

# ACCOUNT RULES

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A Member of Yuexiu Group



PLEASE READ CAREFULLY THESE ACCOUNT RULES, WHICH APPLY TO ALL YOUR ACCOUNTS AND ALL 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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Supplemental to the provisions of Section I, those of other Sections together with such extra terms and conditions in respect of any Accounts, Services, additional products, facilities and/or services as may be prescribed by the Bank from time to time shall also become applicable if the Customer applies for, use and/or maintain the relevant Account, Services, other products, facilities and/or services of the Bank after the Customer has notice (or deemed to have notice under Clause 24, Section I below) of such extra terms and conditions. For any Account, Services, other products, facilities and/or services as may be introduced, offered or made available by the Bank from time to time, the Bank is entitled to add, modify, supplement and/or vary any provisions of these Account Rules.

The Chinese version of these Account Rules is provided for reference purpose only, and those of the English version shall prevail in case of any conflict between the English and Chinese versions.

## SECTION I - GENERAL RULES FOR ALL ACCOUNTS AND SERVICES

### 1. DEFINITIONS

1.1 In these Account Rules, unless the context otherwise requires, the following expressions shall have the meanings designated below:

**“Account”** means any account, whether passbook savings, statement savings, current, fixed deposit, call, swap 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;

**“Application”** means the form as prescribed or otherwise accepted by the Bank at its sole discretion (including all documents and files provided) 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 Master Specimen Signature or authorized signatories appointed pursuant to any mandate or other authorization;

“**Bank**” means Chong Hing Bank Limited, 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, and which for the time being is Bank of China (Hong Kong) Limited. 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 V;

“**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 Clearing House Automated Transfer System (“CHATS”), the clearing and settlement of Paper Cheques and Electronic Clearing (“ECG”), 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;

“**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, if it sees fit, relating to the Accounts linked by the Master Link No., 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 China Unionpay Co., Ltd or any other Credit Card Companies permitted by SI and MA and as notified by HKICL to Members from time to time, and “**Credit Card Companies**” means China Unionpay Co., Ltd and any other Credit Card Companies permitted by SI and MA and as notified by HKICL to Members 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 and/or entity which has agreed to open, establish and maintain an Account and/or has applied for or obtained any Services (including any personal representative or lawful successor and/or permitted assigns of such person) and, if the Customer is a sole proprietor, includes the sole proprietor and his successors in the business from time to time or, if the Customer is a partnership, includes all the partners from time to time of the partnership and the successors to such partnership business. “**Customer**” shall include “**Cardholder**” as defined under Section V;

“**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;

“**ECG**” means the various types of electronic payments to be cleared and settled through CHATS on a bulk clearing basis as provided by the US Dollar Clearing House Rules, including for the time being CCASS Items (but excluding Credit Card items);

**“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, in good faith, determines to be prevailing in the relevant foreign exchange market at the relevant time, which shall be conclusive and binding on the Customer;

**“HKICL”** means Hong Kong Interbank Clearing Limited, a company incorporated under the laws of Hong Kong, 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 VII;

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

**“MA”, “HKMA”** or the **“Hong Kong Monetary Authority”**, means the Monetary Authority appointed under the Exchange Fund Ordinance, Cap.66;

**“Master Link No.”** means the identification number designated by the Bank for the Customer for linking and/or referring to all or any Accounts or Services of the same Customer;

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

**“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 his 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;

**“Services”** means the banking, 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 Rules;

**“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 Hong Kong Monetary Authority to provide clearing and settlement services for US Dollars, and which for the time being is The Hong Kong and Shanghai Banking Corporation Limited;

**“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 Section I and Section VI;

**“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.

1.2 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 Sections, Clauses and Paragraphs are references to sections, clauses and paragraphs in these Account Rules, and references to Paragraphs are to paragraphs in the Clause in which the reference appears;
- (d) references to documents (including these Account Rules) 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 Rules;
- (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.

## 2. **TERMS AND CONDITIONS**

2.1 The terms and conditions in this Section I and, save as otherwise provided, all applicable rules and regulations of the Hong Kong Association of Banks shall apply to all Accounts.

2.2 Without prejudice to the generality of Clause 2.1 :

- (a) the terms and conditions in Section II shall apply to all Savings Accounts and/or Services ancillary thereto;
- (b) the terms and conditions in Section III shall apply to all Current Accounts and/or Services ancillary thereto;
- (c) the terms and conditions in Section IV shall apply to all term (fixed and call) and swap deposit Accounts and/or Services ancillary thereto;
- (d) the terms and conditions in Section V shall apply to Chong Hing Cards and/or Services ancillary thereto;
- (e) the terms and conditions in Section VI shall apply to TBS or telephone banking services and/or Services ancillary thereto;

- (f) the terms and conditions in Section VII shall apply to Internet Banking Services and/or Services ancillary thereto; and
  - (g) the terms and conditions in Section VIII shall apply to Renminbi services and/or Services ancillary thereto.
- 2.3 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 2.4 below, or if there are exceptional circumstances, for example, the Account is being used for any criminal or illegal activities).
- 2.4 Without prejudice to the generality of Clause 2.3, 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 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 these Account Rules and fails to remedy the same within 14 days 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, if applicable, goes into liquidation or presents or is presented with a petition for or passes a resolution for winding up, either compulsory or voluntary (save for the purposes of solvent reconstruction or amalgamation), or makes any arrangement with his creditors or any assignment for the benefit of creditors, or if a receiver or manager of his business or undertaking is appointed, or if distress or execution shall be levied or threatened upon any of his property, or if he suffers any similar action.

### **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 Rules 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 his agreement to such Account Rules 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. For application by corporate Customer, such Customer shall provide to the Bank with evidence to the Bank's satisfaction that its application has been duly approved by the board of directors or other competent governing body of the Customer. 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 his 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 his 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 or winding up proceedings against himself, and (iv) the Customer does not have any intention to petition for his own bankruptcy or winding up.
- 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 such rate of exchange 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 2.4, 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 24.1 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.

#### **4. INSTRUCTIONS AND AUTHORIZED REPRESENTATIVES**

- 4.1 Unless the Bank receives notice of change in accordance with Clause 5, the signature(s)/ chop/seal on the designated signature panel of his application submitted to the Bank for a Master Link No. or, where agreed, other specimen signature(s) of the Customer or his Authorized Representatives provided (in the manner required by the Bank) to the Bank shall be the Customer's specimen authorized signature(s), chop(s) and/or seal(s) ("Master 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 Master Link No.. All Accounts and Services linked by the Master Link No. shall be operated by the same Master Specimen Signature. If the Customer wishes certain specified Account(s) and/or Services of or provided to the Customer which is/are linked by his Master Link No. to be subject to authorized signature(s)/chop/seal that are different from the Master 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/seal ("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 Master Link No.. Unless the context otherwise requires, the Master Specimen Signature does not include Other Specimen Signature or other authorized signature(s)/chop/seal of those Accounts or Services that are not linked by the Master Link No.. Notwithstanding any provision in the Account Rules to the contrary, only the Account holders, who own the Accounts, are allowed to open or close the Accounts, or change the Master Specimen Signature, Other Specimen Signature or mandate.

For those Customers who do not have a Master Link No. or whose Account(s) is/are not linked by a Master Link No., each of his 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), chop(s) or seal(s) (if applicable) conforming to the Master 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), chop(s) or seal(s) (if applicable) conforming to the Master 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), chop(s) or seal(s) (if applicable) which, in its reasonable opinion, do not conform to the Master 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), chop(s) or seal(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 Master 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 Master 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 Rules, 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 Master 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 his Master 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), chop(s) or seal(s) which at the time conform(s) to his Master Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be on the Bank's record or file and submitting new Master Specimen Signature, Other Specimen Signature or mandate as the case may be indicating the date from which the new Master 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 Master 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 Master 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 his Accounts or Services, the Customer shall submit to the Bank :

- (a) in the case of an individual, sole proprietor or partnership, written instructions from the Customer (if an individual or sole proprietor) or all the partners comprising the Customer (if a partnership), as the case may be;
- (b) in the case of a company, a certified true copy of a board resolution of the Customer, in such form as the Bank may approve, authorizing the change of the Master Specimen Signature, Other Specimen Signature or the relevant mandate as the case may be, or the Authorized Representative or signing arrangement, as the case may be; and
- (c) in any other case, such other 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 Master 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 Master 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 Master Link No., 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 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 Master Link No. 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 Notwithstanding that any item for collection and payment into any Account bears an "Account Payee" or "Account Payee Only" crossing, the Bank shall be entitled and is authorized (but shall not be obliged): (a) in the case of a joint account, to collect and pay into any Account any item payable to any one or more but not all of the account holders; and (b) in the case of an Account in the name of a sole proprietor or partnership, to collect and pay into the Account any item payable to the sole proprietor personally or payable to any one or more but not all of the partners (as the case may be).
- 8.4 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.
- 8.5 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 rate of exchange 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.
- 8.6 **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.**
- 8.7 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.
- 8.8 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.

- 8.9 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**

**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 periodic service charge of such amount as the Bank may from time to time determine if, in the Bank's opinion, any Account is inactive or has a balance in the Bank's unclaimed balances account and (c) a handling charge if a large amount of cash is deposited, which amount shall be determined by the Bank. In respect of a foreign currency Account, the Bank may also levy a commission 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.**

## **10. DEBIT AND OTHER AUTHORIZATION**

- 10.1 Without prejudice to any other provisions of these Account Rules 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 Rules 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 his agent, and in his name or otherwise on his 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 Rules 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 A person, who is not a party to a contract (called "third party" under this Clause 11.2) to which these Account Rules apply, will have no right under the Contracts (Rights of Third Parties) Ordinance (Laws of Hong Kong) to enforce any provision of such contract or these Account Rules or to enjoy any other benefit. For the avoidance of doubt, such contract and/or these Account Rules 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 Rules 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 Rules, any other agreement between the Bank and the Customer or otherwise.
- 12.2 **Without prejudice to any other provision of these Account Rules 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 spot buying rate of exchange (as conclusively determined by the Bank, the details of which will be provided to the Customer upon request) 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.**
- 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.

### **13. INDEMNITY FROM CUSTOMER AND EXEMPTION OF LIABILITY OF BANK**

- 13.1** Without prejudice to any other provision of these Account Rules 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 and any interest or commission payments), proceedings, claims and demands which they may reasonably suffer or incur as a result of any transactions or contracts entered into or services provided in respect of any Account or under these Account Rules 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 13.1 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) the Bank's failure to honour any stop-payment instructions given by the Customer, provided that such failure is not unreasonable and is in good faith;
  - (c) the presentation to the Bank of any item which is post-dated or the delay, loss or theft of any item sent through the post or by other delivery method or which otherwise is not delivered to the Bank by the Customer in person;
  - (d) the Bank for any reason failing to honour any items drawn on it by the Customer, but the Bank shall immediately notify the Customer through the normal channels giving the reason for the dishonour;
  - (e) unauthorized use or forgery of any signature of the Customer or an Authorized Representative as a result of any breach, negligence, wilful default or fraud of the Customer or such Authorized Representative;
  - (f) any act, omission or insolvency of any person not associated with the Bank;
  - (g) 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;
  - (h) 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;
  - (i) 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;
  - (j) 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;
  - (k) any destruction or disposal of any paid cheque by the Bank, any collecting bank or HKICL;
  - (l) 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;
  - (m) 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
  - (n) 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 (except in the case of a card issued by the Bank that uses a shared electronic system to which the Bank is a party, loss from the use of the card caused or contributed by another party to that system).
- 13.3** The Customer will be liable for all losses if he has acted fraudulently, or with negligence (this include cases where the Customer knowingly allows the use by others of his device or secret code), or if he 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** Where Clause 13.3 does not apply and except for unauthorized transactions conducted through Chong Hing Card which are governed by Section V of the Account Rules of the Bank, the Customer (if he is a private individual, or holds a joint account with another private individual or an account as an executor or trustee, but excluding the accounts of sole traders, partnerships, companies, clubs and societies) would not be responsible for any

direct loss suffered by him as a result of unauthorized transactions conducted through his account.

13.5 The Bank shall not be responsible for any loss of profit, indirect, special or consequential losses or damages.

**14. LOSS OF SEAL, CHOP ETC. OR COMPROMISE OF PIN, TBS NUMBER OR LOGIN NAME**

14.1 If a seal or 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.

14.2 The Customer shall act in good faith and exercise due care and diligence in keeping his 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 Rules, the term "PIN" shall mean the PIN currently in use, and "TBS Number" shall mean the TBS Number currently in use.

14.3 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 change the PIN with the agreement of the Bank as soon as possible.

14.4 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 14.3 shall be binding on the Customer.

14.5 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.

14.6 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.

**15. TELEPHONE**

15.1 The Bank may, if it sees fit, also act on any instructions and/or requests (in this Clause 15, "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.

15.2 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.

15.3 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.

15.4 Notwithstanding any of the provisions in these Account Rules, 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.

15.5 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 24.1 of these Account Rules 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.

**16. 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.

**17. CHANGE OF CUSTOMER'S INFORMATION**

The Customer shall immediately notify the Bank in writing of any change in the Customer's personal 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.

**18. 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.

**19. SUSPENSE ACCOUNT AND VALUE DATE**

19.1 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.

19.2 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.

**20. PRIVACY POLICY AND DISCLOSURE OF INFORMATION**

20.1 The Bank is authorized, if it so wishes, to obtain references in respect of the Customer from any person, including (if the Customer is an individual) an employer, 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 his name to be used.

20.2 The Customer confirms having received, read and understood the Bank's “Personal Information Collection Statement” (Notice to Customers and other Persons relating to the Personal Data (Privacy) Ordinance) as varied and circulated by the Bank to Customers and other persons from time to time (“PICS”). The Customer agrees to be bound by it. If the Customer is not an individual, it 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 PICS. 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, which may be required to submit information to any local regulatory authority(-ies) of the purposes of enabling any of them to comply with such requirement and to fulfil its/their statutory obligations pursuant to the relevant law, including but not limited to the Banking Ordinance.

20.3 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 Account Rules;
- (b) all the information and documents provided to the Bank in connection with these Account Rules, any Account, Services and/or to facilitate the provision or maintenance of any Services is, 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 form 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;
- (c) the Customer shall read the up-to-date versions of these Account Rules 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 his 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; and

- (d) where the Customer is a corporation:
- (i) it is duly incorporated, registered, validly existing and has power and authority to own its property and assets and to conduct the business and operations which it now conducts and proposes to conduct under the law of its place of incorporation;
  - (ii) it has full power and authority to agree to these Account Rules and enter into Transactions and execute, deliver and perform its obligations under any contracts, agreements and/or forms for any such purpose;
  - (iii) all necessary corporate and other action, conditions and things have been taken to authorize the opening, maintenance and use of the Accounts and the Services, the acceptance of these Account Rules and the execution and performance of Transactions and other dealings in accordance with these Account Rules, and the signing of any contracts, agreements and/or forms for any such purpose;
  - (iv) these Account Rules constitute, and each Transaction and other dealings in accordance with these Account Rules will constitute, valid, legally binding obligations of the Customer enforceable in accordance with their respective terms; and
  - (v) the opening, maintenance and use of the Accounts and the Services, the giving of Instructions, the entering into of Transactions and performance of its obligations under the Transactions and any other dealings contemplated in these Account Rules by the Customer will not (01) contravene any applicable law, statute, rule or regulation or any judgment, decree or permit to which the Customer is subject, (02) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which the Customer is a party or is subject or (03) contravene or conflict with any provision of the Customer's constitutional documents.

## 21. JOINT ACCOUNTS

If the Customer is constituted by more than one person:

- (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) subject to Paragraph (d) below, the Customer authorizes the Bank to hold on the death of any of the persons constituting the Customer any credit balance in any Account and the securities and property of any description held in joint names to the order of the survivor(s) or the executors or administrators of the last survivor of the Customer subject to any claim or objection on the part of the Estate Duty Commissioner or any other competent authority, but without prejudice to (i) any right the Bank may have in respect of such balance, securities or property arising out of any mortgage, lien, charge, pledge, right of set-off, counterclaim or otherwise and (ii) any legal proceedings which the Bank may see fit to take in view of any claim by any person other than the survivor(s) or the executors or administrators of the last survivor of the Customer PROVIDED HOWEVER that the Bank may on the death of one or more of the persons constituting the Customer freeze all or any of such persons' Accounts with the Bank and/or any of their securities, properties, deeds or documents deposited with the Bank and hold the same to the order of the survivor(s) only after the relevant probate/letters of administration/certificate of exemption from estate duty shall have been granted and lodged with the Bank;
- (d) 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, the provisions of Clause 21(c) shall apply;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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;
- (i) any notice to any one person constituting the Customer will be deemed effective notification to all such persons; and
- (j) references to the Customer shall be construed, as the context requires, to any or all such persons.

## **22. SOLE PROPRIETOR, PARTNERSHIP AND OTHER ACCOUNTS**

22.1 If the Customer is a firm (whether a sole proprietorship or a partnership), the following provisions shall apply in addition to Clause 21:

- (a) the Customer and the sole proprietor/partners and persons carrying on business in the name of the firm concerned now or at any time hereafter shall be jointly and severally liable in respect of any debt or other obligations owed to the Bank, in connection with any Account and otherwise under these Account Rules;
- (b) the Customer shall immediately advise the Bank in writing of any change (i) in the constitution or membership of the Customer (whether by retirement, death, bankruptcy or admission of new parties); or (ii) in the name of the firm; unless the Bank expressly agrees, the Customer, the sole proprietor or all the partners constituting the Customer shall continue to be liable in respect of any debt or other obligations owed to the Bank prior to such change, in connection with any Account and otherwise under these Account Rules irrespective of any such change;
- (c) unless the Bank shall have actually received written notice from the Customer of any change in the membership or constitution of the Customer, whether as a result of death or otherwise, irrespective of whether such change has been reported to or filed on public records with the Business Registration Office or any other relevant government department or authority, the sole proprietor or all the partners (as the case may be) shall remain liable to the Bank as such and be deemed to have represented at all times to the Bank that the constitution and name of the firm have remained unchanged, and the Bank shall be entitled to act accordingly and all the terms and conditions under these Account Rules and instructions and authorities given to the Bank shall continue to be binding on the Customer and of full effect;
- (d) in the case of a partnership, upon any one or more of the partners ceasing to be a partner or partners by death, retirement, bankruptcy or otherwise, the Bank shall be entitled and is authorized:
  - (i) to treat (01) the surviving or continuing partner or partners or other partner or partners for the time being as having full power to carry on the business of the partnership and to deal with its assets, any matter whatsoever concerning or arising from any Account and any transactions relating thereto as if there had been no change in the partnership and (02) such outgoing partner or partners as if he/they were continuing as a partner or partners such that he/they shall continue to be jointly and severally liable with the other partners for all liabilities up to and until the Bank has been notified of his or their ceasing to be a partner or partners of the partnership; and
  - (ii) without prejudice to Clause 22.1(d)(i), to close, freeze or suspend any Account with notice of the same to be given to the Customer as soon as practicable.

22.2 If the Customer is an association, club, committee or other unincorporated body, these Account Rules shall remain in full force and effect and shall be binding on the Customer, notwithstanding any change in membership or constitution of the Customer.

22.3 By operating Accounts, the Customer warrants and represents that:

- (a) if the Customer is a company or other incorporated or unincorporated body, the Customer is duly established and existing in accordance with all applicable laws, rules and regulations; and
- (b) all corporate actions, approvals, acts, conditions and things required to be done, performed and observed in order that these Account Rules shall constitute the legal, valid and binding obligations of the Customer enforceable in accordance with their terms have been done, obtained, performed and observed in strict compliance with all applicable laws, rules and regulations and the constitutional documents of the Customer.

## **23. DEBT COLLECTION AND DELEGATION**

23.1 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 Rules 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.

23.2 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 Rules 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.

23.3 Without prejudice to the generality of Clause 20, 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.

## **24. NOTICES**

24.1 Without prejudice to any other provisions of these Account Rules, any correspondence or notice issued by the Bank shall be deemed to have been validly served 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. Any notice delivered personally shall be deemed to have been validly served at time of delivery. Any notice dispatched by letter postage prepaid shall be deemed

to have been validly served (a) 2 Business Days after posting, if the address is in Hong Kong or (b) 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. Any notice sent by telex or by facsimile shall be deemed to have been validly served at the time of transmission. The Bank may also give notice to the Customer by displaying such notice at the banking halls of the Bank's branch offices in Hong Kong, at the Bank's website <<http://www.chbank.com>> or on the automated teller machines operated by the Bank.

- 24.2 Any notice to the Bank shall be in writing and duly signed by or on behalf of the Customer using the Master 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.
- 24.3 The Bank may, at the Customer's request, deliver notices and communications to the Customer by e-mail to a designated email address. In this case, such notices and communications shall be deemed to have been delivered on the date of despatch. Unless expressly agreed otherwise by the Bank, the Customer may not communicate or give any notice to the Bank by email.
- 24.4 If the Customer comprises more than one person, any notice, communication or correspondence shall be deemed delivered to (a) the Bank if given by the Customer or the surviving person comprising the Customer and (b) the Customer if given by the Bank to any one of the persons comprising the Customer or the surviving person comprising the Customer.

## **25. 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.

## **26. 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 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.

## **27. AMENDMENTS**

The Bank may amend these Account Rules (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 automated teller machines 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.

## **28. MISCELLANEOUS**

- 28.1 All transactions in relation to Accounts or otherwise with the Bank (whether or not also governed by these Account Rules) 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.
- 28.2 Without prejudice to any other provision of these Account Rules, 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.
- 28.3 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.
- 28.4 These Account Rules shall be binding on the Customer and the Customer's executors, administrators and successors notwithstanding any change in the membership or constitution of the Customer or any such successors and, without limiting the foregoing, shall not be terminated or affected by the death, bankruptcy or retirement of any parties or by any other change in the composition of any firm as aforesaid.
- 28.5 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.

- 28.6 Any provision in these Account Rules which is invalid shall be ineffective only to the extent of such invalidity and shall not affect the validity of the remaining Rules.
- 28.7 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 his Authorized Representative and/or any verbal communication between the Customer and his 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.
- 28.8 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.
- 28.9 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.
- 29. EXISTING BANKING MANDATES AND ACCOUNTS UNDER MASTER LINK NO.**
- 29.1 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 a Master Link No. will continue to apply and remain in force unless and until otherwise agreed by the Customer and the Bank.
- 29.2 Subject to the approval of the Bank, the Customer may request and authorize the Bank to link any Account or Services solely in the name of the Customer and to be operated by the same Master Specimen Signature by his Master Link No. but not any Account or Services in joint names of the Customer and any other Person or otherwise not operated by the same Master Specimen Signature, notwithstanding the Customer or any person comprising the Customer may operate such Account solely as an Authorized Representative or authorized signatory.
- 29.3 The Customer agrees and confirms that the service of linking the Accounts by the Master Link No. is provided by the Bank for the Customer's convenience at his 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.

**30. FOREIGN LAW REQUIREMENTS**

- 30.1 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 including by reason of the Foreign Account Tax Compliance Act ("**FATCA**") of the United States of America (the "U.S.").
- 30.2 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.
- 30.3 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):
- (a) The Customer's name, address and taxpayer identifying number (including taxpayer identifying number of the U.S. Government) and (if applicable) the name, address and taxpayer identifying number (including taxpayer identifying number of the U.S. Government) of any natural persons who exercise control over the Customer;
  - (b) The Customer's account number;
  - (c) The Customer's account balance or value;
  - (d) the gross receipts or payments to the Customer's account(s) (for such period and in such manner as required by the Requirements)
  - (e) date of birth, entity type, country of incorporation or organisation (including the "chapter 4 status" as defined for the purposes of FATCA).

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.

- 30.4 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.
- 30.5 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, transfer or block the Customer's account(s).

30.6 「Foreign Account Tax Compliance Act」 means:

- (a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
- (b) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with (a) above including as entered into by the government of Hong Kong;
- (c) agreements between the Bank and the Internal Revenue Service of the U.S. or other regulator or government agency pursuant to or in connection with (a) above; and
- (d) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

### **31. e-Cheques Deposit Services**

31.1 e-Cheques Deposit Services provisions - applicability and definitions

- (a) The provisions in this Part apply to our services relating to e-Cheques. This Part supplements and forms part of our ("Account Rules") ("Existing Terms"). The provisions of the Existing Terms which apply to paper cheques or generally to our services continue to apply to e-Cheques and our e-Cheques Deposit Services to the extent that they are relevant and not inconsistent with the provisions in this Part. The provisions of this Part prevail if there is any inconsistency between them and the provisions of the Existing Terms with respect to the e-Cheques Deposit Services.

- (b) 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 (Cap. 19, 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 us 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 (Cap. 553, 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 us 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 us into which the e-Cheque is to be deposited which may be a sole name or a joint name account of the payee.

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

"you" means each customer to whom we provide e-Cheques Deposit Services.

31.2 Nature and scope of e-Cheques Deposit Services

- (a) We may provide e-Cheques Deposit Services at our discretion. If we provide e-Cheques Deposit Services to you, you may deposit e-Cheques. In order to use the e-Cheques Deposit Services, you have to provide such information and documents and accept such terms and conditions which may be required or prescribed by us and the Clearing House respectively from time to time. You may also be required to sign forms and documents prescribed by us from time to time.
- (b) e-Cheques Deposit Services allow you and other persons to present e-Cheques (whether payable to you and/or any other holder of the Payee Bank Account) for deposit with us (as Payee Bank), using the e-Cheque Drop Box Service offered by the Clearing House or using our Deposit Channels, in accordance with Clause 3 below.
- (c) We may provide e-Cheques Deposit Services relating to e-Cheques that are issued

in any currency specified by us from time to time, including Hong Kong dollars, US dollars or Renminbi.

- (d) We have 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):
  - (i) the service hours of the e-Cheques Deposit Services (including cut-off times for presenting e-Cheques); and
  - (ii) any fees and charges payable by you for the e-Cheques Deposit Services.

### 31.3. e-Cheques Deposit Services

- (a) The e-Cheques Deposit Services may allow presentation of e-Cheques for deposit with us (as Payee Bank) using the e-Cheque Drop Box Service provided by the Clearing House or using our Deposit Channels.
- (b) e-Cheque Drop Box Service
  - (i) The e-Cheque Drop Box Service is provided by the Clearing House. You are bound by the e-Cheque Drop Box Terms in relation to your use of the e-Cheque Drop Box Service. You are solely responsible for performing your obligations under the e-Cheque Drop Box Terms.
  - (ii) In order to use the e-Cheque Drop Box Service, you are 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. You are allowed by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with a Payee Bank Account that is your same-name account or an account other than your same-name account. You are responsible for the presentation of all e-Cheques by you or any other person using your e-Cheque Drop Box Account (including presentation of any e-Cheques to a Payee Bank Account other than your same-name account).
  - (iii) 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. We may (but have no obligation to) provide reasonable assistance to you. In particular, we do not have the electronic record or image of any e-Cheque deposited using the e-Cheque Drop Box Service. On your request, we may (but have no obligation to) provide the date, e-Cheque amount, e-Cheque number, payee name and any other information agreed by us relating to an e-Cheque deposited using your e-Cheque Drop Box Account.
  - (iv) We give 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, you bear the responsibilities and risks relating to the use of the e-Cheque Drop Box Service. We are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the use of the e-Cheque Drop Box Service.
- (c) Our Deposit Channels

We 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.

### 31.4. Handling of e-Cheques, associated risks and our liabilities

- (a) Handling of e-Cheques

You understand that we 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 you. Accordingly, we are entitled to collect for you any e-Cheque payable to you by presenting that e-Cheque to the Payer Bank in accordance with the Industry Rules and Procedures even if the Bills of Exchange Ordinance 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 our liability

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

- (i) we are not liable for loss, damage or expense of any kind which you 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 you or any other person using the Deposit Channels provided by us to you, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from our negligence or wilful default or that of our officers, employees or agents;
- (ii) in particular and for clarity, we are not liable for loss, damage or expense of any kind which you 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 you or any other person, or the e-Cheque Drop Box Terms;
  - (2) your failure to comply with your obligations relating to the e-Cheques Deposit Services;
  - (3) presentment of any e-Cheque payable to you in accordance with the Industry Rules and Procedures despite the provisions of the Bills of Exchange Ordinance 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 our reasonable control; and

- (iii) in no event will we be liable to you or any other person for any loss of profit or any special, indirect, consequential or punitive loss or damages.
- (c) Your confirmation and indemnity
- (i) You accept the restriction of liabilities and disclaimers imposed by us and the Clearing House in relation to the e-Cheques Deposit Services and the services provided by the Clearing House respectively. You accept and agree to bear the risks and the liabilities for depositing e-Cheques.
  - (ii) Without reducing the effect of any indemnity given by you under the Existing Terms or any other rights or remedies that we may have, you will indemnify us and our 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 us or any of them and all actions or proceedings which may be brought by or against us or any of them as a result of or in connection with our provision of the e-Cheques Deposit Services or your 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 our negligence or wilful default or that of our officers, employees or agents.
  - (iv) The above indemnity shall continue to have effect after the termination of the e-Cheques Deposit Services.

### **32. ASSIGNMENT**

- 32.1 These Account Rules 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 Rules 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.
- 32.2 The Customer shall not assign or transfer any of its rights under these Account Rules or any contracts or transactions effected under them.

### **33. CONFLICT**

If there shall be any conflict between these Account Rules 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 which specifically concern the Code of Banking Practice endorsed by the Hong Kong Monetary Authority (as amended from time to time), these Account Rules shall prevail unless otherwise provided in such other terms and conditions.

### **34. GOVERNING LAW**

- 34.1 These Account Rules 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 Rules.
- 34.2 In the event of there being any difference between the English and Chinese versions of these Account Rules, the English version shall prevail for all purposes.

## **SECTION II - TERMS AND CONDITIONS FOR SAVINGS ACCOUNTS**

**Section II shall comprise terms and conditions as provided under the different Parts below.**

### **Part A: General**

The terms and conditions under this Part A are supplemental to Section I of the Account Rules ("Account Rules") of the Bank and shall form part of the Account Rules governing savings Accounts. Without prejudice to the express provisions under other Parts of this Section II, the following provisions shall apply to Savings Accounts in general. The provisions under Section I of the Account Rules shall unless otherwise defined or specified apply to these terms and conditions.

1. A Savings Account may be a Passbook Savings Account or a Statement Savings Account, and reference to "Savings Account" in these Account Rules may include Passbook Savings Account and/or Statement Savings Account, as the case may be.
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 Rules, 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.

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 under Section I of these Account Rules. Without prejudice to other provisions of these Account Rules, 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 his 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.
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.
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.
6. **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. Without prejudice to the Bank's rights under Clause 3.4 of Section I, if any Savings Account has been inactive or dormant for a period of time the length of which shall be determined by the Bank at its discretion, the Bank may charge an annual service fee payable at such times and intervals as the Bank determines 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.**
7. 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 or seal (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.
8. Coins are not accepted for cash deposit into multi-currency Savings Accounts.
9. The Customer shall regularly update, and examine all transactions and entries recorded on his passbook and the statements.
10. 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 Section I of these Account Rules 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.
11. 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.
12. 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 Section I shall apply to these statement(s) of account.
13. 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.
14. The Bank reserves the right not to act on any instruction unless given in writing in a form and manner prescribed by the Bank.
15. 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.

16. 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.

#### **Part B: "My dream HKD Savings Plan"**

In addition to the provisions under Part A of this Section II, the terms and conditions under this Part B (called in this Part B "**these terms and conditions**") shall apply to "My dream HKD Savings Plan" Savings Accounts and Services.

These terms and conditions are also supplemental to Section I of the Account Rules ("**Account Rules**") of the Bank and shall form part of the Account Rules. These terms and conditions and Sections I and II of the Account Rules shall govern "my dream HKD Savings Plan" ("**Savings Plan**"). In the event of inconsistency between the Account Rules and these terms and conditions, these terms and conditions shall prevail to the extent of any such inconsistency.

#### **1. Definition**

Expressions and terms used in these terms and conditions shall have the meanings ascribed to them in Section I of Account Rules unless otherwise defined or specified in these terms and conditions. In particular, references in Section I of Account Rules to "Account" shall include the Savings Plan.

#### **2. Account and Passbook**

The Customer shall open a Passbook Savings Account in accordance with Section I of Account Rules 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.

#### **3. Savings Plan**

- 3.1 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.

- 3.2 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.

#### **4. Interest**

- 4.1 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 5 and 6.1 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.
- 4.2 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 calendar days after the due date, the Bank may terminate the Savings Plan without prior notice to the Customer.

#### **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.**

#### **6. Effect of Termination or Maturity**

- 6.1 If the Savings Plan is terminated (for whatever reason whether by the Bank or by the Customer):
- (a) within Specified Period from payment of the first monthly deposit, no interest on the Savings Plan shall be payable; or
  - (b) 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.
- 6.2 Upon maturity or the early termination of the Savings Plan:
- (a) the balance of the Savings Plan shall be transferred to the Savings Account;
  - (b) all accrued interest (if any) shall be credited to the Savings Account;
  - (c) the Savings Plan shall not be renewed; and
  - (d) the rights and obligations of the parties under the Savings Plan shall cease.

## **7. Miscellaneous**

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

### **SECTION III - TERMS AND CONDITIONS FOR CURRENT ACCOUNTS**

The terms and conditions under this Section III below (called in this Section III “**these terms and conditions**”) are supplemental to Section I of the Account Rules (“**Account Rules**”) of the Bank and shall form part of the Account Rules governing Current Accounts.

Expressions and terms used in these terms and conditions shall have the meanings ascribed to them in Section I of Account Rules unless otherwise defined or specified in these terms and conditions. References in Section I of the Account Rules to “**Account**” shall include any Renminbi Current Accounts.

1. Blank cheques will be provided by the Bank. When a cheque book is required, the Customer must sign an application form supplied by the Bank in accordance with its mandate, using the same signature, chop and/or seal and signing arrangements as recorded on the Bank’s file. 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.
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 Rules 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), chop and/or seal 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, chop and/or seal 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 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 countermanding 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. 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.
14. 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 14(a) of this Section and generally in respect of the retention and destruction of cheques.
15. 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 normally be available for drawing after 3:00 p.m. on the second Business Day following the Business Day on which the cheque is deposited with the Bank for collection, except that proceeds of cheques deposited with the Bank on a Saturday will be available for drawing after 3:00 p.m. on the second Business Day immediately following the Saturday and proceeds of cheques deposited with the Bank on a Business Day immediately preceding a Saturday will be available for drawing after 3:00 p.m. on the Business Day immediately following the Saturday.
16. 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.
17. 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 Hong Kong Monetary Authority 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 Hong Kong Monetary Authority 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 Hong Kong Monetary Authority 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 IV - TERMS AND CONDITIONS FOR TERM (FIXED AND CALL) AND SWAP DEPOSIT ACCOUNTS**

The terms and conditions under this Section IV (called in this Section IV "**these terms and conditions**") below are supplemental to Section I of the Account Rules ("**Account Rules**") of the Bank and shall form part of the Account Rules governing term (fixed and call) and swap Accounts.

Expressions and terms used in these terms and conditions shall have the meanings ascribed to them in Section I of Account Rules unless otherwise defined or specified in these terms and conditions.

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.
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 his 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.

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.**
4. **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.**
5. 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 applicable law 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.
6. 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), chop and/or seal filed with the Bank.
7. 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.
8. Deposits are non-transferable, non-assignable or non-negotiable save with the Bank's prior consent.
9. 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.
10. Swap deposits are denominated in United States Dollars but are payable in Hong Kong Dollars 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 United States Dollars from the Bank and sells Hong Kong Dollars to the Bank at the prevailing spot rate between the two currencies on the day when the deposit is placed;
  - (b) the Customer simultaneously sells to the Bank United States Dollars and purchases Hong Kong Dollars 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.

## SECTION V - TERMS AND CONDITIONS FOR CHONG HING CARDS

The terms and conditions under this Section V (called in this Section V **"these terms and conditions"**) below are supplemental to Section I of the Account Rules (**"Account Rules"**) of the Bank and shall form part of the Account Rules governing Chong Hing Cards, debit cards issued by the Bank and the Accounts related thereto.

Expressions and terms used in these terms and conditions shall have the meanings ascribed to them in Section I of Account Rules unless otherwise defined or specified in these terms and conditions.

### 1. CHONG HING CARD

Chong Hing Card and/or debit card issued by the Bank (collectively called "Card" in this Section) is/are issued to a successful applicant for a Card (called "Cardholder" in this Section) 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 assigning any reason therefor. The Cardholder shall 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.

### 2. ATM SERVICES

The Card may be used at (a) ATM, (b) EPS Terminal 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 shall collectively be referred to "terminals", each 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 therefor.

### **3. THE PIN**

- 3.1 The Bank will assign to the Cardholder a PIN for use by the Cardholder in connection with the operation of the Card. 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.
- 3.2 The Cardholder shall keep the PIN confidential and shall not disclose the PIN to any other person under any circumstances.
- 3.3 This Clause 3 is without prejudice to the generality of the other provisions under Section I and other guidelines or advice rendered by the Bank from time to time.

### **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 its website.

### **5. BANK'S RECORD ETC.**

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.

### **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 rate of exchange 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.**

### **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. Cheques books will be sent at the cost of the Cardholder, if any.

### **8. LIMITS**

The Bank shall be entitled from time to time without giving any prior notice to the Customer 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.

### **9. RESPONSIBILITY OF BANK**

- 9.1 The Bank, JETCO, EPS Company and other institutions operating any other devices or terminals at which the Card may be used shall in no circumstances be liable to the Cardholder in respect of any loss or damage arising directly or indirectly from:-
  - (a) any defect or damage in or to any goods or services supplied through or by the use of the Card;
  - (b) the refusal of any terminal to honour or accept the Card;
  - (c) 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;
  - (d) 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;
  - (e) 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
  - (f) 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.
- 9.2 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.

9.3 This Clause 9 is without prejudice and subject to the generality of the express provisions under Clause 13 of Section I.

## 10. LIABILITY OF CARDHOLDER

10.1 Subject to Clauses 10.2 and 10.3, the Cardholder shall not be liable in respect of loss incurred through (a) the misuse of the Card prior to the receipt of the Card by the Cardholder, (b) 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 10.3 below), (c) 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 (d) the use of a counterfeit Card. The Bank's liability for such losses shall in any event not exceed the amounts wrongly charged to the Cardholder's Accounts together with any interest thereon.

10.2 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 shall 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 shall be 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 shall be HK\$500.00. Subject to Clause 10.3, the Cardholder shall not be 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 its 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 shall be confirmed in writing.

10.3 Notwithstanding Clause 10.2, the Cardholder shall be liable for all losses and damages in respect of the use of the Card if the Cardholder has (a) acted fraudulently or negligently, (b) 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 (c) failed to follow the safeguards or comply with his obligations under Clause 3 or other recommendations of the Bank from time to time regarding the safety and security of the Card and the PIN.

## 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 its website. The Cardholder irrevocably authorizes the Bank to debit the amounts of any such fees from any Account of the Cardholder with the Bank.

## SECTION VI - TERMS AND CONDITIONS FOR TELEPHONE BANKING SERVICES

The terms and conditions (called in this Part VI "these terms and conditions") under this Part VI shall apply to and govern the use and provision of TBS or telephone banking services by the Bank.

These terms and conditions are supplemental to Section I of the Account Rules ("Account Rules") of the Bank and shall form part of the Account Rules. In the event of inconsistency between such Account Rules and these terms and conditions, these terms and conditions shall prevail to the extent of any such inconsistency.

Expressions and terms used in these terms and conditions shall have the meanings ascribed to them in Section I of the Account Rules unless otherwise defined or specified in these terms and conditions.

### 1. Interpretation

"**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 to the TBS by the Customer.

"**Service Hours**" means (a) in respect of Transactions not involving Fixed Deposit Account, 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 week-days 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 its branches in Hong Kong, on its website or by other means as the Bank may see fit.

"**Transaction(s)**" for the purpose of this Section 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

a. TBS shall, subject to these terms and conditions, be available to the Customers in respect of the Related Accounts for purpose of the Transactions including without limitation the following:

- (i) in relation to Fixed Deposit Account(s) of the Related Accounts, any deposit, withdrawal, enquiry or variation of the maturity instruction; and

(ii) in relation to the industry scheme under the Mandatory Provident Fund Scheme Ordinance (Cap. 485 Laws of Hong Kong) operated by the corporate Customer, any transfer of fund to and from the Related Accounts in respect of its contribution thereunder.

b. 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.

(i) 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

(ii) if the Bank deems fit to do so for whatever other reasons.

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

d. The Customer agrees that telephone 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.

e. The Customer accepts that it shall be 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 same.

### **3. Service Hours of TBS**

a. Subject to Clauses 2a and 2b hereof, telephone instructions will be accepted for any particular type of Transaction during the Service Hours and subject to Clause 3b hereof, any telephone instructions will be processed and effected on the day of giving such telephone instructions if the same are given to the Bank within the Service Hours.

b. The Customer acknowledges that telephone 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 at any time and 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 telephone instruction if the Bank deems fit to do so.

### **5. Acceptance and Execution of Telephone Instructions**

a. Use of correct TBS Number and PIN

(i) All telephone instructions once given pursuant to the procedures determined by the Bank shall be irrevocable and conclusively binding on the Customer irrespective of whether or not such telephone instructions are given by the Customer personally or by any other person on the Customer's behalf whether authorized or unauthorized.

(ii) The Customer agrees and accepts that for any telephone instruction, if the TBS Number and the PIN are correct at any relevant time, the Bank shall be entitled to deem that the same emanates from the Customer or from persons authorized by the Customer to give such telephone instruction.

b. Insufficient funds/credit situations

(i) 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 shall not be 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.

(ii) Notwithstanding any provision to the contrary governing the specific Transaction to be transacted, the Bank shall be entitled to place any order or enter into or execute any arrangement or effect any account entry for the purpose of carrying out any Telephone Instruction without first ascertaining (01) whether there is sufficient fund or pre-arranged credit available in the Related Accounts specified by the Customer; and/or (02) 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 telephone instructions.

(iii) The Bank has the absolute discretion not to accept or effect any Transaction (01) if there is insufficient fund or pre-arranged credit available in the Related Account specified by the Customer for the intended Transaction; or (02) where for the Bank to do so would result in the Customer's Related Accounts becoming overdrawn without prior agreement with the Bank; or (03) where such Related Accounts are on hold or frozen or dormant or (04) for whatever other reason the Bank may at its discretion consider reasonable and the Bank shall not be held liable for any consequence arising out of its failure to execute any telephone instruction due to the reasons stated herein.

(iv) Notwithstanding that there is insufficient fund 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 hereby irrevocably authorizes the Bank, subject to its absolute discretion to do otherwise, to debit any of the Customer's account 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 shall be liable for the resulting debit balance or overdraft, advance or credit (or any increase in the same) and all the Bank's standard charges relating thereto. Such debit shall be repayable to the Bank on demand together with interest thereon, from the date of execution of the relevant telephone 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.

(v) Whilst any debt exists pursuant to Clause 5b (iv), the Bank shall be 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 telephone instruction. Any loss, damage, liability or expense suffered or incurred by the Bank as a result thereof shall be the Customer's liability and the Bank may debit any of the Customer's account with the Bank (whether or not it is one of the Related Accounts) as the Bank shall select but any gain shall 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 shall be binding and conclusive against the Customer.

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

d. 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 not under any obligation to do so) 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**

a. 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 Telephone Instruction. For the purpose of and under these terms and conditions, the term "PIN" shall mean the PIN currently in use, and "TBS Number" shall mean the TBS Number currently in use.

b. This Clause 6 is without prejudice to the generality of the provisions under Section I.

#### **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 shall not be held liable for or in connection with the accuracy of such information and such information shall not be 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**

The Bank shall not be 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 telephone 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 telephone 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 Telephone Instruction.

#### **9. Indemnity**

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

### **SECTION VII - TERMS AND CONDITIONS FOR INTERNET BANKING SERVICES**

The terms and conditions (called in this Section VII "these terms and conditions") under this

Section VII below shall apply to and govern the use and provision of Internet Banking Services by the Bank.

These terms and conditions are supplemental to Section I of the Account Rules (“Account Rules”) of the Bank and shall form part of the Account Rules. In the event of inconsistency between such Account Rules and these terms and conditions, these terms and conditions shall prevail to the extent of any such inconsistency.

Expressions and terms used in these terms and conditions shall have the meanings ascribed to them in Section I of the Account Rules unless otherwise defined or specified in these terms and conditions.

## **1. Interpretation**

In these terms and conditions, the following words and expressions shall have the following meanings:

### **“Accounts”**

means all accounts maintained with the Bank, including lines of credit and overdraft facilities, which are designated by the Bank from time to time being accessible by the Customer through the Internet Banking Services;

### **“Applicable Law”**

means, in relation to any person, action or thing, the following:

- (a) any law, rule or regulation of any country (or political sub-division of a country) or jurisdiction;
- (b) any obligation under any license in any country (or political sub-division of a country) or jurisdiction; and
- (c) any lawful and binding determination, decision, order, ruling, guidelines or direction of a regulator or competent court or authority in any country (or political sub-division of a country) or jurisdiction; in each case, from time to time applicable to that person, action or thing.

### **“Content”**

means things that one may see, read, hear, download, install, modify or otherwise access on or via the Internet Banking Services and/or the Website (including but not limited to messages, files, data, software, images, photographs, illustrations, expression, presentation, opinion, advice, form, 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;

### **“General Conditions”**

means, collectively, the Account Rules, all terms and conditions from time to time in force or as varied, amended or supplemented by the Bank governing the use of the Accounts and other related services of the Bank;

### **“Information”**

means any form of data, news, report, information or material made available through the Internet 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;

### **“Instructions”**

means any instruction given through or provided at the Website and/or the Internet Banking Services in accordance with the Bank’s prescribed methods from time to time in force;

### **“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 his appointed user(s)) or, if applicable, otherwise changed subsequently by the Customer (including his 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 Internet Banking Services;

### **“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 Internet 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;

### **“Transactions”**

means any deposit, transfer, withdrawal, placement of fixed deposit or remittance of funds or currency, trading of stock, securities, note, bond, futures, financial instrument or any other transaction through the Website or using the Internet Banking Services; and

## **“Website”**

means the Internet Banking Services website.

### **2. These terms and conditions**

- 2.1 Each use of the Internet Banking Services on the Website is subject to these terms and conditions in force at the time of each such use.
- 2.2 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 his own cost a computer and other equipment and/or software with access to the Internet capable of viewing the Website and supporting his 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 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 he 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, and report to the Bank any discrepancies if necessary, in accordance with the provisions of the General Conditions 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 his duty to notify the Bank if he 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 Internet Banking Services 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 Internet 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 Internet 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 Internet 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 authorised 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 Internet 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 Internet 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 Internet 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 Internet Banking Services.
- 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 anyone including the Bank's staff or the Police.

## **7. Modifications to these terms and conditions**

- 7.1 These terms and conditions may be amended or supplemented by the Bank at its sole discretion from time to time with reasonable prior notice (as practicable) to the Customer. Such amendments will be sent to the Customer by post or posted on the Website or otherwise and will become effective at such effective date and time as stipulated by the Bank and shall be binding on the Customer if the Customer continues to maintain any Account, use the Internet Banking Services or access the Website after the effective date of such amendment / supplement. Each access to and use of the Website or the Internet Banking Services shall be subject to the provisions of these terms and conditions then in force.
- 7.2 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 VIII – TERMS AND CONDITIONS FOR RENMINBI SERVICES**

The terms and conditions under this Section VIII shall apply to Renminbi Accounts and Services.

The terms and conditions under Section VIII ("these terms and conditions") are supplemental to the Account Rules ("Account Rules") of the Bank and shall form part of the Account Rules. In the event of inconsistency between the Account Rules and these terms and conditions, these terms and conditions shall prevail to the extent of any such inconsistency.

Expressions and terms used in these terms and conditions shall have the meanings ascribed to them in Section I of the Account Rules unless otherwise defined or specified in these terms and conditions. References in Section I of the Account Rules to "Account" shall include 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 Hong Kong Monetary Authority, Hong Kong Interbank Clearing Limited, 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 spot rate of exchange 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 his 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, 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 spot rate of exchange 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 part 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 RMB Current Account are subject to such additional rules and provisions as the Bank may specify at its sole discretion from time to time, which may be posted at the Bank's website and/or branches in Hong Kong. In case of any breach or non-compliance (in the opinion of the Bank) of the Account Rules 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 Hong Kong Monetary Authority 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 Hong Kong Monetary Authority 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 Hong Kong Monetary Authority 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).

#### **Part A: Renminbi Personal Accounts and Services**

This Part A is applicable to Renminbi Personal Accounts and Renminbi personal Services.

##### **1. Renminbi Personal Account of Hong Kong residents**

- 1.1 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.
- 1.2 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.

##### **2. Renminbi Personal Account of non-Hong Kong residents**

- 2.1 Only non-Hong Kong residents, as determined by the Bank from time to time and who have complied with such conditions as may prescribed by the Bank, are eligible to apply for the opening of Renminbi Personal Accounts of non-Hong Kong residents.
- 2.2 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:
  - (a) cheques cannot be used in mainland China;
  - (b) Customer shall ensure that remittances to and from mainland China through the Customer's Renminbi Personal Accounts are in compliance with applicable laws, regulations and rules 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.
- 2.3 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.

#### **Part B: Renminbi Corporate and Non-Personal Accounts and Services**

1. This Part B is applicable, with necessary modification at the Bank's sole discretion in good faith, to the Renminbi Corporate and Non-Personal Accounts ("**Renminbi Corporate Accounts**") and other ancillary Renminbi Corporate and Non-Personal Services.
2. Corporate and Non-Personal Customer (as "**Customer**" in this Part B) may only open such number of Renminbi Savings Account(s), Renminbi Current Account(s) and/ or Renminbi Fixed Deposit Account(s) for such purpose(s) as from time to time designated by the Bank.
3. For Renminbi exchange services provided to the Customer for the purpose of cross-border trade settlement, in the event that the cross-border trade is cancelled or has ceased, the Customer irrevocably consents and authorizes the Bank (a) to convert the Renminbi funds provided to the Customer through Renminbi exchange services of the Bank, back to Hong Kong Dollars (or any other currency as designated by the Bank) at the spot rate of exchange designated by the Bank, and (b) to credit the Hong Kong Dollars (or any other currency as designated by the Bank) back to Customer's Hong Kong Dollars Account (or any other account as designated by the Bank).
4. For Renminbi Services provided to Customer for the purpose of cross-border trade settlement, the Customer represents, warrants and undertakes to the Bank that (1) the cross-border trade is bona fide with commercial substance, genuine and not fraudulent / misleading in nature, and (2) the Customer engages in and will engage in lawful cross-border trade, but does not engage in currency exchange, capital and financial transactions such as those of real estate, stocks etc, gambling business or any improper or illegal activities, and will not make any deposit or conduct other transaction with the Bank on behalf of or for the benefit of any other person.
5. The Bank may require the Customer to provide information and documents related to its trade and other relevant circumstances for verifying purpose.

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