Customers, subject to this Section XII and other applicable terms and conditions as specified from time to time.
- 2.2 Swap deposits can be denominated in any currency prescribed by the Bank and are payable in any other currency and are accepted subject to the Customer signing a foreign exchange contract, in the form prescribed by the Bank, and the following terms:
 - (a) the Customer purchases an underlying currency from the Bank and sells any other currency to the Bank at the prevailing Exchange Rate between the two currencies on the day when the deposit is placed;
 - (b) the Customer simultaneously sells to the Bank the underlying currency and purchases any other currency from the Bank at the forward exchange rate between the two currencies prevailing on the day when the deposit is placed for delivery on the day when the deposit matures; and
 - (c) in the absence of any maturity instruction from the Customer on or before the day when the deposit matures, a swap deposit will be rolled over automatically on maturity as a Hong Kong Dollar 24-hour call deposit at the then applicable savings rate of interest.

3 Bank as principal

The Bank shall act as the principal in all contracts relating to the Transactions under this Section and will benefit from entering into the Transactions.

Section XIII – Risk Disclosure Statements

1 General

The risk disclosure statements under this Section XIII are supplemental to Part 1 and Section I of Part 3 and shall form part of the Account Terms governing Risk Disclosure Statements.

Expressions and terms used in these risk disclosure statements have the meanings ascribed to them in Part 1 and Section I of Part 3 unless otherwise defined or specified in these risk disclosure statements.

2 General risks

This Section XIII does not disclose all of the risks and other significant aspects of trading in Investments. In light of the risks, the Customer should undertake such transactions only if the Customer understands the nature of the contracts (and contractual relationships) into which the Customer is entering and the extent of the Customer's exposure to risk. Trading in options is not suitable for many members of the public. The Customer should carefully consider whether trading is appropriate for the Customer in light of the Customer's financial situation, investment experience, investment objectives and other relevant circumstances.

Investing in the Investments involves risks and the Customer should thoroughly read and fully understand these risk disclosure statements, the Account Terms and the Offer Documents. Where applicable, the Customer should take independent legal advice on the Applicable Laws in relation to the operation of the Investment Account as well as any applicable Offer Documents which are made available for the Customer's collection.

Investing in the Investments involves risks of loss to Customers' principal. Such investments are not bank deposits and are not endorsed or guaranteed by, and do not constitute obligations of, the Bank, its subsidiaries, associates or affiliates.

Notwithstanding any communication that each party (or its affiliates or agents) may have had with the other party, the Customer acknowledges that:

- (a) neither the Bank nor its affiliates provide investment, tax, accounting, legal or other advice in respect of any Transaction;
- (b) the Customer has been given the opportunity to obtain information from the Bank concerning the terms and conditions of each Transaction in order for the Customer to evaluate the merits and risks of the Transaction. Notwithstanding the foregoing, the Customer and its advisors are not relying on any communication (written or oral and including opinions of third party advisors) of the Bank or its affiliates as:
 - (i) legal, regulatory, tax, business, investment, financial, accounting or other advice;
 - (ii) a recommendation to enter into the Transaction; or
 - (iii) an assurance or guarantee as to the expected results of the Transaction.

Any such communication should not be the basis on which the Customer entered into the Transaction, and should be independently confirmed by the Customer and its advisors prior to entering into the Transaction; and

- (c) the Bank and its affiliates may have banking or other commercial relationships with the issuer of any relevant Securities or other instruments or any other person and may engage in proprietary trading in the Securities, other instruments or any related options, futures, derivatives or other instruments (including such trading as the Bank or its affiliates deem appropriate in their sole discretion to hedge their market risk on any Transaction and other transactions with the Customer or with third parties), and such trading may affect the price of the Securities or other instruments and consequently the amounts payable or deliverable under a Transaction. Such trading may be affected at any time including on or near an exercise date, valuation date or settlement date. The Bank is not obliged to disclose any such relationship or trading to the Customer.

The Customer is strongly advised to seek independent professional advice if the Customer

is uncertain of or has not understood any aspect of the Account Terms (including this Section XIII) or the nature and risks involved in any Investments, and also for the Customer's own interest.

3 Bank's disclaimers

The Bank is not an agent or representative of any Manager or other institution engaged in connection with the Investments. All representations, financial information and data that may be provided by the Bank, its agents, officers, employees or representatives are for reference only and are not intended to solicit business or constitute any investment advice or for trading or other purposes. The Bank is not, in any event, liable whatsoever and howsoever for any information in any applicable Offer Documents which information shall be the sole responsibility of the relevant Manager or institution, as the case may be.

4 Risk of trading

The prices of the Investments fluctuate, sometimes dramatically. The price of any Investment may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling the Investments.

In certain circumstances, the Customer's right to redeem and / or sell and / or otherwise dispose of the Investments may be restricted and / or the Customer's ability to do so may be limited, inhibited and / or restricted in a certain manner.

5 Risk of trading Growth Enterprise Market stocks

Growth Enterprise Market ("GEM") stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.

The Customer should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM companies are usually not required to issue paid announcements in gazetted newspapers.

The Customer should seek independent professional advice if the Customer is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

6 Accuracy of data

Any past performance data and analyses quoted are not indicative of future performance.

7 Risk of Customer assets received or held outside Hong Kong

Customer assets received or held by the Bank or its subsidiaries outside Hong Kong are subject to the Applicable Laws of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance and the rules made thereunder. Consequently, such Customer assets may not enjoy the same protection as that conferred on Customer assets received or held in Hong Kong.

8 Risk of providing an authority to direct mail to third parties

If the Customer provides the Bank with an authority to direct mail to third parties, it is important for the Customer to promptly collect in person all contract notes and statements of the Customer's account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

9 Risk of trading Nasdaq-Amex Securities at The Stock Exchange of Hong Kong Limited

The Investments under the Nasdaq-Amex Program ("PP") are aimed at sophisticated investors. The Customer should consult the Bank and become familiarised with the PP before trading in the PP Investments. The Customer should be aware that the PP Investments are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

10 Risk of funds and unit trusts

Risks are involved in investing in funds and unit trusts. The prices of funds and unit trusts fluctuate, sometimes dramatically. The price of funds and unit trusts may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling funds and unit trusts.

Past performance figures are not indicative of future performance. The Customer should carefully read the offering documents for details before making any investment decision.

Investment in funds or unit trusts is different to placing moneys on deposit with a bank. The funds or unit trusts are not deposits or other obligations of, or guaranteed by, the Bank or its affiliates. The fund company or unit trust manager is under no obligation to redeem shares in any fund or unit trust at the price at which they were issued. In certain circumstances, the Customer's right to redeem or sell units in funds or unit trusts may be restricted. Although the Bank may not charge a fee for providing services relating to funds or unit trusts, the Bank will normally be paid a commission or rebate by the fund or unit trust manager.

The markets in which some funds or unit trusts invest may be subject to a higher than usual risk of political or economic instability. The assets of and income from such funds or unit trusts may be affected unfavorably by fluctuations in currency rates, exchange control and fiscal regulations. As a result, the shares of these funds and unit trusts may be subject to substantial price volatility. Some markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those applicable in more advanced countries, and there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more advanced securities markets.

Certain funds or unit trusts may invest in higher yielding Securities rated lower than investment grade. Below investment grade Securities, such as high yield debt Securities, may be considered speculative and can include Securities that are unrated or in default. Investment in these funds or unit trusts are accompanied by a higher degree of credit risk than is present in investment in higher rated, lower yielding Securities.

The Customer should carefully consider prior to investing in funds or unit trusts:

- (a) the possible tax consequences;
- (b) the legal requirements; and
- (c) any foreign exchange controls applicable under the laws of the countries of the Customer's citizenship, residence or domicile or to the purchase, sale, subscription, holding, conversion or disposal of units in funds or unit trusts.

The market for technology or technology-related funds or unit trusts can be highly volatile and in many cases their prices may reflect market speculation rather than the underlying economic value of such funds or unit trusts.

Capital-guaranteed or capital-preserved funds or unit trusts may be subject to terms and conditions. Redemption of units in the funds or unit trusts prior to fulfilling all the terms and conditions may be subject to market fluctuations or a redemption fee. Capital-guaranteed and capital-preserved funds or unit trusts are not guaranteed by the Bank or its affiliates.

11 Risk of synthetic funds

Synthetic funds can take different forms (e.g. hedge funds, alternative investment funds and offshore funds) and involve a high degree of risk. The Customer should seek independent advice about the particular risks involved and carefully consider any information (including in the offering document) on the relevant Investment. The risks of investing in such synthetic funds could include (without limitation) the following:

- (a) The investment strategies adopted by synthetic funds are often high risk and highly complex. Further, due to the use of leverage, a small movement in the market can lead to a major gain, but any losses will also be sharply magnified. In certain circumstances, the entire amount of the Customer's Investment could be lost.
- (b) The synthetic fund industry is largely unregulated and the availability, quality and flow of information may be significantly less than that for traditional investment products. Investors may not be kept informed about the fund's strategies or changes to the fund management team.
- (c) The liquidity and tradability of synthetic funds can vary a great deal and fixing holding or "lock-up" periods lasting many years are not unusual. Liquidations of such funds may also stretch over many years.
- (d) Certain synthetic funds may provide for powers to compulsorily redeem all or any portion of an investor's holdings at any time and for any reason upon short notice. The proceeds that an investor may receive upon such redemption may be substantially less than the amount invested in the fund.
- (e) Many synthetic funds have an offshore domicile that may be subject to less stringent legislation and supervision, which in turn offers poorer investor protection. Problems or delays may arise in the settlement of buy and sell orders for units in such funds. There is also no guarantee that the Customer's legal rights under the synthetic funds will be enforceable.

12 Risk of securities, FX and other margin trading

The risk of loss in securities margin, leveraged foreign exchange and other margin trading can be substantial. The Customer may sustain losses in excess of the Customer's initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid losses or limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. The Customer may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not provided within the prescribed time, the Customer's position may be liquidated. The Customer will remain liable for any resulting deficit in the Customer's account and interest charged on the Customer's account. A demand for additional deposit is not a precondition to and does not in any way limit the Bank's right to liquidate the Customer's open positions according to the relevant terms and conditions. The Customer should therefore carefully consider whether such trading is suitable in light of the Customer's own financial position and investment objectives.

13 Risk of currency linked deposits

Customers must carefully consider whether Currency Linked Deposit (as that term is defined in Section IV of Part 3) is suitable for the Customer's investment in light of the Customer's financial position, investment objectives and the risks the Customer agrees to bear before investing in Currency Linked Deposit.

Currency Linked Deposit is different from traditional fixed deposit in that it is a type of structured product investment that involves considerable risks. Currency Linked Deposit is not principal protected. The return of Currency Linked Deposit depends on the market conditions prevailing at the fixing time on the Fixing Date. Customers may suffer losses as a result of depreciation in the value of the Linked Currency. Such losses may offset the interest earned on the deposit and may even result in losses to the principal amount of the deposit.

Currency exchange rates are affected by a wide range of factors, including national and international financial and economic conditions and political and natural events. The effect of normal market forces may at times be countered by intervention by central banks and other bodies. At times, exchange rates and prices linked to such rates may rise or fall rapidly. The related governments or authorities may impose exchange controls or other monetary measures without notice. These controls or measures may have an adverse effect on the convertibility or liquidity of a currency and may have unexpected consequences on

Currency Linked Deposit. The Linked Currency (as that term is defined in Section IV of Part 3) credited to the Customer's Settlement Account may be worthless in extraordinary circumstances and the Customer may lose all principal and interest of the deposit.

The maximum return on Currency Linked Deposit is limited to a predetermined amount of principal and interest even if the Customer's view of the market movement of the Linked Currency is correct.

Currency Linked Deposit is not the same as, and should not be regarded as a substitute for, normal fixed deposits.

The Customer investing in Currency Linked Deposit faces issuer's risk including risk on the Bank's creditworthiness and in the event that the Bank becomes insolvent and / or defaults, the Customers will be considered as unsecured creditors and will have no preferential claims to any assets or collaterals). Currency Linked Deposit is subject to both the actual and perceived measures of the creditworthiness of the Bank and there is no assurance of protection against a default by the Bank in respect of its payment obligations. In the worst scenario, such as the insolvency of the Bank, the Customer may lose all principal and interest of the Currency Linked Deposit.

14 Risk of Equity Linked Investments ("ELI") and Equity Linked Notes ("ELN")

ELIs and ELNs are NOT equivalent to, nor should they be treated as a substitute for, time deposits. ELIs and ELNs are NOT protected deposits and are NOT protected by the Deposit Protection Scheme in Hong Kong.

ELIs and ELNs are embedded with derivatives. Derivatives transactions involve risks, especially when selling an option. Although the premium received from selling an option is fixed, Customers may sustain a loss well in excess of such premium amount, and the loss could be substantial.

ELIs and ELNs are not secured by any collateral. When Customers purchase ELIs or ELNs, Customers will be relying on the credit-worthiness of the issuer. In case of default or insolvency of the issuer, Customers can only claim as an unsecured creditor of the issuer, regardless of the performance of the reference asset(s). In the worst case, Customers could suffer a TOTAL LOSS of their investment amount.

The outcome of an investment in an ELI or ELN will depend upon market conditions. The price of the linked asset (such as stocks or ETF) may go up or down. The Customer should be prepared to accept the amount of an ELI or ELN being returned in the form of the linked asset. The market value of the linked asset or its cash equivalent transferred to the Customer would be less than the amount of the ELI or ELN.

The Customer should understand the risks inherent in an ELI and ELN. There is no guarantee that the Customer will get a return on an ELI or ELN. The Customer may suffer capital loss if the price of the linked stock goes down and in an extreme case, the Customer may lose all or a substantial part of the investment.

The Customer is advised to carefully review and understand the relevant product features and risks, and obtain independent professional advice before investing in an ELI or ELN.

15 Structured deposits / investments

Asset Linked Investments (as defined in Section V of Part 3) and Currency Linked Deposits are not a protected deposit and are not protected by the Deposit Protection Scheme in Hong Kong.

16 Risk of trading options

The risk of loss in trading options is substantial. In some circumstances, the Customer may sustain losses in excess of the Customer's initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. The Customer may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the Customer's position may be liquidated. The Customer will remain liable for any resulting deficit in the Customer's account. The Customer should therefore study and understand the options before the Customer trades and carefully consider whether such trading is suitable in the light of the Customer's financial position and investment objectives. If the Customer trades options, the Customer should inform itself of exercise and expiration procedures and the Customer's rights and obligations upon exercise or expiry.

The value of an Investment with embedded options fluctuates, sometimes dramatically. The price of an Investment may move up or down and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling the Investment. The Customer should study and understand the Investment and its individual structure before the Customer trades and carefully considers whether investment in the Investment is suitable in the light of the Customer's financial position and investment objective. Independent financial and legal advice should be sought if necessary. The payout on an Investment may be linked to the value or performance of an underlying security, index, fund, asset or a combination of the foregoing. The Customer may lose its entire investment or receive, in place of any redemption proceeds, underlying security the market value of which may be significantly lower than the Customer's original investment amount.

17 Variable degree of risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. The Customer should calculate the extent to which the value of the options must increase for the Customer's position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the purchased options expire worthless, the Customer will suffer a total loss of the Customer's investment which will consist of the

option premium plus transaction costs. If the Customer is contemplating purchasing deep-out-of-the-money options, the Customer should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

18 Terms and conditions of contracts

The Customer should ask the firm with which the Customer deals about the terms and conditions of the specific options which the Customer is trading and associated obligations (e.g. the circumstances under which the Customer may become obliged to make or take delivery of the underlying interest, and expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

19 Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and / or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If the Customer has sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the option may not exist. The absence of an underlying reference price may make it difficult to judge "fair value".

20 Deposited cash and property

The Customer should be familiarised with the protections given to money or other property the Customer deposits for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which the Customer may recover the Customer's money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as the Customer's own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

21 Commission and other charges

Before the Customer begins to trade, the Customer should obtain a clear explanation of all commission, fees and other charges for which the Customer will be liable. These charges will affect the Customer's net profit (if any) or increase the Customer's loss.

22 Transactions in other jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Customer to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before the Customer trades the Customer should enquire about any rules relevant to the Customer's particular transactions. The Customer's local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Customer's transactions have been effected. The Customer should ask the firm with which the Customer deals for details about the types of redress available in both the Customer's home jurisdiction and other relevant jurisdictions before the Customer starts to trade.

23 Currency risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Customer's own 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.

In respect of any Renminbi-denominated contracts, Renminbi is currently not a freely convertible currency and the conversion of Renminbi through banks in Hong Kong is subject to certain exchange controls and restrictions (as the same may be modified, amended or substituted from time to time). As a result, any holding or investment in Renminbi or Renminbi related products may be subject to exchange rate risks (including, but not limited to, lower liquidity and higher volatility) and disruption risks which are less common with respect to freely convertible currencies. The Customer should read the Offer Documents of the relevant Investments for more details.

24 Trading facilities

Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Customer's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and / or participant firms. Such limits may vary: the Customer should ask the firm with which the Customer deals for details in this respect.

25 Electronic trading and transmission of information

Trading or receiving/sending information on an electronic trading system may differ from trading or receiving/sending information on other electronic trading systems. If the Customer undertakes Transactions on, or receives and / or sends Data, Instructions and / or other information (including, without limitation, confirmations, statements and receipts) over, 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 that the Data, Instructions and / or other such information is not received and / or sent accurately, or in each case, not at all.

26 Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which the Customer deals may be acting as the Customer's counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before the Customer undertakes such transactions, the Customer should be familiarised with applicable rules and attendant risks.

27 Risk of custody

There may be risks in leaving assets in the Bank's safekeeping. For example, if the Bank is holding the Customer's assets and the Bank becomes insolvent, the Customer may experience significant delay in recovering the assets.

28 Savings plan

There may not be an active market for Investments in odd lots, and odd lots may only be sold at a price substantially less than board lots. The Bank may not be able to buy for the Customer the Investments in the required or any quantity. A long term plan may become unsuitable for the Customer by reason of changes in the underlying Investments or in the Customer's circumstances.

– END –