



# Banking terms and conditions

If there is any inconsistency or conflict between the English and Chinese version, the English version shall prevail. You may call our hotline, visit any of our branches or visit our website ([sc.com/hk](http://sc.com/hk)) for the Chinese version. 如中文譯本與英文有異，概以英文為準。如閣下欲索取中文版本，可致電客戶服務熱線、親臨任何一間分行或瀏覽本行之網站 ([sc.com/hk](http://sc.com/hk))。

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## **Client terms**

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## Client terms

### Important notice

#### You need to read this document.

It sets out the general terms and conditions of our personal and electronic banking relationship with you. These terms and conditions apply to each *product* and all services including the *electronic banking services* we agree to provide to you from time to time. They apply in addition to other documents including the *product terms* and the *tariff sheet* but they do not apply to any existing facility, *product* or service we provide to you to the extent that they are subject to separate terms and conditions.

Any references to "Customer terms", "customer(s)" in all our terms and conditions, Client terms, and our banking agreement shall be treated as references to "Client terms" and client(s)" respectively.

### Key words

The meaning of key words printed like this and other words used in our banking agreement (electronic or otherwise) is explained at the end of these Client terms and at the end of the applicable *product terms*.

### How to contact us

To discuss any aspect of our relationship please contact us at one of our branches, by using phone banking or by visiting our website.

Standard Chartered is committed to complying with economic sanctions that are imposed by relevant regulatory authorities. As such, we do not allow our *products* and services to be used directly or indirectly in countries that are subject to such sanctions. Please note that you will not be able to contact us via phone banking, facsimile transmission, or emails, or access our website, and will not be able to provide you with financial services if you are in these countries.

### Inherent risks

You acknowledge that there are inherent risks in conducting transactions over the internet or electronic networks and you have voluntarily assumed those risks.

## Part A - Our banking relationship

### 1. The terms of our relationship

1.1 We have a range of *products* designed to suit your personal banking needs, some of which may be accessed through our *electronic banking services*. The specific features of our *products* are available on request. Some *products* may not be available to you depending on your location. Depending on your location, some *products* may not be accessible through our *electronic banking services*. Your electronic access to such *products* may be withdrawn, amended, terminated or suspended at any time without notice, to the extent permitted by applicable laws and regulations.

1.2 If you want to access or use a *product* in any manner including electronically, you need to complete an *application* to ask us to approve your use of it. Different eligibility criteria may apply to different *products*. These may include minimum or maximum age or deposit amounts. Fees, commissions or other charges may apply for such access or use. We may refuse an *application* for any reason. Unless required by law, we do not need to give you a reason.

1.3 Our *electronic banking services* are available to you only after we have approved it for your use.

1.4 If we agree to provide a *product* to you and allow you to access or use a *product* through our *electronic banking services*, the terms on which you may use the *product* are called our "banking agreement". This is made up of the following documents for the *product*:

- the *application*;
- any *letter of offer*;
- these Client terms;
- the *product terms*;
- our *approval*;
- the *tariff sheet*;
- any guidelines we issue in connection with use of the *product* (including guidelines for use of *electronic banking services*);
- any other terms and conditions that form part of our banking agreement as varied or replaced from time to time.

A separate banking agreement is entered into each time you and we agree that you may use a *product*. For example, if you accept a *letter of offer* for more than one *product*, a separate "banking agreement" is established at that time for each *product* on the terms set out, or referred to, in the *letter of offer*.

The terms of our banking agreement apply to each access or use of the *product* including any access or use of the *product* through our *electronic banking services*, by you or any *authorised person*. If you or an *authorised person* does not agree with the terms of our banking agreement, you or they should not carry out the transaction or access any *account*. You are responsible for ensuring that each *authorised person* complies with our banking agreement and for anything an *authorised person* does in connection with our banking agreement. You must ensure that each *authorised person* is given a copy of the terms that apply to any *product* they use and this Client terms.

1.5 If you are not a resident of Hong Kong, additional terms and conditions may apply as notified by us at any time.

1.6 Transactions with any of our offices or group of companies outside Hong Kong are not protected by Hong Kong law.

1.7 A reference to terms and conditions by any name in forms, statements, brochures and

other documents we provide is a reference to the relevant terms contained in our banking agreement. These Client terms replace all earlier general terms and conditions relating to banking services except where we advise you otherwise.

#### 1.8 If there is any inconsistency between:

- these Client terms and any specific terms (such as the *product terms* or any *letter of offer*), the specific terms prevail; and
- the English version of our banking agreement and any translations, the English version prevails. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.

### 2. Pre-conditions to use of any product

We need not provide any funds to you or otherwise allow you to access or use a *product* or our *electronic banking services* if:

- we consider you may be in *default*;
- you have not satisfied any pre-conditions to use set out in our *approval*, our *letter of offer*, the applicable *product terms*, elsewhere in our banking agreement or as we notify you at any time;
- you have not given us the *security* (if any) we require in addition to the *security* set out in Part I (Security);
- we consider that you or any *security provider* may not be able to satisfy your obligations to us under our banking agreement or any *security*. We may determine this is the case if, for example, there has been a change in your or a *security provider*'s financial position since the date of your *application*;
- we advise you that funds can only be provided or the *product* can only be used during a specified period (called the availability period), and that period has expired;
- your request for funds exceeds the applicable limit;
- you have not provided us with all other documents and information we reasonably request;
- it is illegal in your country to use encryption devices or software to secure communications over the internet;
- you trade in rough diamonds
- you or any *security provider* give us any incorrect, incomplete or misleading information or make an incorrect or misleading representation or warranty.

In addition, for some *products* we need not provide funds to you or otherwise allow you to use the *product* in any manner, including through our *electronic banking services*, if, in our absolute discretion, we decide not to do so (see the applicable *product terms*).

### 3. Review

We may review the terms of our banking agreement (including the *product terms* and your conduct under our banking agreement) annually or at any time. Even if there is no *default*, we may (subject to applicable law), at any time:

- terminate or cancel our banking agreement;
- vary any limit or interest rate applying to the *product* or vary the term of the *product*;
- require additional *security*;
- otherwise vary the terms of our banking agreement.

If we vary these Client terms we will post the amended terms at our website. You should check the foregoing website frequently.

## Part B - Operating accounts

### 4. Authority

#### Account operating authority

4.1 When you apply for a *product*, you must give us *account* operating authority details:

- for all *authorised persons*; and
- for joint *accounts*, the method of operation (either, any one accountholder to give instructions or all accountholders to give instructions jointly). If no method of operation is specified, any one accountholder may operate the *account*.

If on a joint *account* you require more than one accountholder to sign, then you will be able to view (but not give instructions on) the *account* using an *electronic banking service* if each relevant accountholder approves the relevant access.

4.2 We act on the *account* operating authority until you vary (by removing or adding *authorised persons*) or cancel it. If you want to vary the account operating authority by changing either the *authorised persons* or the method of operation, or cancel the *account* operating authority, you must give instructions in writing to us. On receipt of the instructions, we vary or cancel the account operating authority. The variation or cancellation becomes effective within 7 banking days after we accept your instructions. We may continue to act on the existing *account* operating authority until the variation or cancellation becomes effective.

4.3 We honour for payment all cheques and other instruments signed in accordance with the previous authority if they are dated before, but presented after, we have processed the instructions.

4.4 We rely on any instructions given by an *authorised person* in accordance with the *account* operating authority.

4.5 If you or an *authorised person* sign only using a name chop but a *product* requires a handwritten signature you or the *authorised person* must provide us with a specimen of your or their handwritten signature and it becomes your or their signature for all *products* and *accounts*.

4.6 We may act on instructions confirmed by a name chop or signature that matches any name chop or specimen signature in our records about you or an *authorised person*.

#### Scope of account operating authority

4.7 Except to the extent you may limit the authority of an *authorised person* each *authorised person* may act on the *account*. Depending on the *product*, an *authorised person* may:

- draw cheques;
- overdraw to any extent permitted by us;
- withdraw money in any manner;
- give and cancel authorities in our usual form for periodical payments;
- stop a payment of a cheque drawn on the *account*;
- access and operate the *account* using an *electronic banking service* in accordance with our banking agreement;
- obtain statements of *account* and any information required concerning the *accounts* generally;
- obtain cheque books and endorse cheques or other instruments payable to your order or if it is a joint *account*, payable to any one or more of you; and
- elect on your behalf to receive *eStatements/eAdvises* and notices electronically (instead of by mail), and cancel that election.

#### Conducting an account in joint names

4.8 Unless otherwise agreed with us when a joint *account* is opened:

- operations on the *account* are governed by the *account* operating authority;
- we need not enquire into the circumstances of any instructions any of you may give in relation to the conduct of the *account*;
- we are authorised to accept for credit of the joint *account*, any cheque or other instrument payable to one or more of you;
- each of you is liable to us jointly and separately for the *balance owing* (including if we permit an overdrawning);
- If the *account* operating authority is “single signing authority” and any one accountholder instructs us to stop accepting instructions from any other accountholder, or different accountholders give us conflicting instructions, we may suspend the operations on the *account* until we receive confirmation from all accountholders;
- if the *account* operating authority is “single signing authority” and we are notified that an accountholder becomes *insolvent* or incapacitated, we may suspend operation of the *account* until we are satisfied that all other accountholders are aware of the circumstances and the legal representatives of the affected accountholder has provided us with the information we require to resume operations on the *account*;
- if the *account* operating authority is “both/all to sign” and we are notified that an accountholder becomes *insolvent* or incapacitated, we may accept instructions only from the affected accountholder’s legal representative and all other accountholders; and
- if one of you dies, the surviving accountholder may give instructions and obtains title to the *account*, subject to any applicable law.

4.9 If one joint accountholder dies, the obligations of the surviving accountholder and our rights (including set off) under our banking agreement are not affected.

## 5. Instructions

### Authorisation

5.1 You authorise us to act on instructions from you or any *authorised person* (including any instructions we believe to have been given by you or an *authorised person*). You acknowledge that for *electronic banking services*, we may require use of a *security code* and use of a *security code* is evidence that the instruction is authorised by you or an *authorised person*. However, also see clause 18 (Liability for transactions).

### Form of instructions

5.2 You agree that the use of *security codes* is adequate identification of you. We are entitled to act on instructions (provided using the *security codes*) without obtaining any further written or other confirmation from you. You agree that we will not be liable for taking such action unless you had notified us before such unauthorised instructions were given to us that your *security codes* are or might be known to someone else.

5.3 Instructions must be given in writing. However, we may accept instructions by telephone, fax or through any *electronic banking service*, subject to execution and provision of any documents we may require.

You are responsible for ensuring the timeliness, accuracy, adequacy and completeness of all instructions given by you. We will not be liable for any *loss* or damage as a result of:

- your instructions to pay or transfer funds being late, inaccurate, inadequate or incomplete; or
- any third party failing, refusing or delaying to pay or transfer the funds to the *account* of the intended payee.

We are not obliged to verify the accuracy, adequacy, and completeness of your instructions.

5.4 You acknowledge that email is not a completely reliable or secure method of communication. You must not use it to send us:

- notices in connection with any of our banking agreements; or

- sensitive communications, such as payment instructions. Payment instructions should be sent through the *electronic banking service* connected to your *account*.

5.5 You acknowledge that all instructions given (and our records of those instructions) in electronic form are original documents in writing. You agree not to challenge their validity, admissibility or enforceability on the basis they are in electronic form.

5.6 You must ensure your *account* has sufficient funds for the purposes of giving instructions to us.

5.7 All instructions cannot be reversed and are binding on you.

5.8 When we receive a transaction instruction from you, we will debit any payment plus any charges payable for the transaction from your *account*.

5.9 Contact us if you need to confirm that an instruction has reached us and that it will be carried out by a particular time.

5.10 We will be deemed to have received or executed your instruction only when you have received our confirmation that we have received or executed such instructions.

#### How we may act

5.11 We may:

- act on incomplete or unclear instructions if we reasonably believe we can correct the information without referring to you or an *authorised person*. Otherwise, we may refuse to act on incomplete or unclear instructions;
- act on instructions which conflict with each other and determine the order of acting if multiple instructions are received;
- specify conditions on which we accept any instructions;
- verify any instruction we receive by contacting you;
- require written confirmation from you of a particular instruction;
- We may reverse any action taken on the basis of an instruction if our internal checks indicate that the instruction was not from you. We will not be responsible for any *loss* to you that results from such reversal;
- act in accordance with our usual business practice and procedure and we need only accept instructions if we consider it reasonable and practicable to do so.

For example, we may refuse to act if an instruction may involve a breach of our policy, any *security* procedure or any law or requirement of any authority (including any economic and trade sanctions imposed by any regulator in any jurisdiction where we operate in or by any supranational organisation, official body including, but not limited to, Her Majesty's Treasury, the United Nations, the European Union or any country), result in an *account* being overdrawn, appears to conflict with another instruction from a joint account holder or if we genuinely believe or suspect the instruction is unauthorised.

5.12 We may not execute your instructions, and will not be responsible for any *loss* resulting from such non-execution, if on the stipulated date of execution:

- there are insufficient funds in your *account* to execute your instructions; or
- your *account* does not contain sufficient funds to pay any charges, fees, interest or other sums that may be payable by you to us;
- you did not correctly use the *electronic banking services*;
- *circumstances beyond our control* prevent your instructions from being carried out despite reasonable precautions taken by us;
- the funds you instruct us to transfer or pay exceeds your personalised daily transfer limit or the category limit imposed on your *account*, whichever is lower;
- your *account* or any funds in your *account* have been put on hold;
- an order of court or any applicable law prohibits us from carrying out your instructions;
- our policy, *security* procedure or requirement of any authority (including any economic

and trade sanctions imposed by any regulator in any jurisdiction where we operate in or by any supranational organisation, official body including, but not limited to, Her Majesty's Treasury, the United Nations, the European Union or any country) prohibits us from carrying out your instructions; or

- your *account* is closed, frozen or inaccessible for any reason.

5.13 We may impose a service charge on unsuccessful *applications* to transfer funds or pay bills in the event this is due to the circumstances set out in the first 2 sub-points of clause 5.11 above. You will also be responsible for any charges imposed, or any other action taken, by a receiving bank or payee or an intended receiving bank or payee if any of the circumstances in clause 5.11 apply.

### Payment instructions

5.14 You authorise us and each member of the *Standard Chartered Group* to act as the instructing financial institution to send your payment instructions (for example a cheque, traveller's cheque, money order or other similar instrument). You also authorise us or any third party who receives the payment instructions to act on them as if you had sent the payment instructions directly to them.

### Inability to process

5.15 If we cannot process your instructions, we will, where possible, attempt to notify you of this.

### Timing

5.16 If we receive an instruction on a non-business day or after our "cut-off time" for a *product*, we may treat it as having been received on the next business day.

### Stopping or reversing a transaction

5.17 If we are instructed in writing to stop or reverse a transaction, we will attempt to do so. However, we are not liable for any *loss* you incur if we cannot do so. You will pay us for any *costs* we may reasonably incur in trying to stop or reverse a transaction.

### Risks

5.18 You acknowledge and accept the risks of giving instructions by telephone, fax or through any *electronic banking service* (including the risk of technical malfunction in your or our *electronic equipment*, the risk of any instructions being unauthorised or given by an unauthorised person, the risk that we may process instructions twice if you send the same instructions to us in different forms and the risk that any information sent by *electronic banking services* cannot be guaranteed to be secure or free from virus, delay or any other third party attacks). In particular, we will not be responsible for wrongful instructions caused by malware in your computer or device; or man-in-the-middle attacks).

### Instructions from us

5.19 You and each *authorised person* must follow our instructions in connection with accessing or using a *product* and comply with all applicable laws.

## 6. Account overdrawning

6.1 If you or an *authorised person* makes any withdrawal, payment or other transaction on an *account* (including by cheque or use of a *card* or *electronic banking service*) or any other debit is made to the *account* which would result in:

- a debit (or negative) balance in the *account*; or
- any agreed overdraft limit applying to the *account* under a line of credit or other loan facility being exceeded,

this is known as overdrawing the *account*.

6.2 We need not:

- accept any instruction or allow any withdrawal or transaction or honour any cheque or other instrument drawn on an *account*, which would cause an *account* to be overdrawn; or

- transfer funds from any other *account* to the overdrawn *account* in order to effect the withdrawal or transaction.

6.3 We may (but need not) allow an *account* to be overdrawn (even if no request has been made for an overdraft) if we believe that an overdraft is necessary for us to carry out instructions from you or an *authorised person*.

6.4 If we allow an *account* to be overdrawn:

- this only applies for that particular instruction and this does not mean that we will allow a similar overdraft in the future;
- the amount by which the *account* is overdrawn is treated as an advance by us to you and you owe us a debt equal to that amount;
- when we ask, you must repay that advance and any interest which is calculated in accordance with our usual practice and at the interest rate that we notify to you.

## 7. Notices and communications

### Contact information

7.1 You must give us in writing or by any other means we specify your address, telephone, fax number, email address and *mobile phone number* for receipt of notices and other communications in connection with our banking agreement. If these details change you must give us reasonable advance notice in writing or other manner we specify before the change has taken place.

### Form of notices and communications

7.2 Unless otherwise provided in our banking agreement, notices and communications shall be sent to the address, telephone number, fax number, email address or mobile phone number you have last notified us. In cases where we consider appropriate, we will (and you authorise us to) send notices and communications to you in connection with our banking agreement electronically, including by fax, email, SMS or via the *online banking inbox*, unless you instruct us otherwise. If you do not intend to receive our notices and communications in electronic format, you shall notify us.

7.3 In some cases, our notices and communications may be made as public announcements in daily newspapers, posted at any of our branches or on our website.

### When notices and communications to you are effective

7.4 Unless otherwise provided in our banking agreement, our notices and communications to you are effective:

- if sent by fax, at the time shown on the transmission report as being successfully sent;
- if delivered personally, at the time of delivery;
- if sent by post within Hong Kong, 2 days after posting;
- if sent by post outside Hong Kong, 7 days after posting;
- if sent by email or *SMS*, 4 hours after we send it unless we receive a delivery failure receipt;
- if delivered via the *online banking inbox*, 24 hours after we send it; and
- if published in daily newspapers, posted at any of our branches, our *ATMs* or on our website, at the time of publication or posting.

### When notices and communications to us are effective

7.5 Your communications are effective when we actually receive them in legible form.

7.6 You should give us any other formal notice in connection with the *electronic banking services* in writing to any of our branches in the country where you maintain an *account*.

### Recording of telephone conversations

7.7 Subject to any applicable law, you consent to us recording our telephone conversations with you or an *authorised person* (and you confirm you are authorised to provide consent

on behalf of the *authorised person*). We may inform that person when we do. We may use the recorded conversations or transcripts in any dispute in connection with our banking agreement.

### Digital signatures

- 7.8 Instructions and communications digitally signed and supported by a digital certificate will have the same validity, admissibility and enforceability as if signed in writing.
- 7.9 Any communication that is digitally signed must comply with any applicable law.

### Electronic contracts

- 7.10 You are satisfied that electronically executed contracts are enforceable despite the legal risks associated with them.
- 7.11 You must not dispute the contents of any communication (including any *application*) sent to us using *electronic equipment*.

### Notices and Communications to joint accountholders

- 7.12 If you are joint accountholders, communications (including notice of any variation to our banking agreement and any statements (including any *consolidated statements*)) sent to the address you have notified us as the address for receipt of notices and other communications in connection with our banking agreement are taken to be given to all of you.
- 7.13 All communications, including communications through the *electronic banking services*, which meet our internal requirements shall be deemed to be valid, accurate and authentic.

## Part C - Electronic banking

### 8. What is electronic banking?

#### Overview

- 8.1 *Electronic banking services* are a range of banking and other services or facilities that use *electronic equipment* and include the following:
  - *online banking*
  - *ATM and debit card services*
  - *phone banking*
  - Banking services provided via cash deposit machines
  - *SMS banking*
  - *electronic alert*
  - *mobile banking*
  - *fund transfer services*
  - *point of sale banking*
  - *eStatements/eAdvises*
  - other e-commerce or value added services.

Please contact us for details of the *electronic banking services* available to you.

#### Using electronic equipment

- 8.2 When a transaction is made with *electronic equipment* using a *security code*, you authorise us to act on the instructions entered into that *electronic equipment*.

We treat use of a *security code* as evidence that you or an *authorised person* issued the instructions (see clause 5 for more details).

#### Problems with instructions

- 8.3 If it is not possible to direct an electronic banking service to a specified *account* in

accordance with the instructions you or an *authorised person* gives through the *electronic equipment*, we may direct it to any *account* that is linked to a *security code*.

## 9. Using electronic banking services

### Availability

9.1 *Electronic banking services*, and certain facilities under the *electronic banking services*, may be available only for certain types of *accounts or products* and not others. You accept that there are certain facilities and services that cannot be accessed through our *electronic banking services*.

### Eligibility

9.2 You and each *authorised person* must be at least 18 years of age to use *electronic banking services*. However, if we permit you or an *authorised person* to use *electronic banking services* even though you or they are below 18 years of age, this does not affect our rights under our banking agreement.

### Preconditions to use

9.3 We only make an *electronic banking service* available if:

- you are recorded as the legal and beneficial owner of an *account* and use of the electronic banking service in respect of such *account* is acceptable to us;
- you have registered our *electronic banking service*. Contact us to arrange this; and
- you and each *authorised person* has complied with the activation procedures we specify.

### Guidelines

9.4 If we issue any guidelines in connection with the use of any *electronic banking services*, the guidelines must be followed whenever anyone accesses or uses the *electronic banking service*. We are not liable for any loss you incur as a result of any failure to do so.

### Limits

9.5 *Electronic banking services* may be limited to specific amounts set by law or by us or by the owner or operator of the *electronic equipment*. For example, there are maximum and minimum daily withdrawal amounts that may vary.

### Application of terms

9.6 These terms apply to your use of an *electronic banking service* whenever you subscribe for the *electronic banking service* even if you subscribe after you begin to use a *product*.

9.7 All terms and conditions and related information of the products and services applied and accessed through electronic banking will be available in electronic format and can be downloaded from electronic banking.

### Joint accounts

9.8 If the *account* operating authority for a joint *account* is "both/all to sign", you agree that each joint accountholder is taken to be subscribing to the *electronic banking services*, and access to the *electronic banking services* is restricted to viewing of information only and not conducting transactions.

9.9 If the operating authority for a joint *account* is single signing authority, you agree that:

- all joint accountholders may operate the *account* using the *electronic banking services* in accordance with these Client terms (even if you are not registered to use the relevant *electronic banking services*); and
- any single joint accountholder may validly give instructions by the *electronic banking services* in connection with that *account*.

### Operating times and availability

9.10 The *electronic banking services* will usually be available for use during normal operating hours or at the times set out in any applicable guidelines or otherwise notified to you. However, routine maintenance requirements, excess demand on the systems and

*circumstances beyond our control* may mean it is not always possible for the *electronic banking services* to be available during all normal operating hours, which you accept.

9.11 The availability and proper functioning of *electronic banking services* depends on many variable circumstances, including location, mobile network and internet availability, signal strength, and proper functioning of hardware, software, your mobile network operator, mobile phone and computer.

### Software compatibility

9.12 When you use our *electronic banking services* we may provide *your system* with *electronic banking software* which may be needed for you to operate such *electronic banking services*. Alternatively, the *electronic banking software* may be supplied to you in some other way. It is your responsibility to ensure that the *electronic banking software*, if supplied to you, is compatible with *your system*. We shall not be responsible for any *loss* or damage you suffer as a result of any incompatibility between the *electronic banking software* and *your system*.

### Ownership rights in connection with the electronic banking software and other information

9.13 If supplied, you will have a non-exclusive, non-transferable, temporary licence to use the *electronic banking software* only for the purpose of accessing the *electronic banking services*. The *electronic banking software* contains valuable information that belongs to us or others. You must not transfer, modify or tamper in any way with the *electronic banking software*. You must not use the *electronic banking software* except in connection with accessing our *electronic banking services*; must not take copies, sell, assign, lease, sub-license or otherwise transfer them to any third party; or must not try to decompile, reverse engineer, input or compile any of the *electronic banking software*.

9.14 You are responsible for complying with the local laws of the country from which you use the *electronic banking software*.

### Access

9.15 When you uses *electronic banking services* you or they must:

- not access the *electronic banking services* using any *electronic equipment* not owned by you or them or which you or they are not licensed or authorised to use; and
- take all reasonably practical measures to ensure that any *electronic equipment* from which you or they access the *electronic banking services* is free of and adequately protected against any computer virus or other malicious software.
- As the *electronic banking services* can be accessed through the internet, other communication channels or, as the case may be, public systems over which we have no control, we will not be responsible for any *loss* or damage suffered by you or them as a result of any computer viruses, Trojan horses, worms, software bombs, malware or similar processes arising from your use of the *electronic banking services* through the internet or those other communication channels or public systems.

### Unauthorised overdrafts

9.16 You cannot rely on the operation of the *electronic banking services* to prevent an unauthorised overdraft being created. In particular, you must remember that cheques and any payment instructions you or an *authorised person* has given using the *electronic banking services* may not be given immediate value or immediate effect and might not always be immediately reflected in the *balance owing*.

9.17 You must not use the *electronic banking services* to create an unauthorised overdraft on *your account* and we are entitled to refuse to accept any instruction that would do so. If an unauthorised overdraft is created, we may take any action we think fit and charge any interest and charges to the *account* in question.

### Phone banking

9.18 When using phone banking, if you ask and we quote any exchange rate or interest rate to you, the rates are for your reference only and are not binding on us unless we subsequently confirm the rates in writing.

9.19 You must ensure your *account* has sufficient funds for the purposes of giving instructions using phone banking.

#### **Information provided at ATMs not conclusive**

9.20 Information provided at ATMs in connection with your *account* (such as your credit or debit balance) may not reflect the *balance owing* at that time.

#### **Electronic alerts**

9.21 The *electronic alerts* available are:

<b>Alert type</b>	<b>Description</b>
<i>SMS</i> alerts - automatic alerts	No prior subscription required.
<i>SMS</i> alerts - subscriber alerts	You must subscribe and select the types of <i>SMS</i> alerts which you wish to receive.
Email alerts - automatic alerts	No prior subscription required.
Email alerts - subscriber alerts	You must subscribe and select the types of email alerts which you wish to receive.

9.22 We may vary the types of *electronic alerts* available without notice to you. They are sent only when available and practicable.

9.23 We will send the *electronic alerts* to either your *mobile phone number* or an email address you provide. In the event you want to make any changes to your mandatory alerts, this must be done by through our contact centre.

9.24 To receive *electronic alerts* you will need to select and set the *preferences* through a Standard Chartered ATM by logging into your *online banking account* or by submitting an *application* in the prescribed format.

#### **Availability**

9.25 The availability and proper functioning of *electronic banking services* depends on many variable circumstances, including location, mobile network and internet availability and signal strength, and proper functioning of hardware, software, your mobile network operator, mobile phone and computer.

#### **Suspension**

9.26 We may suspend any *electronic banking service* temporarily at any time for maintenance and upgrading of services.

#### **Fees and charges**

9.27 We may charge you fees and charges for the *electronic banking services*. We can change these fees and charges by giving you at least 30 days' notice. If we give you such a notice, you will not have to pay any proposed increase as long as you cancel your use of the electronic banking service during the notice period. However, your continued use of the electronic banking service after the notice period shall be conclusively deemed to be your acceptance of such changed fees and charges.

9.28 In addition to any fees and *costs* you must pay us, you must pay any fees or charges imposed by the provider of the *electronic equipment* and your telecommunications provider for using the *electronic banking services*.

#### **Variations**

9.29 We may at any time:

- vary the way any *electronic banking service* operates; or
- add to, remove or otherwise vary, end or suspend any of the facilities available under any *electronic banking service*.

You and each *authorised person* are taken to be bound by any variation to the operation of an *electronic banking service* if you or they continue to access the *electronic banking service*

after we notify you of the variation.

### **Ownership of software**

9.30 If we allow you to use any *electronic banking service* software, we grant you a non-exclusive licence to use the electronic banking service software only for the purpose of accessing *electronic banking services*. The electronic banking service software is valuable property which belongs to us or others.

9.31 You must not:

- take copies, sell, assign, transfer or otherwise deal with the *electronic banking service software* or your licence to use it; or
- attempt to decompile, reverse engineer, input or compile any of the *electronic banking service software*.

9.32 If you access *electronic banking services* in a country other than Hong Kong you must comply with the laws of the other country including obtaining any licence you need to take the electronic banking service software into or out of the country.

### **10. Mobile and SMS banking**

10.1 We may restrict access to *mobile banking* and *SMS banking*. For example for some *products* we may not offer it to accountholders or *cardholders* who are minors or joint accountholders.

10.2 *Mobile banking* and *SMS banking* are only available for mobile phones and similar devices with data connections which meet the specifications and configurations we specify. You must obtain and maintain a mobile phone and data connection which meet these requirements at your own expense.

10.3 You may have to apply to us for use of *mobile banking* or *SMS banking* by *online banking* or by any other method as stipulated by us.

10.4 We may take up to a maximum of 7 business days from the date of receipt of your *application* to activate *mobile banking* and *SMS banking*.

10.5 Any transaction made through your *mobile banking user ID* shall be deemed to have originated from you if the correct login password was submitted.

10.6 The *mobile app* and the information or materials obtained via the *mobile app* and *mobile banking* are granted to you by us for your sole use on a non-exclusive and non-transferable basis.

10.7 *Mobile banking* and *SMS banking* are available to you only if you are within the cellular or mobile network service range of the particular cellular or network service provider providing services to you. We are not responsible for your inability to use *mobile banking* and/or *SMS banking* if you are not within such network service range.

10.8 You agree to pay us and any third party telecommunication providers all applicable rates and charges related to your use of *mobile banking* or *SMS banking*, and we shall debit from your *account* any unpaid rates and charges.

10.9 We may change the layout, form and wording of any of our *mobile apps* or screens and in particular, those on which our *mobile banking* is provided.

### **Setting preferences and receiving alerts**

10.10 We may not give effect to any *preferences* if we have reason to suspect that the *preferences* are not genuine, are improper or unclear.

10.11 Your *mobile phone number* and *email account* must be active and accessible to receive *electronic alerts*. You acknowledge that if your *mobile phone number* or *email account* remains inaccessible for a continuous period, you may not receive *electronic alerts* sent during such period.

Mobile and *SMS banking* are dependent on the infrastructure, connectivity and services provided by service providers engaged by us or you. You therefore accept that timeliness, accuracy, and/or readability of *electronic alerts* will depend in part on these third party service providers. We are not responsible for non-delivery or delayed delivery, error, loss

or distortion in transmission of *electronic alerts* if this is due to the fault of such service providers.

## 11. Fund transfer services by electronic banking services

11.1 This clause 11 applies only if the respective services are available under the *fund transfer services* for your type of *product*.

11.2 You and each *authorised person* may use *electronic banking services* to access the following services for the purposes set out below:

Name of service	Purpose
Interbank funds transfer service	To instruct us to transfer funds from a <i>source account</i> to a <i>specified account</i> with another bank in Hong Kong.
Own account funds transfer service	To instruct us to transfer funds between <i>accounts</i> . This service may only be used where all named accountholders are identical across the <i>accounts</i> but excluding <i>accounts</i> which are known to us to be held by you in different capacities including trust <i>accounts</i> or estate <i>accounts</i> .
Bill payment service	To instruct us to transfer funds for payments from a <i>source account</i> to a <i>specified payee</i> .
Third party intrabank funds transfer service	You and each <i>authorised person</i> may use the third party intrabank funds transfer service to instruct us to transfer funds from a <i>source account</i> to a <i>specified account</i> with us which is held in the name of any one or more accountholders which is different from those in the <i>source account</i> , or an <i>account</i> known to us to be held by you in different capacities.
International telegraphic transfer service	To instruct us to transfer funds from a <i>source account</i> to a <i>specified account</i> with a bank in another country.
Transfer between <i>account</i> and Mobile Wallet	To instruct us to transfer funds from a <i>source account</i> to an electronic <i>account</i> accessed through a mobile phone that can be used to store and transfer value.

### Fund transfer limits

11.3 We reserve the right to select the agent, where necessary, to effect the remittance to places where we do not have a presence.

11.4 Encashment of the remittance is subject to our internal policies and guidelines as well as the laws and regulations of the country where encashment is to be made. In this respect, you must comply with all anti-money laundering and anti-terrorism laws. Neither we nor the agents are responsible for any loss or delay caused by such laws and regulations.

11.5 If you require a refund of the remittance amount, we refund you at the prevailing buying rate for the relevant currency less all charges and expenses.

11.6 We will determine the order of priority in executing your instructions to transfer funds and any other existing arrangements or instructions you may have made with or given to us.

11.7 We cannot guarantee the time at which the receiving banks will credit the *account* of your payees. You are responsible for initiating your transfer instruction to us sufficiently in advance of the due date of your transfer to avoid incurring a finance charge or other charges.

11.8 The rate of exchange applying to each electronic fund transfer transaction is our prevailing rate of exchange for the relevant currencies at the time that such transaction is processed, and not at the time the instruction is entered by you. You must indemnify us for any shortfall arising from such conversion.

11.9 If you use any of our funds transfer services:

- You must register each recipient using *online banking* before you may make an online

funds transfer to the recipient. You are solely responsible to ensure that all the information provided with respect to the online funds transfer is true and accurate; and

- The rate of exchange apply to each online funds transfer is our prevailing rate of exchange for the relevant currencies at the time the online funds transfer is processed, and not at the time the instruction is entered by you.

11.10 We will not be liable for any *loss* incurred as a result of you not complying with any of your obligations or responsibilities with respect to our fund transfer service.

We reserve the right to revise all funds transfer charges with reasonable notice.

11.11 You and each *authorised person* may issue as many instructions to transfer funds in any one day as you wish. However, you and each *authorised person* may only issue instructions to transfer up to the category or personalised limit per day.

11.12 The category daily limit may differ for different types of fund transfers and different types of *accounts*. The limits may also be applied on an aggregated basis between differing *fund transfer services*. For details of the category limits, see our website.

11.13 You may lower certain limits for *accounts* by *online banking*. Your personalised limit will apply to all *accounts*.

11.14 If you want to increase the limit after lowering it (subject always to the ceiling of the preset daily limit) you may do so online as set out on our website. Alternatively, please contact us.

11.15 Each International Telegraphic Transfer Service transaction is subject to minimum and maximum transfer amounts per transaction, as set out on our website.

### **Bill payment services**

11.16 If you use the bill payment services, we may give reports to payees, listing all users of the *electronic banking services* who have made payments to that payee and the respective amounts paid by each of those users. You consent to us to disclosing to the payee any information required in the reports.

11.17 We may provide a report on a daily or other regular basis to all payees. This report will list out all the users of the bill payment services who have made payments to that payee and the respective amounts paid by each of those users to that payee.

11.18 Neither you nor any *authorised person* may issue instructions that will cause any limit we set for the bill payment services to be exceeded.

11.19 Payees may only receive payments after any minimum processing time we set.

### **International Telegraphic Transfer Service**

11.20 If you or an *authorised person* uses the International Telegraphic Transfer Service:

- you or they must register each recipient using *online banking* before you or they may make an *online telegraphic transfer* to that recipient. Once a recipient has been registered, you are solely responsible to update any changes to the recipient's particulars (excluding name or identity particulars) by the *electronic banking services*. We are not liable for any *loss* which may result if you fail to update the recipient's particulars before making an *online telegraphic transfer*; and
- the rate of exchange applying to each *online telegraphic transfer* is our prevailing rate of exchange for the relevant currencies at the time that the *online telegraphic transfer* is processed, and not at the time the instruction is entered by you or the *authorised person*.

### **When we need not execute fund transfer instructions**

11.21 We need not execute any fund transfer instruction if on the date set for effecting the fund transfer:

- the *source account* does not contain sufficient funds to make the fund transfer;
- you or an *authorised person* did not correctly use the *electronic banking services*;
- an order of court or any applicable law prohibits us from executing the fund transfer instructions;

- our policy, security procedure or requirement of any authority (including any economic and trade sanctions imposed by any regulator in any jurisdiction where we operate in or by any supranational organisation, official body including, but not limited to, Her Majesty's Treasury, the United Nations, the European Union or any country) prohibits us from executing the fund transfer instructions; or
- *circumstances beyond our control* prevent the fund transfer from being carried out, despite reasonable precautions taken by us.

## 12. Banking Services relating to Faster Payment System

### 12.1 Banking Services relating to Faster Payment System

(a) We provide the FPS Services to you to facilitate payments and funds transfers using the Faster Payment System. The Faster Payment System is provided and operated by HKICL. The FPS Services are therefore subject to the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time. This clause governs our provision to you and your use of FPS Services. The FPS Services form part of our banking services. This clause supplements and forms part of our *Existing terms*. The provisions of the *Existing terms* continue to apply to the FPS Services to the extent that they are relevant and not inconsistent with the provisions in this clause. Unless otherwise specified, the provisions of this clause prevail if there is any inconsistency between them and the provisions of the *Existing terms* with respect to the FPS Services.

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

(c) In this clause, the following terms have the following meanings:

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

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

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

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

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

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

**“HKICL”** means Hong Kong Interbank Clearing Limited and its successors and assigns.

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

**“Hong Kong”** means the Hong Kong Special Administrative Region of the People's Republic of China.

**“Participant”** means a participant of HKICL FPS which may be a bank or other financial

institution, a retail payment system operator, a licensed stored value facility, or any other person accepted by HKICL as a participant of HKICL FPS from time to time.

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

**“QR Code Services”** means the QR code and the associated payment and funds transfer services provided by us to you from time to time.

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

**“you”** and **“your”** means each customer to whom we provide FPS Services and, where the context permits, includes any person authorised by the client to give instructions or requests to us in connection with the use of the FPS Services.

**“we”, “us”** and **“our”** means Standard Chartered Bank (Hong Kong) Limited and its successors and assigns.

## 12.2 Scope of FPS Services and conditions for use

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

## 12.3 Addressing Service - registration and amendment of Proxy ID and related records

- (a) In order to use the Addressing Service to receive payment or funds transfer using HKICL FPS, you have to register your Proxy ID in the HKICL FPS. We have discretion as to whether to offer the FPS Identifier as Proxy ID to you.
- (b) We provide Addressing Service via mobile banking or other device linked to our system by any means (among other things).
- (c) Registration and amendment of Proxy ID and related records in the HKICL FPS must be done in accordance with the applicable rules, guidelines and procedures imposed by HKICL from time to time. In order to enable us to register or amend Proxy ID or any related records for you, you have to provide or input the necessary information and complete the registration process by such means or in such manner prescribed by us from time to time.

(d) At any time where the same Proxy ID is registered by you for more than one account (whether maintained with us or with any other Participant), you must set one account as the Default Account. By instructing us to set or change the Default Account for you, you consent and authorise us to submit the request on your behalf to HKICL FPS to override the existing Default Account registered in HKICL FPS.

#### 12.4 eDDA Service

In order to enable us to handle a request for you in relation to eDDA setup, you have to provide or input the necessary information and complete the process by such means or in such manner prescribed by us from time to time. The prescribed process may include requiring the relevant parties to set up the eDDA using their respective account numbers or customer identification numbers or codes. For the avoidance of doubt, a Proxy ID is not intended for verifying eDDA setup. Any amendment of a Proxy ID and the related records or termination of a Proxy ID after an eDDA setup will not affect that eDDA. For the subsequent changes including but not limited to amendment, cancellation, suspension or reactivation received from the payee Participant, we will proceed the changes without further notification to you.

#### 12.5 Your responsibility

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

You can only register your own Proxy ID for your own accounts or set up eDDA for your own accounts. You must be the present genuine owner or authorised user of each Proxy ID and each account provided to us for registration in the Addressing Service and the eDDA Service. By instructing us to register any Proxy ID or any account for you in relation to the Faster Payment System, you confirm that you are the present genuine owner or authorised user of the relevant Proxy ID or account. This is particularly important for mobile phone numbers as they may be recycled in Hong Kong.

##### (b) Proxy ID

Any Proxy ID to be registered by you for the Addressing Service must satisfy any applicable requirements imposed by HKICL from time to time. For example, HKICL may require the mobile phone number or email address to be registered as Proxy ID to be the same number or address registered by you as contact information on our records at the relevant time.

##### (c) Correct information

- (i) You have to ensure that all the information provided by you for registration or amendment of Proxy ID (or any related records) or for any eDDA setup is correct, complete, up-to-date and not misleading. You have to notify us as soon as reasonably practicable of any changes or updates to such information by such means or in such manner specified by us from time to time.
- (ii) You are fully responsible for using the correct and up-to-date Proxy ID and related records in giving each payment or funds transfer instruction. You are solely liable for and will hold us harmless from any incorrect payment or transfer effected by us and HKICL FPS due to incorrect or outdated Proxy ID or related records.

##### (d) Timely updates

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

##### (e) Change of Default Account

If an account is terminated as the Default Account by you or by the relevant Participant for any reason (including suspension or termination of the account), the system of HKICL will automatically assign the most recently registered record in the Addressing

Service that is associated with the same Proxy ID to be the Default Account. If you wish to set another account as the Default Account, you have to change the registration through the Participant where you maintain that other account.

(f) Transactions binding on you

- (i) For any payment or funds transfer, once you confirm the details of a transaction and submit instruction to us, such instruction and any resulting transaction is final, irrevocable and binding on you.
- (ii) For any Proxy ID registration or eDDA setup, once you submit an instruction to us, such instruction is irrevocable and binding on you. You may amend or cancel any Proxy ID or eDDA setup in accordance with the procedures and requirements prescribed by us from time to time.

(g) Use FPS Services responsibly

You must use the FPS Services in a responsible manner. In particular, you have to comply with the following obligations:

- (i) You must comply with all Regulatory Requirements that govern your use of the FPS Services, including collecting, using and handling the personal data and other information relating to any other person in compliance with the Regulatory Requirements protecting data privacy. You must not use the FPS Services for any unlawful purposes or any purposes other than those authorised or contemplated in the rules, guidelines and procedures of HKICL.
- (ii) In sending remarks or messages to be displayed to recipients or counterparties of your payment or funds transfer instructions or eDDA setup using HKICL FPS, you should mask the name or other data of such recipients or counterparties to prevent unauthorised display or disclosure of any personal data or confidential data.
- (iii) If we offer the FPS Identifier as Proxy ID to you, you should not repeatedly cancel the registration and request for generation of another FPS Identifier in an attempt to generate a number or value that you desire.

(h) Other obligations regarding payments and funds transfers

- (i) In giving instructions to make payments or effect transactions, you agree to take reasonably practicable steps to safeguard your own interest, money and assets from fraud or other illegal activities. You are responsible to check whether the payment recipient and the transaction are real and trustworthy in each case and exercise sound judgement. To help you stay vigilant against frauds, scams and deceptions, we will send risk alerts based on the risk warnings, messages and indicators received by us from the Faster Payment System or Hong Kong Police Force from time to time.
- (ii) Any instruction given by you in relation to the FPS Services will be handled by us in accordance with this clause and the applicable provisions in the *Existing terms*. You have to comply with the other obligations with respect to payments, funds transfers and direct debit authorisations, including without limitation maintaining sufficient funds in the relevant accounts for settling payment and funds transfer instructions from time to time.

(i) You are responsible for your authorised persons

Where you authorise any other person to give instructions or requests to us in connection with the use of the FPS Services (whether you are an individual, a company, a corporation, or a sole proprietorship or partnership firm or any other unincorporated body):

- (i) you are responsible for all the acts and omissions of each person authorised by you;
- (ii) any instruction or request received by us, believed by us in good faith to be given by you or any person authorised by you, will be irrevocable and binding on you; and
- (iii) you are also responsible for ensuring that each person authorised by you will comply with the provisions of this clause that are applicable to him/her when acting on your behalf.

## 12.6 Our responsibility and restriction of liability

(a) We will process and submit your instructions and requests to HKICL FPS in accordance with the applicable rules, guidelines and procedures imposed by HKICL from time to time. HKICL FPS has the right to process and execute your instructions and requests in such sequence or manner as HKICL considers appropriate. We have no control over the operation of HKICL FPS nor the timing on which your instructions or requests are executed by HKICL FPS. Where we receive status update notifications involving any of your Proxy ID (or related records) or eDDA setup or any other matter relating to HKICL FPS from or through HKICL FPS from time to time, we will notify you accordingly by such means and at such time as we consider appropriate.

(b) Without reducing the effect of this sub-clause 12.6(a) above or 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 FPS Services or the processing or execution of instructions or requests given by you in relation to the FPS Services or HKICL FPS, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from our negligence or wilful default or that of our officers, employees or agents;
- (ii) 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 one or more of the following:
  - (1) your failure to comply with your obligations relating to the FPS Services; and
  - (2) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS or any functionality of the Faster Payment System, or arising from any circumstances beyond our reasonable control, including any delay or error relating to the risk warnings, messages and indicators about suspected frauds, scams or deceptions received by us from the Faster Payment System or Hong Kong Police Force; and
- (iii) in no event will we, our affiliates or group companies, our licensors, and our and their respective officers, employees and agents be liable to you or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages (whether or not they were foreseeable or likely to occur).
- (iv) Chargeback rights/protection is not applicable to any transactions effected by credit cards using HKICL FPS because such transactions will not go through credit card associations so the credit card associations chargeback rules will not apply. As such, you agree and accept that there is no chargeback right or dispute handling for transactions effected through Faster Payment System or using the FPS Services, and we do not accept dispute or chargeback handling for the FPS Services or Faster Payment System. Any contract between you and a recipient in respect of any goods or services provided to you by the recipient, or in respect of any payment obligation between you and a recipient, is independent of this clause and the *Existing terms* and is entirely between you and such recipient. Accordingly, we assume no responsibility and will have no liability of any kind whatsoever in respect of your dealings with recipients including the amount, the proper and timely delivery of goods or services by recipients, cessation of business, winding up or bankruptcy of recipients. You remain solely and fully responsible for the timely and complete fulfilment of all your obligations towards your recipient (whether under contract or at law), including all payments to be made by you to a recipient. You agree to pursue all claims and disputes against the relevant recipient directly.

(c) Your confirmation and indemnity

- (i) 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 FPS Services or your use of the FPS Services.

- (ii) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from our negligence or wilful default or that of our officers, employees or agents. The above indemnity shall continue to have effect after the termination of the FPS Services.

## 12.7 Collection and use of Customer Information

- (a) For the purposes of using the FPS Services, you may be required to provide us with the personal data and other information relating to one or more of the following persons from time to time:
  - (i) yourself;
  - (ii) the recipient of any payment or funds transfer to be made by you, or the counterparty of any eDDA to be set up by you; and
  - (iii) where you are a company, a corporation, or a sole proprietorship or partnership firm or any other unincorporated body, any of your directors, officers, employees, authorised persons and representatives,
 all personal data and information provided to us or compiled by us from time to time in connection with the FPS Services are collectively referred to as "Customer Information".
- (b) You agree (and, where applicable, for and on behalf of each of your directors, officers, employees, authorised persons and representatives) that we may collect, use, process, retain or transfer any of the Customer Information for the purposes of the FPS Services. These purposes include without limitation one or more of the following:
  - (i) providing the FPS Services to you, maintaining and operating the FPS Services;
  - (ii) processing and executing your instructions and requests in relation to the FPS Services from time to time;
  - (iii) disclosing or transferring the Customer Information to HKICL and other Participants for their use for the purpose of the operation of HKICL FPS;
  - (iv) meeting the requirements to make disclosure under any Regulatory Requirements; and
  - (v) purposes relating to any of the above.
- (c) You understand and agree that the Customer Information may be further disclosed or transferred by HKICL, us or any other Participants to their customers and any other third parties who are users of HKICL FPS for the purposes of providing and operating the Addressing Service and the eDDA Service.
- (d) If the Customer Information includes personal data or other information of any person other than yourself (including any persons specified in this sub-clause 7(a)(ii) or 7(a)(iii) above), you confirm that you will obtain and has obtained the consent from such person regarding the use (including disclosure and transfer) of his/her personal data and other information by HKICL, us and the other Participants as specified in this clause.

## 13. eStatements/eAdvises

### 13.1 You may elect to receive eCommunication by the following method:

An "eStatement/eAdvice Notification" message is sent to your email address (last notified) to advise you that your *eCommunication* is available. You may then access and/or download your *eCommunication* by *online banking*.

### 13.2 Despite the features or options offered at the time you first registered to receive *eCommunication*, we may stop issuing paper printouts of your statements/advises at any

**time. However, if you ask, we agree to give paper printouts on the basis that you pay the applicable fee (see the *tariff sheet* or contact us).**

- 13.3 You are taken to receive each *eCommunication* within 24 hours of the *eCommunication* or *eStatement/eAdvice* Notification being sent by us.
- 13.4 You must use only software compatible with the *eCommunication* service to access the *eCommunication*.
- 13.5 If you hold an investment account, a notification may be sent to you by the Bank to obtain your consent to use the *eCommunication* service from time to time. By logging onto Standard Chartered Online Banking/ SC Mobile app/ Online Securities Trading platform/ SC Equities within the time period specified in the relevant notification, regardless of whether a transaction is executed, you acknowledge and agree to use the *eCommunication* service. Upon your agreement to use the *eCommunication* service, a separate notice will be sent to you confirming the commencement date of the *eCommunication* service and methods of any change of your choice of the *eCommunication* service.

#### **14. Other services and programmes**

- 14.1 We are not responsible for any services that are not controlled by us, whether such services are available electronically or otherwise and we are not liable for any *loss* you incur in connection with that service. You are responsible for complying with all the terms and conditions of using that service and paying all the *costs* in connection with it.
- 14.2 From time to time we offer incentive programmes or value added services in connection with *our services*. These may be provided by us or a third party. We may vary or withdraw the programmes or services at any time. We do not guarantee or warrant their quality and, if they are provided by a third party, they are provided on the terms offered by the third party (including the third party's *privacy policies*). Please contact us if you want to find out more information about the terms of the programmes or services.

### **Part D - Cards**

#### **15. Cards - generally**

We may agree to issue *ATM cards*, *debit cards*, *credit cards* or *revolving cards*. This clause sets out general provisions which apply to these types of *cards*. Additional terms apply to specific types of *cards* (see these Client terms and the applicable *product terms*).

A *prepaid card* is not an *ATM card*, *debit card* or *credit card*. If you apply for a *prepaid card*, we provide you with separate terms and conditions.

#### **Issue of cards**

- 15.1 We may issue a *card* to you and, if you ask, to each *authorised person*.
- 15.2 A reference to terms and conditions on a *card* is a reference to the terms of our banking agreement.

#### **Card is our property**

- 15.3 The *card* remains our property and is not transferable to another person. We may suspend the use of the *card* with reasonable notice to you. You must ensure that the *card* (and, if applicable, any software stored on it) is not defaced, damaged, bent or modified, reverse engineered or decompiled, in any way.

#### **Signatures**

- 15.4 A *card* must be signed immediately on receipt unless otherwise not required by us. You must ensure that the signature of the *authorised person* on the *card* is the same as on the *account* operating authority. However, if we accept a different signature, you remain liable for the transaction.
- 15.5 When a *card* is used, the signature on any sales draft, credit voucher or other transaction record is binding and conclusive evidence that you have accepted the charges which are charged to a *linked account*. You should keep the transaction records that you or any

authorised person is given.

### Use of cards

15.6 *Cards* may be used to pay for goods and services to access cash or perform other transactions as we notify from time to time. However, where a particular function is permitted, this is limited to particular channels as advised. For example, paying for goods and services and accessing cash may be limited to *merchant* terminals or *ATMs* which display the relevant card logo.

15.7 A *cardholder* may use a *card* to authorise transactions in any manner we permit from time to time. This may include use of the card number without the physical card.

### Transaction limits

15.8 We or other financial institutions may impose transaction limits on different types of transactions which may be made using a *card*. For details of the limits we impose, please contact us.

### Your liability

15.9 Except as otherwise set out in our banking agreement, you are liable for all transactions made using a *card* or the card number.

### Expiry date

15.10 If a *card* has an expiry date, we may reject any use of the *card* after that date.

### Restrictions on use of a card

15.11 Neither you nor any *authorised person* may use a *card*:

- for any unlawful activity (including a purchase of goods or services that is illegal or prohibited by the laws of Hong Kong or by the laws of the country where the purchase is made); or
- to pay debts incurred in connection with on-line gambling, wagering or betting activities conducted via internet.

15.12 We may refuse to approve transactions made using a *card* if we believe or suspect the transactions are illegal, fraudulent, dishonest or unauthorised. However, we need not determine or enquire into the purpose or legality of the transaction.

### Overdrafts on linked account

15.13 Neither you nor any *authorised person* may use a *card* for a transaction if it would cause a *linked account* to be overdrawn. If the *linked account* is overdrawn, we may refuse to approve the transaction.

### Replacement and renewed cards

15.14 If you or an *authorised person* asks, we may issue a replacement *card*. You must pay the applicable replacement fee (see the *tariff sheet*, *product brochure* or contact us).

15.15 We treat any use of a replacement or renewed *card* as a valid activation of the *card*.

### Features on a card

15.16 We may enter into arrangements with third parties (including service providers and *merchants*) to offer additional services or features on your *cards*. If offered, these are provided on a best efforts basis only. We are not liable for any *loss* you suffer in connection with these services or features.

15.17 We are not liable for the *loss* or inaccuracy of any information stored on a *card*.

### Cancellation or expiry

15.18 You may cancel a *card* by giving us notice in writing. You must immediately destroy any cancelled or expired *card*.

### Refunds

15.19 A *merchant* must issue a valid credit voucher to make a refund for goods or services

purchased by using a *credit card*. We can only credit the *account* for a *credit card* with the refund when we receive the voucher or other notification from the *merchant's* bank.

## Disputes with merchants

15.20 We are not liable for:

- the refusal of any *electronic equipment* or *merchant* to accept the *card*; or
- any defect or deficiency in goods or services supplied to you by any *merchant*.

You must resolve any complaint directly with the *merchant* and no claim against the *merchant* may be set off or claimed against us.

## Withholding payment

15.21 If you report unauthorised transactions on your *credit card*, you may withhold paying the disputed amount until we complete our investigation. You must pay the disputed amount if your report is proved to be unfounded. We may impose late charges on the disputed amount.

## Exchange rate

15.22 Non-local transactions will be converted to local currency at a rate we reasonably consider appropriate (see clause 22.1 (Currency of payment)), which may be a rate set or resulting from procedures adopted by a third party. In any case, the exchange rate may differ from the rate in effect on the date of the transaction due to market fluctuations. Any rate imposed is final and conclusive and you bear all exchange risks, *loss*, commission and other bank costs which may be incurred as a result.

## Using an ATM card

15.23 You or an *authorised person* may use an *ATM card* overseas if you or they comply with exchange controls and other applicable laws in the country where you or they are located. If an authority requires us to do so, or we are otherwise required by law or pursuant to agreements with any regulator or any authority to do so, or if we need to comply with internal policies associated with any applicable order or sanction of an authority, you or an *authorised person* may be prevented from using an *ATM card* overseas.

15.24 If you or an *authorised person* uses an *ATM card* overseas and the *ATM* does not allow a choice of *account* for withdrawals, the order of *accounts* we debit is in accordance with our usual practice.

15.25 You authorise us to disclose information to parties involved in the provision of *ATM* services and you authorise them to disclose information to us about an *account*, your *PIN/password* and transactions.

## 16. Debit cards

### Where you may use a debit card

16.1 A *debit card* may be used in Hong Kong and in most countries overseas.

### Pre-authorisation procedure

16.2 Some *merchants* are required to specifically authorise transactions using *debit cards*. If this is the case, the transaction is processed as follows:

- the *merchant* debits an amount determined by it (called a "blocked amount") from a *linked account* on the transaction date or the billing date, whichever is the earlier, regardless of the actual final transacted amount;
- the difference between the blocked amount and the transacted amount is released and credited into a *linked account* after we process and pay the transacted amount; and
- if there is any difference between the transacted amount billed or there is any delayed billing by the *merchant*, we may make any necessary adjustment by debiting or crediting a *linked account*, in order to reflect the correct transacted amount.

### Minimum balance of linked account

16.3 We may set a minimum balance to be maintained in the *linked account* for the use of the

debit card and we may vary the minimum balance without notice to you.

## Part E - Security procedures and liability

### 17. Security procedures

Security procedures for banking services are very important. You must comply with (and ensure each *authorised person* complies with) all security procedures set out in our banking agreement.

#### Issue and cancellation of security codes

- 17.1 We may issue (or in some cases, allow you to select) *security codes* to enable you to communicate with us or to give us instructions by *electronic equipment*.
- 17.2 If you want any other person to be able to give us instructions by *electronic equipment* we can issue them with *security codes*, but you must ask us to do so in writing.
- 17.3 When you use certain *products* (including *electronic banking services*), we will issue you with *security codes* and may also require you to obtain from us and use a *one time password* for additional *security authentication*.
- 17.4 If you lose a *security code*, it stops working or it is disclosed to a person other than an *authorised person*, we may issue you with a new one if you ask us in writing. We may suspend your use of a *product* which requires a *security code* until the new *security code* is issued.
- 17.5 You are responsible for *security codes* once we send them to you (or the *authorised person*) even if any other person receives or uses them.
- 17.6 You must instruct us in writing if you want to cancel a *security code* issued to you or an *authorised person*.
- 17.7 We may cancel a *security code* without notice.
- 17.8 We are not responsible for any services that are not controlled by us, by or from which you or an *authorised person* obtains any *security codes*, and we are not liable for any *loss* you incur in connection with that service. You are responsible for complying with all the terms and conditions of using that service and paying all the *costs* in connection with it.

#### Protecting security codes, cheque books and passbooks

- 17.9 You and each *authorised person* must take all necessary steps to prevent unauthorised or fraudulent use of your or their *security codes*, cheque books or passbooks.
- 17.10 You must comply with our *security guidelines* and advice that are provided by us to you.
- 17.11 For example, you and each *authorised person* must:
  - memorise a *security code* and destroy *security code* notifications as soon as possible after receiving or selecting the *security code*;
  - not record any *security code* (except where it is disguised in a way that others are not able to decipher it);
  - when selecting a *security code*, not select an obvious word or number or one that can be easily guessed by someone else (such as a date of birth, middle name, family member's name or telephone number);
  - not voluntarily tell anyone their *security code* or let anyone find out their *security code* – not even family or friends, a joint accountholder with you, a member of our staff, or someone giving assistance on a technical helpdesk in connection with any services;
  - not record a *security code* (disguised or not) on *electronic equipment* or on a physical device that is a *security code* or computer;
  - change *security code* regularly or, at minimum, whenever we or our systems require you or the *authorised person* to do so;

- not select a *security code* they have used before;
- not voluntarily give their *security code* to any other person;
- if they use *SMS banking*, do not leave their mobile phone unattended or give any person access to their mobile phone in a way that allows them to access *SMS banking* through their mobile phone;
- keep their passbook or cheque book secure (including keeping it in a safe place).

17.12 Neither you nor an *authorised person* may keep records (disguised or not) of a *Security Code* near records of an *account* (such as an *account number*) or other *security code* device. For example:

**Never keep Security Code records together with account records, cards or mobile phones etc**

in a briefcase, bag, wallet or purse (even if in different compartments);

in a car (even if in different areas of the car);

at home in the one item of furniture, even if in different compartments (for example, different drawers of the same bedroom dresser).

in a situation where, if a thief finds a *card*, mobile phone or other physical device to access *electronic equipment* they also find the record of the *Security Code*.

**Loss, theft or misuse of security codes, passbooks or cheque books**

17.13 You and each *authorised person* must notify us by phone as soon as reasonably practicable after you or they:

- become aware that your or their *security code*, passbook, cheque book, blank cheque or signed cheque may have been lost or stolen; or
- suspect that someone knows your or their or any other *authorised person's security code*; or
- suspect or become aware that there has been unauthorised access to an *account* or use of a *security code*, passbook or cheque book; or
- become aware that your or their computer or mobile phone which you or they use to access any *electronic banking services* may have been lost or stolen; or
- become aware that your or their mobile number has changed.

otherwise you may be liable for any *loss* incurred. If your *card* has been lost or stolen, you must notify the police and give us a copy of the police report if we ask.

17.14 You must provide us with any relevant information and give us reasonable assistance in recovering a lost or stolen *security code*, cheque book or passbook.

17.15 You are liable for any unauthorised transactions that occur on the *account* linked to a lost, stolen or misused *security code*, passbook or cheque book until you have notified us in writing unless there was a delay due to our communication channels being unavailable.

17.16 Our decision in relation to a breach of the security procedures or where a *security code*, passbook or cheque book has been lost or stolen is final and binding on you.

**Loss, theft or misuse of security tokens**

17.17 You must prevent any unauthorised use or access of the *security token* issued by us to you.

17.18 If you discover or suspect that the *security token* has been lost, stolen, misused or tampered with, you must immediately notify us. We will deactivate the *security token* and dispatch a replacement *security token* to you.

17.19 You are liable for any unauthorised transactions that occur on the *account* linked to a lost, stolen or misused *security token* until you have notified us in writing unless there was a delay due to our communication channels being unavailable.

17.20 Our decision in relation to a lost or stolen *security token* is final and binding on you.

### Responsibility for loss of security codes/security token(s)

17.21 You are responsible for and accept all reasonable risks associated with the delivery by us to you of the *security codes and security token(s)* from the time we transfer these items to you.

17.22 It is your responsibility to prevent any disclosure and/or unauthorised use of the *security codes and/or security token(s)*. Any individual who uses such *security codes and/or security token(s)* shall be taken to have been authorised by you. You agree not to hold us responsible in any way for losses you may suffer from your disclosure, non-receipt or loss of *security codes and/or security token(s)* or the unauthorised use of the lost *security codes* by any party.

17.23 We may require you to pay any reasonable fees, charges and all other *costs* for the use and/or replacement of lost *security token(s)*.

17.24 We may terminate, suspend or cancel the use of the *security token(s)* without notifying you, to the extent permitted by applicable laws and regulations.

### Precautions when using electronic banking services

17.25 You and each *authorised person* must take the following precautions when using *electronic banking services*.

#### Take the following precautions

Not allow anyone else to operate any *electronic banking services* on your or their behalf.

Not leave *electronic equipment* unattended while you or they are on-line to any *electronic banking service*. This applies whether *electronic equipment* is sourced independently of us or provided by us in our branches or other premises.

If you or they access any *electronic banking service* from *electronic equipment* in one of our branches, you or they must ensure that you or they have gone off-line before leaving the branch or not to leave that *electronic equipment* unattended while on-line.

Not access any *electronic banking services* from any *electronic equipment* connected to a local area network (or LAN), such as an office environment, without first making sure that no one else is able to observe or copy your or their access or otherwise gain access to the *electronic banking service* by that *electronic equipment*, network or environment.

Not allow anyone else to observe your or their *PIN/Password* when you or they enter it into any *electronic equipment*.

### Requests for security code or account details

17.26 After you initially open an *account* or register for *electronic banking services*, we will never contact you or an *authorised person*, or ask anyone to do so on our behalf, with a request to disclose the *account details* or *security code*. If you or an *authorised person* receive such a request from anyone (even if they are using our name and logo and appear to be genuine), you or they must not disclose the *account details* or *security code*. You or the *authorised person* must notify us as soon as possible.

### Recovered security code

17.27 If you or an *authorised person* recovers a lost or stolen *security code*, you or they must return that *security code* to us without using or attempting to use it.

### Consent to videoing

17.28 By using or accessing a *product* in any manner including through our *electronic banking services* or by using the *security code* you and each *authorised person* consents to us videotaping or recording you or them on camera at terminals or other facilities where you or they use or access the *product or security code*.

## 18. Liability for transactions

### Disputed transactions

18.1 If there is a disputed transaction involving a *card*, a *card number* or a *cheque* and the *card* or *cheque book* was delivered to you or an *authorised person*, you must prove that the *card*

or cheque was not used or issued by you or an *authorised person* at the time the disputed transaction was entered into or recorded (otherwise you are liable).

## Your liability for transactions

You will be liable for any *loss* incurred if you act fraudulently, with gross negligence or due to your wilful misconduct.

18.2 You are liable for the following transactions that occur on an *account* linked to a *security code*, passbook or cheque book:

- transactions carried out with your knowledge and consent;
- transactions carried out by any other person using a *security code*, passbook or cheque book (unless you have told us to cancel that *security code*, passbook or cheque book, and if relevant, you have taken all reasonable steps to have any *security code* device issued by us returned to us). This includes where a transaction which is carried out by someone other than you or an *authorised person* with or without your knowledge and consent, and applies even if you have complied with our requirements regarding safeguarding *security codes*, passbooks or cheque books;
- transactions conducted using *electronic banking services* (other than by using a *credit card*) not authorised by you or an *authorised person* (for example, a transaction which is carried out by someone other than an *authorised person* without your knowledge and consent) if you or any other *authorised person* have acted fraudulently, acted with gross negligence such as failing to properly safeguard or prevent unauthorised access to a *security code*, passbook or cheque book or not notifying us if a *security code*, passbook or cheque book is lost or stolen;
- transactions not conducted using a *card* or *electronic banking service* where you or an *authorised person* breach our banking agreement or are negligent in any way; and
- any other transactions specified in the *product terms*.

Also see clause 35 which sets out circumstances where we are not liable to you for *loss*.

## Part F - Payments

### 19. Interest, fees and charges

You need to ensure you are aware of and understand the *interest*, *fees* and *costs* referred to in these Client terms and additional *interest*, *fees* and *costs* that may be payable by you in connection with our banking agreement. These are set out in the *tariff sheet*, or are available by contacting us at one of our branches or by using phone banking.

Our *tariff sheets* and *product brochures* are revised periodically and you must pay the *interest*, *fees* and *costs* applying at the relevant time.

#### Interest & fees

19.1 You must pay the *interest*, *fees* and *costs* applying to a *product* from time to time. *Interest rates* (including our *base lending rates*) and *fees* and *costs* are revised periodically. You can find out current *rates* and *fees* and *costs* by contacting us at one of our branches, by using phone banking or by visiting our website.

#### Service fees

19.2 Additional *fees* and *costs* may apply in the case of services provided in connection with a *product*. For example, the use of *electronic banking services*, or for certain types of payments and deposits such as foreign currency deposits and telegraphic transfers (including fees charged by third party service providers).

#### Government charges

19.3 You must also pay us an amount equal to any government charges and duties (however described) on or in connection with our banking agreement. These are payable whether or not you are primarily liable for those charges and duties.

## Withholding tax

19.4 Interest earned by you for a *product* may be subject to withholding *tax* in accordance with applicable law.

19.5 If a law requires you to deduct any *tax* from a payment to us, you must increase the amount payable so that, after making the deduction, we receive the amount we would have received if no deduction had been required. You agree to deduct the amount for the *tax*, pay that amount to the relevant authority in accordance with applicable law and give us the original receipts.

## Value added tax

19.6 All payments to be made by you in connection with our banking agreement are calculated without regard to any goods and services *tax*, consumption *tax*, value added *tax* or any *tax* of a similar nature. If any of these types of *taxes* is payable in connection with the payment, you must pay us an additional amount equal to the payment multiplied by the appropriate rate of *tax*. You must do so at the same time as making the payment.

## Default interest

19.7 From the time any amount under our banking agreement is overdue for payment until it is paid, you must pay interest at the *default rate* on the overdue amount when we ask.

## Calculation

19.8 Any interest or fee payable under our banking agreement accrues, and is calculated in accordance with our usual practice. If we agree to capitalise interest (or if *default* interest is charged under clause 19.8), we may add to the outstanding principal amount any interest under this clause which has not been paid. You are then liable for interest under this clause on the total amount.

## Refund of fees

19.9 Unless specified in the *product terms* or elsewhere in our banking agreement, you are not entitled to any refund of any interest, fee or *costs* you have paid or subsidy you have received including where you do not use a *product* or our banking agreement ends.

## Costs on cancellation

19.10 If our banking agreement ends, you cancel any *product* before using it or you do not proceed to use a *product* within any period we specify in our banking agreement, we may require you to pay, interest, fees and *costs* in connection with our banking agreement or the *product*. This includes any legal *costs* in connection with preparation of documents (such as *securities*) even if these documents have not been signed.

## 20. You indemnify us

20.1 You indemnify us against, and must pay us on demand for, any *loss* we reasonably incur in connection with:

- any *account*, the establishment and provision of any *product* or any other transaction contemplated by our banking agreement;
- searches and enquiries we make in connection with you or a *security provider* (including checking for *insolvency*);
- instructions you or an *authorised person* gives us (including those sent by *electronic equipment*);
- any service provided by a third party including services arranged by a *card association*;
- any *tax* payable by us on, or calculated by reference to, any amount paid or payable by you under our banking agreement (excluding any *tax* payable by us by reference to our net income);
- us acting on, delaying or refusing to act on instructions from you or an *authorised person* or taking action against you or an *authorised person*;
- a *default*;

- any amount payable by you under our banking agreement being repaid, discharged or made payable before its due date (the *loss* we incur includes our *loss* in connection with unwinding, terminating or changing arrangements we have made to fund or maintain our funding of any *product*);
- an increased cost in our funding in connection with a change in law;
- any person exercising, or not exercising, rights under our banking agreement or any *security* (including enforcement action and debt collection *costs*, such as valuation fees and auctioneer's charges);
- any breach or non-observance of any of our banking agreement by you or another other person with access to our services, including our *electronic banking services*. You shall indemnify us for all losses, damages, *costs* or expenses (including legal and other professional advisors' fees) reasonably incurred by us in our enforcement against you of our banking agreement; or
- Any unauthorised, improper, erroneous, faulty, illegal or fraudulent use by you or any other persons with access to the banking services including *electronic banking services*.

except to the extent the *loss* arises from our own negligence, fraud or wilful *default*.

20.2 If we ask, you must appear and defend at your own cost and expense any action which may be brought against us in connection with our banking agreement.

20.3 You must sign any document we reasonably require to give further effect to this clause including in connection with instructions sent by *electronic equipment* or lost passbooks, cheque books or *security codes*.

## 21. Payments - generally

We (and each other member of the *Standard Chartered Group*) have rights to set off any amount we (or any other member of the *Standard Chartered Group*) owe you against any amount you owe us (or any other member of the *Standard Chartered Group*).

### Payments in full

21.1 All payments you must make to us under our banking agreement must be received by us on the due date in full in immediately available funds in the currency we specify and without set off, counterclaim or deduction or withholding (including on *account* of any *tax*) unless the deduction or withholding is required by law. If you are required to deduct or withhold any amount, the payment you must make to us must be increased so that the amount of the payment we receive after the deduction or withholding is equal to the amount otherwise payable.

### Independent payment obligations

21.2 Your obligation to pay any amount under our banking agreement is separate from each other obligation to pay.

### Right of set off

21.3 We (and any other member of the *Standard Chartered Group*) may set off any amount we (or any other member of the *Standard Chartered Group*) owe you against any amount you owe us (or any other member of the *Standard Chartered Group*) (whether or not the obligation is matured or contingent). We (and each other member of the *Standard Chartered Group*) may also combine or consolidate all *accounts*. If we (or any other member of the *Standard Chartered Group*) combine *accounts*, any credit funds held by you in your *accounts* will be applied to adjust the amount owing by you in relation to your other *accounts*. We (and each other member of the *Standard Chartered Group*) may do so at any time (even if there is no *default*).

21.4 If you have a joint *account*, we (and each other member of the *Standard Chartered Group*) may set off any amount we (or any other member of the *Standard Chartered Group*) owe you against any amount owing to us (or any other member of the *Standard Chartered Group*) in any one accountholder's *account*.

21.5 For the purposes of clauses 21.3 and 21.4, each member of the *Standard Chartered Group* may make any necessary currency conversions at the rate they reasonably consider appropriate.

### Business days

21.6 Unless otherwise stated in the *product terms*, if an amount is due on a day which is not a business day, you must pay it on or before the next following business day unless that day falls in the next calendar month, in which case you must pay it to us on or before the preceding business day.

### Debiting accounts

21.7 We may debit (without notice to you) any interest, fees, *costs* or any other amount you owe us in connection with a *product to the account* for the *product*.

### Insufficient funds

21.8 If you have insufficient funds in any *account* in respect of which we are entitled to debit amounts you owe us, yet we still decide to debit the *account*, our action does not constitute a waiver or otherwise affect our rights under our banking agreement.

### Automatic payment from account with another institution

21.9 If we require you to pay us an amount by automatic payment from an *account* with another financial institution you must:

- organise a payment arrangement with the other financial institution under which an amount equal to the amount, is debited from that *account* and deposited in your *nominated account* on each payment date and give us satisfactory evidence that this is in place; or
- provide us with any authority we require to enable us to debit the amount, to that *account*; or
- if we ask, give us one or more signed undated cheques in our favour with the amount left blank and otherwise drawn as we require.

### Authority to fill in cheques

21.10 If you provide us with any cheques, you irrevocably authorise and appoint us as your attorney to fill in the dates and amounts in the cheques for an amount not exceeding the limit for the *product* at that time and acknowledge that we may use these cheques to pay any amount you owe us in connection with the *product*.

### Honouring payment instruments

21.11 You must ensure that any payment instrument or payment instruction is honoured. For example, you must:

- ensure that you have sufficient funds in the *account* to be debited (including any *account* with another financial institution or the *nominated account*);
- not stop cheques;
- not cancel or vary any payment arrangement (unless we ask you to do so to reflect a change in the instalments) or close or change the *account* on which cheques are drawn.

### Post-dated cheques

21.12 If we require you to pay an amount by post-dated cheques, you must:

- give us post-dated cheques in our favour for an amount equal to each payment amount; and
- replace the cheques if we ask.

### How we apply payments

21.13 Payments are taken to be made when we credit them to the *account*. We do this as soon as practicable after receipt.

21.14 Unless set out in the *product terms* we may use amounts we receive under our banking agreement to pay amounts you owe us in any order we choose.

### **Payments into suspense account**

21.15 We may place in a *suspense account* any payment we receive in connection with our banking agreement for so long as we consider appropriate. This is to protect our rights against other amounts you or a *security provider* may owe us.

### **Insolvent payments**

21.16 Under *insolvency law*, a person may demand the refund of a payment we have received under our banking agreement. To the extent we are obliged to do so or we agree to make a refund, we may treat the original payment as if it had not been made. We are then entitled to our rights against you under our banking agreement as if the payment had never been made.

### **Scameter**

21.17 Without prejudice to any terms in this document, you as the client will use our services responsibly. In giving instructions to us to make payments or effect transactions, you agree to take reasonably practicable steps to safeguard your own interest, money and assets from fraud or other illegal activities. One of these steps for you before giving instructions to us, is to use the information or tool made available to the public by the law enforcement agencies, governmental or regulatory authorities to check whether the party receiving payment from or transacting with you is real and credible. Such information or tool includes Scameter (or any other name(s) as may be changed from time to time) made available by Hong Kong Police Force or any other channels or platforms made available by any law enforcement agencies, governmental or regulatory authorities. Given the quantity of payment instructions received by us from clients, it is not feasible in practice for us to conduct the check for the clients before processing clients' payment instructions. It is therefore your duty (and not ours) to check before giving instructions to us.

### **Alerts and Money Transfers**

21.18 Without prejudice to the above clause relating to Scameter, these clauses apply to the Alerts and the Money Transfers as defined below. If there is any inconsistency between these clauses and the other terms and conditions, these clauses will prevail insofar as the Alerts and Money Transfers are concerned. By making any Money Transfer on or after the date on which these clauses come in effect, you confirm that you have accepted and will be bound by these clauses.

#### **(a) In these clauses:**

“Alert” means a warning message that a Money Transfer or the relevant payee or payee account may involve fraud or scam.

“Anti-fraud Database” includes any anti-fraud search engine and/or anti-deception database (including but not limited to Scameter) operated or managed by the Hong Kong Police Force or any other law enforcement agency or governmental body or regulatory authority of Hong Kong, whether it is accessible by the public in general or by designated entities or organisations.

“Money Transfer” means a transfer of money by you through the Bank via any channel or means or in any currency determined by the Bank from time to time including but not limited to one or more of electronic banking, e-wallet, mobile banking, automated teller machine, cash deposit machine, and bank counter at any branch of the Bank, whether the payee account is maintained with the Bank or not; and if the context requires or permits, includes an instruction given by you to the Bank to make a Money Transfer.

#### **(b) Reason for sending Alerts**

The Alerts are intended to help you stay vigilant against frauds, scams and deceptions when making Money Transfers. You shall not take the Alerts as replacing your responsibility for safeguarding your own interests, money and assets from fraud or other illegal activities.

#### **(c) The Bank's role, responsibilities and restriction of liability**

The Bank:

- (i) does not control the management, operation or any other aspect of the Anti-fraud Databases;
- (ii) compiles the Alerts solely based on the information available from the Anti-fraud Databases from time to time; and
- (iii) would not compile any Alert relating to a payee, a payee account or a transaction if no information about it is available from the Anti-fraud Databases.

Therefore, the Bank does not and cannot warrant whether the information available from any Anti-fraud Database is complete, true, accurate and up-to-date, and that the Money Transfers for which you do not receive Alerts are not fraudulent nor that Money Transfers for which you receive Alerts are fraudulent. The Bank's records of its delivery of any Alert to you and any response from you whether to proceed or cancel any Money Transfer shall have conclusive effect save for manifest error.

- (d) The Bank may compile and deliver the Alerts in such ways as it considers appropriate. The Bank shall have sole discretion to determine and/or vary, from time to time and without further notice to you, the contents of the Alerts, the channels or means through which the Alerts are delivered, and/or the currency(ies) of the Money Transfers, having regard to the Bank's needs and the feedback, comments, guidance or recommendations from the relevant persons. Relevant persons may include but not limited to law enforcement agencies or other governmental bodies, or regulatory authorities or industry associations of Hong Kong. The Bank may deliver the Alerts to you by electronic or other means.
- (e) The Bank is not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from any information available or omitted from any Anti-fraud Database, or any delay, unavailability, disruption, failure, error or caused by any Anti-fraud Database, or arising from any circumstances beyond the Bank's reasonable control.
- (f) The Bank is 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 Alerts (or any delay or unavailability of the Alerts), or the processing, execution or cancellation of Money Transfers affected by the Alerts (or by any delay or unavailability of the Alerts), except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable, and arising directly and solely from the Bank's negligence or wilful default or that of its officers, employees or agents.
- (g) In no event will the Bank, its affiliates or group companies, its licensors, and its and their respective officers, employees and agents be liable to you or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages (whether or not they were foreseeable or likely to occur).
- (h) Nothing in these clauses is intended to exclude or restrict any right or liability to the extent of which it may not be lawfully excluded or restricted.

#### (i) **Your responsibilities**

You are responsible for taking reasonably practicable steps to safeguard your own interests, money and assets from fraud or other illegal activities. You are responsible to check and ensure that the payee, the payee account, the transaction and the transaction details are real and trustworthy in each case. You should consider carefully whether to proceed with or cancel a Money Transfer affected by an Alert. Your decision to proceed with or cancel a Money Transfer affected by an Alert is binding on you and you shall be solely responsible for the consequences.

## **22. Currency conversion and indemnity**

### **Currency of payment**

22.1 We may make currency conversions in respect of any amount received by us from you or due to you from us at a rate we reasonably consider appropriate. You indemnify us for any shortfall arising from the conversion.

### **Payment in other currency**

22.2 You waive any right you have in any jurisdiction to pay any amount other than in the currency in which it is due. If we receive an amount in a currency other than that in which it is due:

- we may convert the amount into the due currency on the date and at rates we reasonably consider appropriate. We may deduct our *costs* incurred in the conversion; and
- you satisfy your obligations to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the *costs* of the conversion.

22.3 Despite any other provision of our banking agreement, at any time after there is a *default* we may convert to the *base currency* at a rate determined by us any part of the *balance owing* for the *product* which is not due to us in the *base currency* ("foreign currency obligation").

### **Conversion after default**

22.4 The applicable foreign currency obligation is then taken to be replaced with an obligation to pay us an amount of the *base currency* equal to the amount of the *base currency* needed for the conversion plus the *costs* of the conversion.

### **Currency restrictions**

22.5 You must comply with all exchange control laws in connection with our banking agreement. If a country restricts the availability or transfer of its currency, we need not make any payment to your *account* in that currency. We may make the payment in any currency we consider appropriate.

### **Currency conversion on judgment debt, orders, directives issued under law or regulator**

22.6 If a judgment, order, directives issued under law or by any regulator or pursuant to agreement with any regulator or any authority or proof of debt for or the recovery of an amount in connection with our banking agreement is expressed in a currency other than that in which the amount is due under our banking agreement, then you indemnify us against:

- any difference arising from converting the other currency if the rate of exchange we use under our banking agreement for converting currency when we receive a payment in the other currency is less favourable to us than the rate of exchange used for the purpose of the judgment, order, directives issued under law or by any regulator or pursuant to agreement with any regulator or any authority or acceptance of proof of debt; and
- the *costs* of conversion.

## **Part G - Information, statements and records**

### **23. Information you give**

#### **Information must be correct**

23.1 Each time we offer a *product* to you or you use a *product*, we rely on the information you give to us. It must be correct, complete and not misleading.

You must notify us, within 30 calendar days, if you become aware that any information you have given changes, is incorrect or misleading.

#### **What you must give us**

23.2 If we ask, you must give us any information about or documents in connection with:

- our banking agreement or any other arrangement with us; or
- your financial affairs.

All information or documents must be in the form we require and certified by you to be true.

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23.3 You must notify us if there is any change in your employment, business or profession within 15 days of the change.

23.4 You must get the consent of other persons named in a client information form, an *application* or any *authorised person* to our collection, holding and use of their personal information.

23.5 Where laws and regulations allow, you consent to us periodically checking your credit status with any credit bureau or credit reference agency.

23.6 We will not be responsible for any *loss* or damage incurred by you due to your failure to update us promptly and correctly of any change in your *account* details, mailing address, email address, *mobile phone number*, fax number and other *account* details that are needed for us to contact you.

## Representations

23.7 You represent and warrant that:

- you have power and all necessary authorisations to own your assets and carry on any business you conduct, to enter into each of our banking agreements and any *other arrangement with us* which you enter into with us and to comply with your obligations and exercise your rights under them;
- your obligations under each of our banking agreements and any *security* (and the obligations of any *security provider*) are valid, binding and enforceable and neither you nor any *security provider* will be in breach of any law, authorisation, document or agreement by entering into or complying with obligations or exercising rights under any of our banking agreements or any *other arrangement with us*;
- all the information given by you or any *security provider* (or on your or their behalf) is correct, complete and not misleading and each representation made by you to us is correct and not misleading;
- since the date the information to us by you or a *security provider*, there has been no change in your or a *security provider's* financial circumstances which may have a material adverse effect on your or the *security provider's* ability to meet any of your or their obligations to us;
- neither you nor any *security provider* has withheld any information that might have caused us not to enter into any of our banking agreement or provide any *product* to you (including information about the assets you or they own and any *security interest over them*);
- neither you nor any *security provider* or any assets you or they own has immunity from the jurisdiction of a court or from legal process;
- unless otherwise stated in the *application*, you are not entering into our banking agreement or transacting with us as a trustee, agent or nominee. (This means you are liable as principal);
- if we accept your *application* to enter into our banking agreement or you transact with us as a trustee, executor, agent or nominee, you are authorised to do so;
- neither you nor any *security provider* is in *default* and no event has occurred which may, with the giving of notice or lapse of time or fulfilment of any condition, become a *default*;
- you shall accept full responsibility for all transactions executed, including transactions executed through the *electronic banking services* and in particular for ensuring the accuracy and completeness of your instructions to us; and
- that to the best of your knowledge, *your system* and any other computer system through which you access the *electronic banking services* are free from any electronic mechanical, data failure or corruption, computer viruses, malware and bugs. We are not responsible for any electronic, mechanical, data failure or corruption, computer viruses, malware, bugs or related problems that may be attributable to services provided by any internet service provider, network provider, server or such other equivalent system.

You repeat these representations and warranties every time you apply for a *product* or make any transaction on a *product or account*. You must notify us whenever anything happens which would mean you could not truthfully repeat these representations and warranties.

## 24. Information we give

Any information we give to you is for reference purposes only. We do our best to ensure that the information we provide is accurate and complete. However, we are not liable for the accuracy or completeness of the information given.

## 25. Information we collect, use and disclose

25.1 You consent to each member of the *Standard Chartered Group*, its officers, employees, agents and advisers disclosing information relating to you (including details of the *accounts*, *products* or any *security*) to:

- our head office and any other member of the *Standard Chartered Group* in any jurisdiction ("permitted parties");
- professional advisers, service providers or independent contractors to, or agents of, the *permitted parties*, such as debt collection agencies, data processing firms and correspondents who are under a duty of confidentiality to the *permitted parties*;
- any actual or potential participant or sub-participant in relation to any of our obligations under our banking agreement between us, or assignee, novatee or transferee (or any officer, employee, agent or adviser of any of them);
- any credit bureau or credit reference agency, rating agency, business alliance partner, insurer or insurance broker of, or direct or indirect provider of credit protection, or any *permitted parties*;
- any financial institution which you have or may have dealings for the purpose of conducting credit checks (including in the form of bank references);
- any court, tribunal or authority (including an authority investigating an offence) with jurisdiction over the *permitted parties*;
- any regulator or tax authority where necessary to establish any tax liabilities in any jurisdiction pursuant to orders, agreements with regulators or authorities or otherwise;
- a *merchant* or a member of a *card association* where the disclosure is in connection with use of a *card*;
- any *authorised person* or any *security provider*;
- anyone we consider necessary in order to provide you with services in connection with an *account*,

whether they are located in or outside Hong Kong.

25.2 The information may be used in connection with matching procedure (as defined in the Personal Data (Privacy) Ordinance, Cap. 486) and in accordance with our usual practice.

25.3 Without limiting any provisions here or under our banking agreement, we may disclose, use or transfer information relating to you for the purpose of monitoring our compliance with law, agreements with any regulator or any authority and/or our or the *Standard Chartered Group's* policies, subject to and in accordance with any applicable law.

25.4 Any *account* or transaction information reported, including those reported through our *electronic banking services*, may not be conclusive to your *account* and transaction status as there may be transactions or instructions which have yet to be or are being processed by us. You agree that the information pertaining to the *electronic banking services* shall not for any purpose whatsoever be taken as conclusive of your *account* balance or transaction status. We do not warrant the accuracy of any information pertaining to your *accounts* or transactions as reported through the *electronic banking services*.

### Not providing or withdrawing consent

25.5 You may choose not to provide or withdraw any consent given or deemed to have been

given to us at any time by notifying us. If you do so, we may not be able to deal with you or to provide or continue providing a particular *product* or service to you. In some cases, we may have to terminate our banking agreement relating to such *product* or service with you.

## Communication

25.6 To the extent permitted by law, we may record and monitor your communications with us to ensure compliance with our legal and regulatory obligations and our internal policies for the purposes in clause 26.2.

We treat information in accordance with applicable law (including the Personal Data (Privacy) Ordinance and Code of Practice on Consumer Credit Data). Please refer to Appendix 1 for more details about how we deal with information and your rights.

## 26. Statements and records

26.1 We issue statements for *accounts* periodically as set out in the *product terms*. Statements may be in paper, electronic or any other form we choose. However, we may not issue statements if an *account* is inactive, there have been no transactions since the previous statement or where we are not required by law to do so or where our policy, *security* procedure or requirement of any authority (including any economic and trade sanctions imposed by any regulator in any jurisdiction where we operate in or by any supranational organisation, official body including, but not limited to, Her Majesty's Treasury, the United Nations, the European Union or any country) prohibits us from doing so.

26.2 If your instructions are to give you a *consolidated statement* (if available) you acknowledge that we will not also issue separate statements for individual *accounts*. However, we may revert to issuing separate statements at any time.

### If you think there is a mistake

26.3 You should retain all transaction records to enable you to verify entries. You must check these entries and your passbook, or any counterfoil, entries for accuracy as soon as you receive your statement. You must report any mistaken or unauthorised transactions to us as soon as possible. If you do not report any mistake within the period stated in the *product terms* or as under applicable law, we treat the statement as correct.

26.4 The date which appears on the transaction record may vary from the date that appears on your statement. This is because transactions completed on non-business days and after "cut-off" time on business days may be held over to be processed on the next business day.

### Reversals

26.5 We may cancel, reverse or debit any payment we make under our banking agreement (including any interest paid) and make any corresponding adjustments to an *account*:

- to correct a mistake;
- where we have not received cleared and unconditional funds in full or promptly;
- where we are required to return the funds to the relevant payer or drawer; or
- where we have reasonable grounds for doing so.

If we make an adjustment, we notify you.

### Our records are conclusive

26.6 Unless there is an obvious mistake:

- our records (whether in paper, electronic, data or other form) of an instruction, report, statement or other communication are conclusive evidence of their contents or our receipt or non-receipt of them; and
- any certificate we issue, or decision we make, about a matter or an amount payable in connection with our banking agreement is conclusive evidence.

26.7 You acknowledge that we may destroy, erase or otherwise cease to maintain any records (whether in paper, electronic, data or other form) as we consider appropriate after such time as permitted by applicable law.

## Part H - Termination, suspension and enforcement

### 27. How our banking agreement, or your use of a product, ends

#### Termination by either party

27.1 Either you or we may end our banking agreement or your access or use of a *product* in any manner including through our *electronic banking services* by giving the other party prior notice in writing in accordance with our banking agreement.

27.2 If you have more than one *account*, you may not cancel certain *electronic banking services* for any one *account* only (unless we otherwise agree).

#### Termination by us

27.3 We may end any (or all) of our banking agreement for a *product*, with reasonable notice to you, if:

- you or any *security provider* have given us incorrect, incomplete or misleading information or made a representation or warranty that is incorrect or misleading; or
- you do not pay on time an amount due under any of our banking agreements or any other arrangement you have entered into with a member of the *Standard Chartered Group* (This includes if you have not ensured there are sufficient funds available in an *account* which has been nominated for debiting payment); or
- you have breached any other term of any of our banking agreement or any other arrangement you have entered into with a member of the *Standard Chartered Group*; or
- you have breached any term of any arrangement you have with another financial institution or another financial institution has suspended or terminated your use of any banking facility; or
- a *security provider* has breached any term of any *security* or any agreement entered into in connection with the assets the subject of the *security* *any other security interest* they have provided to us or any other arrangement they have entered into with a member of the *Standard Chartered Group*; or
- any *security* or insurance we require in connection with a *product* is or becomes unenforceable or is withdrawn or terminated without our consent; or
- you or any *security provider* becomes *insolvent* or any of your or their assets is subject to *insolvency* proceedings; or
- you or any *security provider* dies or becomes incapacitated; or
- you or any *security provider* stops payment, ceases to carry on its business or a material part of it or threatens to do so; or
- you or any *security provider* acts fraudulently or dishonestly; or
- any of your or any *security provider*'s assets are subject to enforcement of a judgment by any party; or
- any assets the subject of a *security* or any of your business or the business of a *security provider* is in jeopardy; or
- you are convicted of a crime; or
- legal proceedings to recover debts or criminal proceedings are commenced against you or any *security provider*; or
- we consider that an *account* is being operated in an irregular or improper manner; or
- any business you operate is not carried on in a proper, orderly and efficient manner or you cease to operate it or a substantial part of it or significantly change it without our consent; or
- any thing occurs which, in our opinion, is likely to have a material adverse effect on your (or a *security provider*'s) business, assets or financial condition or your or their ability or willingness to comply with obligations under any of our banking agreements or any other

arrangements with us; or

- any other event of *default* (however described) under any of our banking agreements or any *security* occurs; or
- performance of any obligation by either you or us under our banking agreements or a *security provider* under any *security breaches*, or is likely to breach, a law or a requirement of any authority including any economic and trade sanctions imposed by any regulator in any jurisdiction where we operate in or by any supranational organisation, official body including, but not limited to, Her Majesty's Treasury, the United Nations, the European Union or any country or is otherwise contrary to any policy we apply as a result of an order or sanction issued by an authority; or
- at any time, as a result of your domicile, nationality, residency status, *tax* status, or any other relevant status, the provision or continued provision of any *product* or part of any *product*, would or might in our reasonable opinion constitute a breach of our policy or any applicable law or requirement of any authority, or is not in accordance with our usual business practice and procedure; or
- if you close your *account* or the related *ATM/debit card* expires or is lost and cancelled by you; or
- we are required by law (including an order of any authority) to do so; or
- any other event of *default* (however described) under any of our banking agreements or any other arrangement with us occurs.

However if circumstances which we consider to be exceptional apply, we need not give you any notice before we end our banking agreement.

Our rights under this clause do not affect any other right under any of our banking agreements and are subject to the giving of any notice, demand or lapse of time which is required by applicable law and cannot be excluded.

27.4 We will be entitled to end your use of our *electronic banking services*, immediately on all your *joint accounts* if any of your *joint account* holders notifies us that:

- That the *joint account* can no longer be operated on your instructions alone; or
- He/She is no longer prepared to accept that you may operate the *joint account* using our *electronic banking services*.

We may suspend or terminate our *electronic banking services*, at any time. This will include periods during which maintenance work or repair is required to be carried out, in case of any emergency or for security reasons. We shall endeavour to give a reasonable notice for the suspension or termination of our *electronic banking services*.

#### **Additional rights to terminate**

27.5 The *product terms* or these Client terms may specify additional circumstances in which you or we may end our banking agreement for a *product*.

### **28. What happens on termination**

#### **Banking agreement**

28.1 After our banking agreement for a *product* ends, you must:

- not use the *product* or any benefits in connection with the *product* and not access or use the *product* through our *electronic banking service*;
- immediately repay all amounts owing to us under our banking agreement including the *balance owing* for the *accounts* for the *product*; and
- do any other thing which our banking agreement requires to be done when your right to access or use the *product* in any manner including through our *electronic banking services* ends.

#### **No effect on rights and liabilities**

28.2 Ending our banking agreement, or the right to use a *product*, does not affect any of the rights and obligations of either of us, which arose before it ended. You are not entitled

to any refund of any fee or amount paid or subsidy received in connection with any *product*. All provisions in our banking agreement in connection with payments clawbacks, indemnities, limitation of liability, disclosure of information, set off, currency conversion, *tax*, and the provisions in Part I (*Security*) and Part J (*General*) survive termination of our banking agreement.

## Review of entitlements

28.3 After our banking agreement ends, we may review and withdraw any promotional or preferential arrangement that applies to you.

## 29. Enforcement action

We may take any action we consider appropriate to enforce our banking agreement or any *security* including:

- employing any third party agent to collect any amount owing to us;
- attaching the *balance owing* for any *account* to your or a *security provider's* assets;
- taking steps to enforce our rights against your or a *security provider's* assets such as by lodging caveats;
- commencing legal proceedings against you or a *security provider*.

## 30. Suspension

30.1 We may suspend providing a *product* at any time for any reason (even if there is no *default*). If we do, we notify you as soon as practicable. We agree to suspend provision of a *product* if you ask us to do so in writing.

## Blocking Accounts or withholding of funds

30.2 Without limiting any provisions here or under our banking agreement, we may block any *account* (and later remove the block) at any time or withhold amounts in any *account* at any time, if an authority requires us to do so, or we are otherwise required by law or pursuant to agreements with any regulator or any authority to do so, or if we need to comply with internal policies associated with any applicable order or sanction of an authority.

## 31. Conversion of accounts

We may convert or consolidate any *account* into another type of *account* if we consider it appropriate to do so and we give you reasonable notice in writing before we do so. If you do not instruct us that you want to close the *account* before expiry of the notice period, we will proceed to convert or consolidate the *account* and we will allocate a new *account* number.

## Part I - Security

### 32. Security

#### Banker's lien

32.1 In addition to any other *security* we require to secure the *balance owing* for your *products* and any amount which you may owe us in the future, all your credit balances, money, securities, documents, instruments and other valuables deposited with us are, on deposit, subject to a banker's lien to us. Without limiting our other rights, we may set off any such amounts against, or apply the lien as *security* for, any obligations you owe to us. We may sell or deal with the assets to satisfy your obligations to us. We may do so without notifying you.

#### Security over all assets

32.2 In addition to any other *security* we require and our banker's lien under clause 32.1, we hold all your assets (including assets deposited with us for any purpose) as *security* for the total *balance owing* for all your *products* and any amount which you may owe us in the future. Without limiting our other rights, we may set off any such amounts against, or apply the *security* created by this clause as *security* for, any obligations you owe to us. If there is a

*default*, we may sell or deal with your assets to satisfy your obligations to us. We may do so without notifying you

### Further security

32.3 In addition to any other *security* we may require, you must do anything we ask (such as obtaining consents, signing and delivering documents and getting documents completed and signed) to:

- provide further or more effective *security* to us to secure any *balance owing* for any of your *accounts* and any other amount which you may owe us in the future; and
- to allow us to exercise our rights in connection with your assets.

### No dealings

32.4 You must not create or allow to exist any *security interest* or otherwise deal with any assets that are the subject of *security* without our consent.

### Changing the security

32.5 If you want to provide additional or replacement *security* for a *product* (for example, if you want to move house but you want to keep any loan we have provided to you), please contact us to discuss. If we agree to your request, it will be on terms we specify. For example, the replacement *security* must be in form and substance we approve and you must pay all applicable fees and costs.

### Ensure compliance by security provider

32.6 You must ensure that each *security provider* complies with their obligations under the *security* they have provided to us.

### Security continues until release

32.7 Any *security* continues until we have released it.

### Appointment as attorney

32.8 You irrevocably appoint us and any other person we nominate as your attorney to execute documents and take other action that we consider necessary to perfect and enforce any *security* (including dealing with any of the property which is the subject of the *security*).

### 33. Valuations

33.1 If we ask, you must arrange, pay for and provide us with a valuation report in connection with any asset that is the subject of any *security*. Any valuation report must be in accordance with any requirements we specify. Alternatively, we may obtain a valuation report at your cost.

33.2 We may arrange for further valuation reports in connection with any asset the subject of any *security* at any time. We debit the cost of the valuation report from your *account*.

33.3 If as a result of the further valuation report, we consider that the *security* is inadequate, you must provide us with further *security* in form and substance we specify.

### 34. Insurance

#### Insurance you must maintain

34.1 For some *products*, we require insurance to be maintained, for example life insurance, insurance over any asset which is the subject of *security* or mortgage insurance. Any insurance policy must be with an insurer that we approve and for the risks that we specify. Alternatively, we may require you to pay for insurance we arrange.

34.2 Our interest must be noted on the insurance policy and you must ensure that any amount paid by the insurer under the policy is paid to us. If we ask, you must give us a copy of the policy.

34.3 You must comply with the terms of any insurance policy that we require in connection with a *product*.

34.4 If we permit you to make your own arrangements for insurance, you must pay us an administration fee and any *costs* we specify. You must provide us with the original insurance policy and the original receipt for the amount paid for the insurance.

34.5 If you have made arrangements with the insurer which allow us to cancel the insurance when you are in *default*, we may apply any amounts that are refunded by the insurer against any amount you owe us.

### **Optional insurance**

34.6 Insurance policies may be offered to you in connection with a *product*. For example, if you use *electronic banking services* you may be offered fraud insurance. Also some *credit cards* offer insurance policies. The terms of any optional insurance policy should be read together with our banking agreement.

### **All insurance policies**

34.7 If we arrange insurance for your benefit, you must pay all amounts the insurer requires in connection with the policy and we debit those amounts from your *account*. The insurance cover will only take effect from the date we debit your *account*. If a claim is unsuccessful, you may not claim against us and we are not liable for any *loss* you incur.

34.8 You acknowledge that insurance proceeds may not cover all your *loss* and you are responsible for any shortfall.

34.9 We may accept any commission from an insurance company in connection with any insurances which we arrange.

## **Part J - General**

### **35. General**

#### **Disclaimer**

35.1 We do not represent or warrant that:-

- our services, including our *electronic banking services* will meet your requirements;
- our *electronic banking services* will be uninterrupted, timely, secure or error-free;
- our *electronic banking services* are fit for a particular purpose, or does not infringe any third party proprietary rights; or
- any errors in the technology will be detected or corrected.

35.2 Our *electronic banking services* may allow you to visit or be directed to other third party websites. We are not responsible for the content of these third party websites. We shall not be responsible for any *loss* or damage you incur directly or indirectly in connection with your use of or access to these websites.

#### **Exclusion of liability**

35.3 Unless a law prohibits us from excluding or limiting our liability, we are not liable for any *loss* you incur in connection with our banking agreement or services including *electronic banking services* (including in connection with the provision, access or use of any *product*, unavailability or improper functioning of an *electronic banking service*, delay or error in the transmission of any electronic payment transfer, delay in providing you funds under our banking agreement, misrepresentation, your or an *authorised person's* instructions or any unauthorised instructions, your *default*, termination of any of our banking agreement, our refusal to act on any instruction, or any other thing we do or do not do). This applies where the *loss* arises for any reason and even if the *loss* was reasonably foreseeable or we had been advised of the possibility of the *loss*.

35.4 We are not responsible for the negligence, act or failure to act of any third party and will not be involved in any dispute between you and any third party service provider (whether or not appointed by us).

35.5 You shall indemnify us from all *loss* and damage which we may reasonably incur in

connection with your improper use of our services including the *electronic banking services*.

### We take no responsibility for your decisions

35.6 We are not responsible for any decision you make:

- to enter into our banking agreement;
- To access or use any *product* including through our *electronic banking services*;
- about any features of any *product* (including the interest rate or any fees or *costs* payable under it).

While some employees are authorised to give you certain types of information about our *products*, neither our employees nor our agents have any authority to make representations or predictions or give any opinion about anything in connection with our banking agreement.

We are not liable for any *loss* if they act without authority. However, if you consider that any representation has been made to you that is not set out in our banking agreement, you need to give us details in writing so that we can clarify it.

If you, any *authorised person* or any *security provider* has any concerns about these things, the terms of our banking agreement or any *security*, we recommend you or they get help from an independent financial adviser or lawyer.

### Intellectual Property Rights

35.7 We own all contents of our services. You may not copy, distribute or publish such content without our permission.

35.8 We or other third parties own all the marks and logos used in connection with services. You may not use such marks and logos without our permission.

35.9 You grant us a free worldwide licence to use any information or material you submit through our services for any purpose unless restricted by law.

35.10 We are not required to keep confidential any information or materials submitted by you through our services unless we agree to do so in a separate contract between you and us or required by law.

### Hyperlinked sites

35.11 We are not responsible for, do not endorse, and make no representation or warranty in connection with, any hyperlinked internet sites on our website. We are not responsible for any *loss* you incur in connection with those hyperlinked sites.

### Circumstances beyond our control

35.12 We are not liable for any *loss* you incur in connection with our inability or delay in receiving or executing instructions or unavailability of funds or any *product* due to any *circumstances beyond our control*.

35.13 If any *circumstances beyond our control* occur, we may take any action we consider appropriate in connection with your *account*.

### Further steps

35.14 You must do anything we ask (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- to bind you and any other person intended to be bound by our banking agreement;
- to show whether you are complying with our banking agreement; and
- to confirm anything done by us in the proper exercise of our rights under our banking agreement.

### Prompt performance

35.15 If our banking agreement specifies when you must perform an obligation, you must perform it by the time specified. You must perform all other obligations promptly.

### Time of the essence

35.16 Time is of the essence in respect of your obligations to pay any money.

### We may act if you fail to do so

35.17 We may do anything which you should have done under our banking agreement but which you have either not done or in our opinion have not done properly. If we do so, you must pay our costs when we ask.

### Waiver

35.18 A provision of our banking agreement, or right created under it, may not be waived except in writing signed by the party or parties to be bound and is only effective for the purpose for which it is given.

### Variation of our banking agreement

35.19 You acknowledge that various features of a *product* may be changed from time to time, including the fees and interest rates, the basis for calculating interest rates and the margin with prior notice to you. However, we may also vary any of the other terms of our banking agreement by notice to you in accordance with our usual practice and in accordance with any applicable law. The *product terms* may set out specific steps we must follow to effect a variation.

### Additional services

35.20 From time to time we offer incentive programmes or value added services in connection with a *product* offered by us or a third party. We may vary or withdraw the programmes or services at any time. We do not guarantee or warrant their quality and, if they are provided by a third party, they are provided on the terms offered by the third party (including the third party's privacy policies). Please contact us if you want to find out more information about the terms of the programmes or services.

### Our Advertising

35.21 We may advertise our own *products* and services in any manner, including through the *electronic banking services*, where such advertisement is consistent with any personal data protection laws.

### How we may exercise our rights

35.22 We may exercise a right or remedy, give or refuse our consent or *approval* in connection with our banking agreement in any way we consider appropriate, including by imposing conditions. We need not give you reasons for any decision we make.

35.23 If we do not exercise a right or remedy fully or at a given time, we can still exercise it later.

35.24 Except for a waiver or variation in accordance with clause 35.18 or 35.19, nothing we do suspends, varies or prevents us from exercising our rights under our banking agreement.

35.25 We are not liable for any *loss* caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by our negligence.

35.26 Our rights and remedies under our banking agreement and any *security*:

- are in addition to other rights and remedies given by law independently of our banking agreement or the *security* (including any general or banker's lien which any member of the *Standard Chartered Group* may have at law);
- do not merge with and are not adversely affected by any other *security* and may be executed independently or together with any rights or remedies including under any other *security*;
- may be exercised even if this involves a conflict of duty or we have a personal interest in their exercise; and
- are not affected by any payment, settlement, judgment or any thing which might otherwise affect them at law including:
  - us varying our banking agreement such as by providing you with additional *products*

or replacing existing *products* or withdrawing, suspending, terminating your existing electronic access to our *products* or granting you electronic access to additional *products*;

- you opening an *account*;
- an *account* not being active;
- us releasing you or a *security provider* or giving them a concession, such as more time to pay;
- the fact that we release or lose the benefit of any *security*;
- the death, mental or physical disability or *insolvency* of any person (including you or a *security provider*).

35.27 Our rights and remedies under our banking agreement may be exercised by any of our authorised employees or any other persons we authorise.

### Complying with orders and directives

35.28 If we are served or issued with any of the following:

- court orders;
- directives issued under law, regulators, authorities or agreements with any regulator or any authority,

we will act in accordance with them and you must not commence proceedings against us in relation to our actions.

### Consents

35.29 You must comply with all conditions in any consent or *approval* we give in connection with our banking agreement.

### Conflicting claims

35.30 If we consider any funds in any *account* may be subject to conflicting claims, we may take action (including getting legal advice or taking legal proceedings) to determine the matter. We may act in accordance with any determination and we are not liable to you for any *loss* you incur.

### Indemnities

35.31 The indemnities in our banking agreement are continuing obligations, independent of your other obligations under them. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity in connection with our banking agreement.

### Commissions

35.32 We may pay or receive a fee or commission to or from a third party if you are introduced to us or by us (if required by law, after you have consented to the introduction).

### Outsourcing

35.33 We may employ independent contractors and agents (including correspondents) to perform any of our obligations under our banking agreement or provide a *product* on terms we consider appropriate.

### Dealings

35.34 You must not assign or transfer your rights and obligations under our banking agreement to anyone without our consent first.

35.35 We may assign or otherwise deal with our rights under our banking agreement (including any particular *product* or *account*) in any way we consider appropriate. If we do this, you may not claim against any assignee (or any other person who has an interest in our banking agreement) any right of set off or other rights you have against us. If we ask, you must execute and give us or any other person we specify any document we reasonably require for this purpose.

## No breach

35.36 Nothing in our banking agreement requires us to do or not do anything if it would or might in our reasonable opinion constitute a breach of our policy or any applicable law, regulation or requirement of any authority.

## We act on business days

35.37 We only act on certain instructions or provide a *product* on a business day. If we are required to do anything on a non-business day, we may do it on the next following business day.

## Opening further accounts

34.38 We may open an *account* to administer any transactions for any *product*. This may include opening a new *account* for an existing *product* and allocating a new *account* number.

## Severability

35.39 If and to the extent that an applicable law is inconsistent with our banking agreement in a way that would otherwise have the effect of making:

- a provision of our banking agreement illegal, void or unenforceable; or
- a provision of our banking agreement contravene a requirement of that law or impose an obligation or liability which is prohibited by that law,

then the law overrides our banking agreement to the extent of the inconsistency, and our banking agreement is to be read as if that provision were varied to the extent necessary to comply with that law and avoid that effect (or, if necessary, omitted).

If any term of our banking agreement is invalid, unenforceable or illegal in a jurisdiction, that term is read as varied or severed (as the case requires) only for that jurisdiction. All other terms continue to have effect in that jurisdiction.

35.40 If any one or part of the terms of this Client terms is legally in any way, this will not affect the validity of the remaining terms.

35.41 We believe that the terms of this Client terms are reasonable. If any one or part of them proves to be not legally valid because it is unreasonable or for any other reason, we are entitled to treat that term as changed in a way that makes it reasonable and valid. If one of the terms of this Client terms is unenforceable against one of the clients agreeing to this Client terms, this will not in any way affect the enforceability of that term against the other clients e.g. the other joint *account* holder.

## Third party rights

35.42 Our banking agreement does not create or confer any rights or benefits enforceable by any person not a party to it except:

- a member of the *Standard Chartered Group* may enforce any rights or benefits in our banking agreement;
- a member of the *Standard Chartered Group* may enforce the rights or benefits of any indemnity, limitation or exclusion of liability in our banking agreement; and
- a person who is a permitted successor or assignee of the rights or benefits of our banking agreement may enforce those rights or benefits.

No consent from the persons referred to in this clause is required for the parties to vary or rescind our banking agreement (whether or not in a way that varies or extinguishes rights or benefits in favour of those third parties).

## Change in constitution

35.43 You must not change your constitution by amalgamation, consolidation, reconstruction, admission of any new partner or otherwise, without our consent. You must also ensure that each *security provider* does not do so without our consent. All *securities*, agreements, obligations given or undertaken by you or a *security provider* remain valid and binding despite any change in our, your or a *security provider*'s constitution by amalgamation, consolidation, reconstruction, death, retirement admission or any new partner or otherwise.

## Anti-money laundering and counter terrorism financing

35.44 In order to comply with local or foreign law, regulations, voluntary codes, directives, judgments or court orders, agreements between any member of the *Standard Chartered Group* and any authority, regulator, or enforcement agency, policies, (including *Standard Chartered Group's* policies), good practice, government sanctions or embargoes, reporting requirements under financial transactions legislation and demands or requests of any authority, regulator, tribunal, enforcement agency, exchange body, the *Standard Chartered Group* may:

- be prohibited from entering or concluding transactions involving certain persons or entities (e.g. person or entity that is itself sanctioned or is connected to or dealing with (directly or indirectly) any person or entity that is sanctioned under economic and trade sanctions imposed by any regulator in any jurisdiction where we operate in or by any supranational organisation, official body including, but not limited to, Her Majesty's Treasury, the United Nations, the European Union or any country); or
- (without limitation to clauses 9 and 26) report suspicious transactions or potential breaches of sanctions to an authority in any jurisdiction to which the *Standard Chartered Group* may need or decide to disclose.
- required to report suspicious transactions to an authority. Transactions impacted include those that may:
  - involve the provision of finance to any person involved or suspected of involvement in terrorism or any terrorist act;
  - be relevant to investigation of an actual or attempted evasion of tax law, investigation of or prosecution of a person for an offence against any applicable law; or
  - involve persons or entities which may be the subject of sanctions.

35.45 A member of the *Standard Chartered Group* may intercept and investigate any payment messages and other information or communications sent to or by you or on your behalf and may delay, block or refuse to make any payment. Payment screening may cause a delay in processing certain information.

35.46 Any member of the *Standard Chartered Group* may take any action it believes to be necessary to comply, or in connection, with the matters set out in clause.

35.47 No member of the *Standard Chartered Group* is liable for any loss arising out of any action taken or any delay or failure by us, or a member of the *Standard Chartered Group*, in exercising any of its rights or performing any of its duties or other obligations, caused in whole or in part by any steps taken as set out above.

## Reports

35.48 Any report we obtain from any valuer or consultant is for our use only. Even if we give you a copy of the report, you cannot rely on it. You cannot sue us, the valuer or consultant if the report is wrong.

35.49 If there is any dispute in connection with our banking agreement, our decision is conclusive and binding unless there is a manifest error.

## Our decision is conclusive

35.50 If there is any dispute in connection with our banking agreement, our decision is conclusive and binding unless there is a manifest error.

## Counterparts

35.51 Our banking agreement may consist of a number of copies, each signed by one or more parties. The signed copies form one document.

## Governing law

35.52 Our banking agreement is governed by the laws of Hong Kong.

35.53 Your use of our *electronic banking services* is through the *internet service provider*, network server or such other equivalent system in the country from where such service is accessed by

you, and to this extent, such access by you will also be subject to the relevant laws of that country and any terms prescribed by such internet *service provider*, network provider, server or such other equivalent system.

## **Jurisdiction**

35.54 The parties submit to the non-exclusive jurisdiction of the courts of Hong Kong. We may take enforcement action and initiate proceedings in the courts of any other jurisdiction where you have assets. To the extent allowed by law, we may take proceedings in any number of jurisdictions at the same time. You may only initiate an action in the courts of Hong Kong.

## **Serving documents**

35.55 Without preventing any other method of service, any document in a court action may be served on a party by being posted, delivered to or left at that party's address last notified.

## **Part K - What to do if you have a complaint**

### **36. What to do if you have a complaint**

We aim to provide excellent client service. If you think we have failed, you should let us know so that we can try and put things right. Also, by telling us where you think we have failed, we will be able to provide you with a better service in the future. For assistance please contact us.

## **Part L - Meaning of words**

### **37. Meaning of words**

You also need to refer to the *product terms* which also define key words specifically applicable to the *product*. If a word defined in these Client terms is also defined in any *product terms*, the definition in the *product terms* applies for the purposes of the applicable *product*.

**account** means, for a *product*, the *account* opened and maintained by us for you in respect of it.

**application** means, for a *product*, a Standard Chartered Bank *application* form or a similar document signed or submitted by you together with all related forms and consents signed or agreed to by you in connection with your *application* for the *product* or your request to access the *product* through our *electronic banking services*.

**approval** means, for a *product*, our confirmation to you that use of the *product* is approved by us or you have been approved to access or use the *product* in any manner including through our *electronic banking services*.

**ATM** means automatic teller machine. It includes any machine or device which allows cash to be withdrawn from it and which may accept deposits of cash or cheques.

**ATM card** means the *card* or other device through which you may access an *account* by an *ATM*, together with the relevant *PIN/password*.

**authorised person** means any person you authorise (either alone or collectively) and we approve to operate an *account* and to act on your behalf in giving instructions, to perform any other acts under our banking agreement or use any *product*. It includes a *cardholder* or any other person given a *security code* to allow them to give instructions.

**balance owing** means, for a particular *account*, at any time, the difference between all amounts credited and all amounts debited to you in connection with that *account* at that time. When this amount is to be calculated for the end of a day, it includes all debits and credits assigned to that day.

**Base currency** means, for a *product*:

- in the case of a loan, the currency in which the limit is expressed; or
- in any other case, the currency of the place where the *product* is provided to you.

**card** means an *ATM card*, a *debit card*, a *credit card*, a *prepaid card* or a *revolving card* or all of them, as the context requires.

**card association** means Visa International, Mastercard International or any other *card association*.

**cardholder** means, for an *account*, each person to whom we issue a *card* on the *account*.

**credit card** means a *credit card* with the branding of a *card association* issued by us to you, or an authorised person, in accordance with *credit card product terms* and includes a *smart card*.

**circumstances beyond our control** means circumstances beyond our reasonable control including natural events, steps taken or policies imposed by authorities, adverse market or trading conditions, failure of third parties, failure of communication or computer facilities and civil disturbances.

**consolidated statement** means a single statement setting out details (including the *balance owing*) of all *accounts*.

**costs** includes *costs*, charges and expenses, including those in connection with legal advisers.

**country** as may be referred to in our banking agreement or any other bank form or document includes place, region or location (as the case may be), unless otherwise specified.

**credit card** means a *credit card* with the branding of a *card association* issued by us on an *account* in accordance with *credit card product terms*.

**debit card** means the *card* or other device issued by us to you, with which you may make payments by direct debit from an *account*. A *debit card* may also be an *ATM card*.

**default** means any of the events described or referred to in clause 27.3 (Termination by us);

**default rate** means, for a *product*, the rate of interest we charge from time to time on overdue amounts for the *product* (which is higher than the usual interest rate).

**eAdvice** means advices sent to or accessed by you by electronic means.

**eCommunication** means eStatement and/or eAdvice.

**electronic alerts** means an *electronic banking service* provided by SMS or email by which we send you SMS or email messages to alert you to certain types of transactions or to provide financial information, as offered by us and selected by you.

**electronic banking services** means services provided by us which enables you or an authorised person to obtain information from us or give instructions to us through *electronic equipment*.

**electronic banking software** means any software we supply to you or which you are required to download for the purpose of accessing the *electronic banking services*.

**electronic equipment** means any *electronic equipment* including an electronic terminal (for example, a *merchant terminal* or *ATM*), computer, cash deposit machine, television, fax machine, telephone and mobile telephone.

**Existing terms** means the Client terms.

**eStatement** means statements sent to or accessed by you by electronic means.

**fund transfer services** means the services provided by us which enable you to transfer funds from the *source account* to another *account* under the *electronic banking services*.

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China.

**insolvency or insolvent** means for a person, the occurrence of any corporate action, legal proceedings or other step in relation to:

- suspension of payments, moratorium of indebtedness, bankruptcy, winding up or composition or arrangement with creditors;
- the appointment of a receiver, administrator in respect of that person or any of your assets;
- expropriation, compulsory acquisition or resumption of any of their assets;

- attachment, sequestration, distress or execution affecting any of their property or the enforcement of any *security interest* over their assets; or
- any thing have a substantially similar effect to any of these things happening in any jurisdiction.

**letter of offer** means, for a *product*, any *letter of offer* or similar document from us offering to provide you with the *product*.

**linked account** means an *account* which is linked to a *card*.

**loss** includes any *loss*, damage, demand, claims, liabilities and *costs* of any kind.

**merchant** means a merchant at whose outlets we have authorised the use of *cards*.

**mobile app** means our mobile *application* installed on your mobile or communications device and through which you provide instructions to us and access *mobile banking*.

**mobile banking** means the facility provided by us which allows you access to your *account(s)*, conduct transactions and subscribe to such other *products* and services as may be provided on your mobile or communications device via the *mobile app*.

**mobile banking user ID** is the personal identification you use to log in to carry out *mobile banking* via the *mobile app* that you have downloaded on your mobile or communications device.

**mobile phone number** means the mobile phone number specified by you on our *ATM*, our website, through the call centre or in writing either through any form provided by us or for using our *electronic banking services*.

**nominated account** means an *account* opened and maintained by us which you and we have agreed is to be the *account* used for the purposes of transactions in connection with a *product*.

**One time password** means a uniquely randomly generated one time password that is required to access certain facilities that are part of our *electronic banking services* which we will provide to you using your *mobile phone number* that has been registered with us or via *security token* or such other agreed method.

**online banking** means the *electronic banking services* provided by the internet.

**online telegraphic transfer** means an instruction given by you or an *authorised person* by the *electronic banking services* for an international funds transfer.

**other arrangement with us** means:

- each *security*; and
- each other arrangement (including an agreement or a *security interest*) under which you or any *security provider* has or could in the future have obligations to us or any member of the *Standard Chartered Group*. It does not include any banking agreement.

**a person (including you)** includes that person's executors, administrators, successors, substitutes (including by novation) and assigns and our banking agreement binds those persons and the joint accountholder where applicable;

**PIN/password** means the personal identification. It includes the Tele-electronic Identification Number ("TIN") issued to you for use with telephone banking and other elements of the Service and/or the secret password you choose for the electronic banking service (or, in each case, any replacement secret password that you choose).

**point of sale banking** means use of a *card* by you or an *authorised person* at a *merchant's* terminal (for example, ePOS, EPS, NETS).

**preferences** means the customised preferences that are required to be set by you with us which shall enable us to send you *electronic alerts* with respect to our *electronic banking services*.

**prepaid card** means a stored value reloadable card with a *card* logo issued to you by us.

**product** means each facility, product or other service we may from time to time make available to you under the respective banking agreements that you have with us. It includes any component comprising the product including an *account*.

**product brochure** means, for a *product*, a brochure or an important information document describing the features of the *product*. The brochure or document may not necessarily be called

a 'product brochure'.

**product terms** means, for a *product*, the specific terms and conditions that apply to it, in addition to these Client terms. These are available to you at our branches and our website and may include a *product brochure*.

**revolving card** means a *card* we issue in connection with a *revolving loan*.

**revolving loan** means the outstanding principal amount of a loan made under Part B of the *product terms* for Personal Loan and Personal Line of Credit/Overdraft.

**security** means any *security interest* granted to us in connection with our banking agreement. It includes any *security interest* given under Part I (Security).

**security code** means all confidential codes, user names, user identification codes, *PIN/password*, *one time password* and information or a physical device (for example, an *ATM card*, a *debit card*, *credit card*, *security token* or electronic key) that you or an authorised person must use to confirm your or their identity when you or they access an *account* using our services including our *electronic banking services*.

**security interest** means any *security* for the payment of money or performance of obligations including a mortgage, charge, pledge, lien or guarantee and indemnity.

**security provider** means each person who provides *security*.

**security token** means any *security* device issued and designated by us as a means of identifying you or providing you with *security codes* to use our *electronic banking services*.

**smart card** means a *card* containing a computer device (commonly known as a computer microchip) which is designed to be capable of storing and processing information.

**SMS** means a Short Message Service using a mobile telephone.

**SMS banking** means the *electronic banking services* provided to you by *SMS*, by which you have access to *accounts*.

**source account** means the *account* designated by you, from which funds are to be used for a fund transfer under the *fund transfer services* or a payment under the bill payment services. The *source accounts* designated for separate transactions may be different *accounts*.

**Standard Chartered Group** means each of Standard Chartered PLC and its subsidiaries and affiliates (including each branch or representative office).

**tariff sheet** means, for a *product*, a document (which may not necessarily be called a 'tariff sheet') setting out some of the fees and *costs* that may apply to a *product*.

**tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of it).

**we** means each member of the *Standard Chartered Group* identified in the *application* or the *approval* as the person providing the *product* (or any component of the *product*) to you, and its successors and assigns.

**you** means the person named as the "applicant" in the *application*. If there is more than one, you means each person separately as well as every 2 or more of them jointly. It also refers to you, your joint *account holder* and/or an *authorised person*, where applicable.

**your system** means the equipment and software belonging to and used by you to access our *electronic banking services*.

The singular includes the plural and vice versa.

Headings in these Client terms are for convenience only and do not affect their interpretation.

A reference to:

- "our banking agreement" means, for a *product* the agreement between you and us made up of the applicable documents set out in clause 1.4;
- a "business day" is a reference to a day when banks are open for general banking business in Hong Kong but does not include Saturdays, Sundays and public holidays, unless otherwise specified in the *product terms*;

- “person” includes an individual, a partnership, a body corporate, an unincorporated association, a government, a state, an agency of a state and a trust;
- *a person (including you)* includes that person’s executors, administrators, successors, substitutes (including by novation) and assigns and our banking agreement binds those persons;
- “including”, “such as” or “for example” when introducing an example does not limit the meaning of words to which the example relates to that example or examples of a similar kind;
- a law includes any regulation, rule, official directive, request, or guideline (whether or not having the force of law) of any authority;
- a document includes any variation or replacement of it and any reference to any details set out in a document (for example, limits, fees, interest rates or repayment arrangements) is a reference to those details as varied in accordance with our banking agreement or as otherwise agreed; and
- any thing includes any part of it.

## **Appendix 1 - Notice to customers and other individuals relating to the Personal Data (Privacy) Ordinance (“Ordinance”) and the Code of Practice on Consumer Credit Data**

### **Protecting your personal data**

Your personal data is important to us, and we want to make sure you know how we use and protect it. Personal data is information that either identifies you or is about you as an individual. In this privacy notice, we’ll explain how we collect, share, and process your personal data. We’ll also tell you about your rights and how you can exercise them. From time to time, we may also provide you where relevant, with additional privacy information in a separate notice for specific channels, products, services, businesses and activities.

In this privacy notice, “we”, “us” or “our”, refers to the Standard Chartered Group branch, subsidiary or legal entity operating under the Standard Chartered brand you interact with either directly or indirectly that processes your personal data and decides how it is collected and used. Standard Chartered Group means each of, or collectively, Standard Chartered PLC, its subsidiaries and affiliates, including each branch or representative office. Please refer to the ‘How to get in touch’ section of this privacy notice for details of the relevant Standard Chartered Group member(s) providing this privacy notice.

Some of our affiliates’ websites have their own brand identity and their own separate privacy notices to provide relevant information for specific products and services they provide. You should refer to the relevant privacy notices as directed by those affiliates in relation to how they use your personal data. This privacy notice does not apply to third-party websites where our online advertisements are displayed or to linked third-party websites we do not operate or control. These websites should have their own privacy notices, which you can read to understand how they collect and process your personal data and your rights.

We’ll update this privacy notice from time to time. You can find the current version date listed at the end of this privacy notice. If you have any questions or concerns about your personal data, please don’t hesitate to get in touch (you can find our details under ‘How to get in touch’ below).

### **What types of personal data do we collect?**

We may collect the following types of personal data about you. In this privacy notice, “You” refers to you as an individual, as relevant if you are:

- a personal banking client;
- a representative of, or an individual directly or indirectly related to or associated with: (i) a company, business or organisation that is our personal banking client; or (ii) a person or a company, business or organisation that has a relationship with our personal banking client; or
- a representative of, or an individual directly or indirectly related to or associated with: (i) a company, business or organisation that is our business or corporate banking client; or (ii) a person or a company, business or organisation that has a relationship with our business or corporate banking client.

In addition, "You" has the same meaning as a "data subject" (defined below).

If you give us someone else's personal data, you must have their permission and explain to them how we'll use it.

We may collect the following types of personal data about you, as relevant and permitted or required by applicable law:

- **Identification data** – information that identifies (uniquely or semi uniquely) you. For example, your name, your date of birth, your gender, your user login credentials, your photographs, CCTV and video recordings of you and other identifiers, including official/government identifiers such as national identification number, passport number and tax identification number;
- **Contact data** – information that allows addressing, sending or communicating a message to you. For example, your email address, your phone or mobile number and your residential or business address;
- **Professional data** – information about your educational or professional background;
- **Geo-location data** – information that provides or contains a device's location. For example, your internet protocol ("IP") address or your cookies identifier;
- **Behavioural data** – analytics information that describes your behavioural characteristics relating to your use of our products and services. For example, usual transactional activities, your browsing behaviour on our websites and how you interact as a user of our products and services, or those provided by third-party organisations, such as our advertising partners and social media platform providers;
- **Personal relationship data** – information about associations or close connections between individuals or entities that can determine your identity. For example, spouse or employer relationships;
- **Communications data** – information relating to you contained in voice, messaging, email, livechats and other communications we have with you. For example, service requests;
- **Financial and commercial data** – your account and transaction information or information that identifies your financial position and background, status and history as necessary to provide relevant products and services. For example, your debit or credit card details, your source of funds, your financial and credit rating history;
- **Biometric data** – information that identifies you physically. For example, facial recognition information, your fingerprint or voice recognition information;
- **Health data** – information relating to your health status. For example, disability information relevant to accessibility;
- **Criminal convictions, proceedings or allegations data** – information about criminal convictions or related information that we identify in relation to our financial crime prevention obligations, for example, details about any criminal convictions or related information. This includes details of offences or alleged offences or convictions.

We often collect personal data directly from you, but we may also obtain your personal data from other sources as necessary, depending on the relevant products and services that we are providing, including from:

- **People you know** – such as:
  - parents or guardians of minors. If you are a minor (normally this means if you are under 18 years old, but this might be younger depending on where you live). We will get your parent or guardian's consent before collecting, using or sharing your personal data;
  - your joint account holders;
  - your referees; and
  - other people you appoint to act on your behalf;
- **Businesses and other organisations** – such as:
  - your employer and/or company, business or organisation you represent or is related to you;

- other financial institutions and financial service providers;
- strategic referral partners, including business alliance, co-branding partners or other companies or organisations that the Standard Chartered Group cooperates with based on our contractual arrangements or other joint ventures to provide relevant third-party products and services;
- credit bureaus or credit reference agencies, credit protection providers, rating agencies, debt collection agencies, fraud prevention agencies and organisations (including credit reference agencies approved for participation in the Multiple Credit Reference Agencies Model);
- service partners, such as advertising and market research companies and social media platform providers;
- regulatory and other entities with authority over the Standard Chartered Group, such as tax authorities, law enforcement or authorities imposing financial sanctions;

- **Our corporate and business clients** – where you receive the benefit of our services in relation to our contract with the company, business or organisation you interact with. For example, resolving payment disputes with our merchant clients;
- **Publicly available resources** – such as online registers or directories or online publications, social media posts and other information that is publicly available;
- **Cookies** – when you visit, browse, or use our websites, online banking or mobile applications, we may use cookies to automatically collect certain information from your device. We may use such information, where relevant, for internal analysis and troubleshooting, to recognise you and remember your preferences, to improve the quality of and to personalise our content and to determine the security status of your account. For more information on how we use cookies and how you can control them when visiting our websites, please see our Cookie Policy.

### **Why do we collect your personal data?**

We collect your personal data so that we can provide our products and services, manage our relationship with our clients and operate our business. This is necessary when you hold your own bank account with us and also when you represent, or are associated with, other individuals, companies, businesses or organisations who bank with us, for example, if you act as a guarantor, employee, shareholder, director, officer or authorised person.

If you have or are associated with more than one account with Standard Chartered Group, we may link all your accounts and personal data to enable us to have an overall picture of our client relationships.

What we use your personal data for is often referred to as our purposes of processing. We do this by prior notification of the purposes of processing, with your consent where required by law, or where otherwise permitted or required by applicable law. We may not be able to offer or provide facilities, products and services if you do not provide us with or do not want us to process the personal data that we consider is necessary and/or is required to meet our legal and regulatory obligations.

### **Purposes of Processing**

We process your personal data for the following purposes, as necessary to provide relevant products and services, depending on whether you have your own bank account with us or you represent, or are associated with, other individuals, companies, businesses or organisations who bank with us.

### **Assessing and providing products and services to our clients**

This includes:

- assessing eligibility, merits and/or suitability of products and services offered by us or any member of Standard Chartered Group and process applications for clients; we may retain a record of the application if our eligibility criteria are not met;
- assessing your suitability as an individual guarantor;
- conducting relevant due diligence and know-your-customer (“KYC”) checks as required by applicable law;

- conducting credit checks (whether in respect of an application for, or modification of the terms of our products or services or during regular or special review which normally will take place once or more each year) and financial assessments as required by applicable law and regulations;
- setting credit limits for clients;
- obtaining quotations, assisting with applications and interacting with strategic referral partners on behalf of clients for co-branding and other third-party products and services, such as insurance and wealth management products;
- opening accounts.

### **Managing banking relationships and administering client accounts**

This includes:

- establishing, continuing and managing banking relationship and account with us or, where applicable, any member of the Standard Chartered Group;
- providing clients with appropriate access to our products and services, such as our online and mobile banking platforms;
- operating, providing, reviewing and evaluating facilities, products and services offered by or through us or any member of Standard Chartered Group to fulfil our contractual obligations with clients for facilities, products and services;
- effecting and verifying transactions and acting on instructions or requests, such as transferring money between accounts and making payments to third parties for clients;
- maintaining up-to-date records of authorised persons and signature lists;
- maintaining statements detailing the amount of indebtedness owed to or by you;
- administering, for example, credit facilities or loans for clients;
- maintaining contact information;
- responding to questions or managing any complaints, including monitoring social media conversations and posts to identify conversations, sentiments, and complaints about the Standard Chartered Group;
- issuing notifications about changes to the terms and conditions of our products and services;
- recording our communications for record-keeping and evidential purposes including online messages, email and telephone;
- contacting clients relating to the products and services we are providing;
- facilitating open banking for clients, including with account information service providers.

### **Operating our business**

This includes:

- managing authentication and user access controls for clients, for example, for online and mobile banking;
- audits of our business operations;
- creating and maintaining our credit scoring models relating to clients;
- conducting relevant credit management activities, which includes maintaining client credit history for present and future reference, updating credit bureaus and credit reference agencies and ensuring ongoing credit worthiness and credit checks;
- assisting other credit providers in Hong Kong approved for participation in the Multiple Credit Reference Agencies Model to conduct credit checks and collect debts;
- assisting other banks and third parties recover funds that have entered client accounts as a result of erroneous payments;

- engaging in business operational management, such as performing administrative tasks relating to the products and services we provide, monitoring and reporting of our financial portfolio, risk management activities, audits and ensuring operation of our communications and processing systems, systems development and testing, business planning and decision-making.

### **Improving our products and services to our clients**

This includes:

- developing, testing and analysing our systems, products and services;
- monitoring and recording our communications with you, for example, phone calls, for training and quality purposes;
- conducting market research and customer satisfaction surveys;
- designing our products and services for your use, for example credit cards;
- conducting marketing in relation to our products and services;
- managing, monitoring and assessing the performance of any agent, contractor or third-party service provider who provides administrative, telecommunications, computer, payment or securities clearing or other services to us in connection with the establishment, operation, maintenance or provision of our products and services;
- conducting demographic analytics and gathering insights by aggregating data such as behavioural data from the use of our products and services and our applications to provide you with more tailored products and services.

For further information on direct marketing, please refer to 'When do we conduct direct marketing?' section of this privacy notice.

### **Keeping you and our people safe**

This includes:

- conducting identity verification security checks for building access;
- using CCTV surveillance recordings at our branches, premises and ATMs for the purposes of preventing and detecting fraud and/or other crimes, such as theft;
- investigating and reporting on incidents or emergencies on our properties and premises;
- for the security of our systems and networks in order to keep your data safe and confidential;
- for other health and safety compliance purposes;
- monitoring social media conversations and posts to protect clients from sharing data publicly that could be used for fraud.

### **Detecting, investigating and preventing financial crimes**

This includes:

- meeting or complying with Standard Chartered Group policies, including identifying individuals and performing investigative procedures, measures or arrangements for sharing data and information within the Standard Chartered Group;
- any other use of data and information in accordance with any group-wide programmes for compliance with sanction or prevention or detection of money laundering, terrorist financing or other unlawful activities;
- conducting identity verification security checks against government and other official centralised databases, as required by law;
- monitoring and recording our voice and electronic communications and screening applications and transactions in connection with actual or suspected fraud, financial crime or other criminal activities, for example to detect unusual transaction behaviour;

- recording and monitoring voice and electronic communications with us, to the extent permitted by applicable law, to ensure compliance with our legal and regulatory obligations and internal policies;
- conducting checks against government and non-government third parties' fraud prevention and other financial crime prevention databases to prevent money laundering, terrorism, fraud and other financial crimes, to protect you, our clients and the integrity of the financial market. A record of any fraud or money laundering risk will be retained by the fraud prevention agencies and may result in others refusing to provide services or employment to you.

### **Complying with applicable laws, regulations and other requirements**

This includes:

- meeting or complying with Standard Chartered Group policies, including identifying individuals and performing investigative procedures, measures or arrangements for sharing data and information within the Standard Chartered Group;
- meeting or complying with (contractual or otherwise) any relevant local and foreign law, regulations, rules, directives, judgments or court orders, requests, guidelines, best or recommended practices, government sanctions, embargo, reporting requirements, restrictions, demands from or agreements with any authority (including domestic or foreign tax authorities), court or tribunal, law enforcement agency, or self-regulatory or industry bodies or associations of financial services providers, exchange body in any relevant jurisdiction where the Standard Chartered Group operates;
- sharing personal data relating to your personal bank account with a local tax authority in accordance with applicable law or regulations. The local tax authority may share or may require us to share such information with other overseas tax authorities in accordance with applicable law or regulations (for example, tax law and regulations relating to automatic exchange of financial account information). We may need to collect extra information from you for such purpose to comply with applicable law or regulations.

### **Exercising Standard Chartered Group's legal rights and conducting legal proceedings**

This includes:

- tracing and exercising our rights and protecting ourselves against harm to our rights and interests;
- retaining records as may be necessary as evidence for any potential litigation or investigation;
- recovering debts and arrears;
- conducting litigation to enforce our rights or the rights of any other member of the Standard Chartered Group obtaining professional advice;
- investigating or making an insurance claim;
- responding to any insurance related matter, action or proceeding;
- defending or responding to any current or prospective legal, governmental or quasi-governmental, regulatory, or industry bodies or associations related matter, action or proceeding or for establishing, exercising or defending legal rights.

### **Facilitating Standard Chartered Group mergers, acquisitions, and divestments**

This includes:

- evaluating our business and providing continuity of services to you after a transfer of our business as a result of a merger, acquisition, sale or divestment;
- enabling an actual or potential assignee of all or any part of our business and/or asset or participant or sub-participant of our rights in respect of the data subject, to evaluate the transaction intended to be the subject of the assignment, participation or sub-participation.

## When do we conduct direct marketing?

We may sometimes, and with your consent as required by applicable law, use your personal data in direct marketing. In this connection, please note that:-

- (i) your name, contact details, products and services portfolio information, transaction pattern and behaviour, financial background and demographic data of you held by us from time to time may be used by us in direct marketing;
- (ii) the following classes of services, products and subjects may be marketed:
  - news, offers and promotions about our or other Standard Chartered Group products and services;
  - financial, insurance, fiduciary, investment services, credit card, securities, investment, banking and related services and products;
  - reward, loyalty or privileges programmes and related services and products;
  - products and services offered by our co-branding partners (the names of such co-branding partners can be found in the application form(s) for the relevant products and services, as the case may be);
  - charitable and/or non-profit making donations, sponsorships and contributions;
- (iii) the above services, products and subjects may be provided or (in the case of donations and contributions) solicited by us and/or:-
  - any member of the Standard Chartered Group;
  - third party financial institutions, insurers, credit card companies, securities and investment, mobile wallets & digital payment services providers;
  - third party reward, loyalty, co-branding or privileges programme providers;
  - co-branding partners of the Bank and/or any member of the Standard Chartered Group (the names of such co-branding partners can be found in the application form(s) for the relevant services and products, as the case may be); and
  - charitable or non-profit making organisations.

In addition to marketing the above services, products and subjects ourselves, we also intend to provide your personal data to all or any of persons described in paragraph (iii) under the same section for use by them in marketing those services, products and subjects, and we require your written consent (which includes an indication of no objection) for that purpose.

We may conduct market research using demographic and insights analytics by aggregating the personal data that we hold about you to provide you with marketing communications, which are more relevant and tailored for you.

We may share limited information about you with social media platform providers we engage with for the purpose of online social media advertising where you have permitted us and the social media platform provider(s) to use cookies that support our marketing on these platforms. For example, to check whether you have an account with social media platform providers, so we can ask them to display more relevant marketing communication messages to you about our products and services or to exclude you from receiving advertisements for our products and services which you already use.

For more information on how we use cookies in relation to marketing, please see our Cookie Policy.

Where we may receive money or other property in return for providing personal data to other persons mentioned above, we are required to inform you prior to doing so collecting your consent or no objection before disclosing your personal data for such marketing purposes.

**You may withdraw your consent or opt-out from receiving such marketing communications or providing to other persons your data for use in direct marketing as described above in accordance with your rights by contacting us using the details in the 'How to get in touch' section below without charge.**

## When do we use automated decision-making?

We may use the personal data we collect to conduct data analytics, including profiling and behavioural analysis, to make quicker automated decisions in our business operations and to evaluate your personal characteristics to predict outcomes and risks. We require that rules followed by such automated systems are designed to make fair and objective decisions. We may use artificial intelligence and machine learning to help improve our communications and client experience, make our business operational processes safer and more efficient and enable us to provide faster responses and improve turnaround time. For example, we may use automated decision-making for the following:

- Client digital onboarding processes - account opening approval processes using electronic Know-Your-Customer (eKYC) checks by verifying the authenticity of scanned identification documents and a photo through biometric facial recognition and liveliness check;
- Operational efficiency - voicebots for call centre identification verification;
- Client engagement - client marketing campaigns and communications to recommend more tailored products and services based on insights from your personal data and your interactions with robo advisors and chatbots;
- Risk management - monitoring of accounts and transactions to detect unusual activities to prevent fraud or money laundering, terrorism and other financial crimes (for example, detecting whether the use of your credit card may be fraudulent) and approval of loan applications and credit decisions based on credit-scoring models.

For further information on your rights in relation to automated decisions that affect you, please refer to the 'What are your personal data protection rights?' section.

## Who may we share your personal data with?

We may share your personal data within the Standard Chartered Group. Standard Chartered Group may share your personal data for the purposes of processing as set out in this privacy notice, including with our service providers, our business partners, other third parties and as required by law or requested by any authority. Who these are depends on your interactions with us as an individual.

We limit how, and with whom, we share your personal data, and take steps to ensure your personal data is kept confidential and protected when we share it. We may share your personal data for our purposes of processing with the following, where relevant and allowed by law:

- **Other members of the Standard Chartered Group**

- **Authorised third parties**

- legal guardians, joint account holders, actual or intended guarantors/sureties, trustees, beneficiaries, executors, or authorised persons of our clients, any actual or potential participants or sub-participants in relation to any of our obligations in respect of any banking agreement, assignees, novatees or transferees (or any officers, employees, agents or advisers of any of them);
- any other person you have authorised us by your consent to share your personal data with.

- **Third parties that can verify your information**

- credit bureaus or credit reference agencies (including the operator of any centralised database used by credit reference agencies), credit protection providers, rating agencies, debt collection agencies, fraud prevention agencies and organisations;
- other non-government third parties that conduct financial crime prevention databases checks to prevent money laundering, terrorism, fraud and other financial crimes.

- **Our service partners**

- professional advisers, such as auditors, legal counsel, conveyancers and asset valuation specialists;
- insurers or insurance brokers;

- service providers, such as operational, administrative, data processing and other technology service providers, including anyone engaged or partnered with to analyse and facilitate improvements or enhancements in Standard Chartered Group's operations or provision of products and services;
- providers of professional services, such as market researchers, forensic investigators and management consultants;
- advertising companies and social media platform providers;
- third-party product providers including, for example, securities and investments providers, fund managers and insurance companies;
- third-party service providers, such as telemarketing and direct sales agents and call centres.

● **Strategic referral partners**

- business alliance, co-branding partners or other companies or organisations that the Standard Chartered Group cooperates with based on contractual arrangements or other joint ventures to provide relevant third-party products and services;
- charitable and non-profit organisations.

● **Other financial services organisations**

- other banks and financial services providers you have chosen to provide your information to that is held by us in connection with the provision of services to you by those other banks and financial service providers;
- other financial institutions, such as merchant banks, correspondent banks or national banks;
- market infrastructure providers and securities clearing providers;
- payment service providers, including mobile wallet and digital payment service providers, merchants, merchant acquiring companies, credit card companies, payment processors and card association members, payment-initiation and card-based payment instrument service providers such as VISA and Mastercard;
- account information service providers;
- any financial institution and merchant acquiring company with which you have or propose to have dealings.

● **Government authorities, law enforcement agencies and others**

- as required by law or as requested by any authority, which includes any government, quasi-government, regulator, administrative, regulatory or supervisory body, court, tribunal, law enforcement agency, exchange body or domestic or foreign tax authorities, having jurisdiction over any Standard Chartered Group member whether within or outside your jurisdiction and whether or not that Standard Chartered Group member has a relationship with you
- self-regulatory or industry bodies or associations of financial services providers in any relevant jurisdiction where the Standard Chartered Group operates.

● **Other third parties**

- the company, business or organisation, as applicable, that you represent or is related to you;
- third parties in case of a merger, acquisition or divestment: if we transfer (or plan to transfer) or assign any part of our business or assets. If the transaction goes ahead, the interested party may use or disclose your personal information in the same way as set out in this privacy notice, and subsequently notify you of any changes they may make in terms with confidentiality how they process your personal data
- any other person under a duty of confidentiality to us, including any other members of the Standard Chartered Group, which has undertaken to keep such information confidential.

**Where do we transfer personal data?**

Your personal data may be processed, kept, stored, shared, transferred or disclosed by us within

the Standard Chartered Group or with other third parties\* for the purposes described in this privacy notice. We do this in order to operate effectively, efficiently and securely in facilitating transactions and providing products and services to our clients, to improve and support our processes and business operations and to comply with our legal and regulatory obligations. This may involve processing, keeping, storing, sharing, transferring or disclosing your personal data locally or cross border to other jurisdictions, which may be subject to relevant local practices and laws, rules and regulations including right of access available to the overseas authorities.

\* Please refer to our website ([www.sc.com/hk](http://www.sc.com/hk)) for the list of countries where such parties may be located.

Where recipients of personal data are in jurisdictions that are outside Hong Kong, and local laws may not have similar data protection laws as Hong Kong, we will take all reasonable steps necessary to ensure that your personal data has an appropriate adequate level of protection and safeguards to comply with applicable law, for example, by using Recommended Model Contractual Clauses issued by the Office of the Privacy Commissioner for Personal Data ("PCPD").

### How do we protect your personal data?

We take the privacy and security of your personal data very seriously. To protect your data, we have put in place a range of appropriate technical, physical and organisational measures to safeguard and keep your personal data confidential, for example, by using contracts with appropriate confidentiality, data protection and security terms in our arrangements with third parties. Standard Chartered Group has implemented information security data privacy policies, including incident management and reporting procedures, rules and technical measures to protect personal data and to comply with legal and regulatory requirements. We train and require staff who access your personal data to comply with our data privacy and security standards. We require our service providers, or other third parties we engage with and to whom we disclose your personal data to implement similar confidentiality, data privacy and security standards and measures when they handle, access or process your personal data.

### How long do we keep your personal data?

For the purposes described in this privacy notice, we keep your personal data for business operational or legal reasons while you engage with us and may retain your personal data for a period of time afterwards, depending on the type of personal data, in accordance with our data retention policy standards and as required by applicable law or regulations. We will take steps to delete, anonymise, destroy and/or stop using personal data when we no longer need it.

### What are your personal data protection rights?

We respect your personal data, and you have the following rights about how we use your information:

- **Your right to access your data:** You have the right to check whether we hold data about you and request a copy of the data.
- **Your right to correct your data:** If your personal details have changed, or you believe we have incorrect or out of date information about you, you can ask us to update it.
- **Your right to change or withdraw consent:** We may sometimes ask for your consent to process your personal data. If you change your mind, let us know. However, we may not be able to provide our products and services or engage with you without certain personal data.
- **Your right to withdraw from direct marketing:** You can withdraw your consent or object to receiving invitations to surveys and marketing communications at any time.

We will respond to requests to exercise your personal data rights in line with applicable law. We may ask you to verify your identity before processing your request. If you have any questions about your rights, please contact us using the details below.

### How to get in touch

The following Standard Chartered Group companies act as the data user (sometimes known as

controller in other jurisdictions) responsible for processing your personal data in Hong Kong:

Standard Chartered Bank (Hong Kong) Limited

The person to whom requests for access to or correction of data held by us, or for information regarding our data policies and practices and kinds of data held by us are to be addressed is as follows:

The Data Protection Officer  
Standard Chartered Bank (Hong Kong) Limited  
GPO Box 21  
Hong Kong

In accordance with the terms of the Ordinance, we may charge a reasonable fee for the processing of any data access request. If you have any questions about this privacy notice or would like to exercise any of your personal data protection rights, please do not hesitate to contact either your relationship manager or our designated hotline +852 2886 6023.

### **Got a complaint?**

If you have any concerns or complaints about how we're using your personal data, please talk to us. You can contact the branch or your relationship manager or get in touch with our Data Protection Officer. You can also contact the Office of the Privacy Commissioner for Personal Data (PCPD) at <https://www.pcfd.org.hk>.

### **Cookies**

Please see our separate Cookie Policy.

In this document, unless inconsistent with the context or otherwise specified, the following words shall have the following meanings: -

**account(s)** means, for each facility, service or product which we may from time to time make available to the data subjects, the account that is, opened and/or maintained in respect of it from time to time.

**accountholder(s)** means holder(s) of an account, which includes joint accountholder(s) in case there is more than one holder for an account.

**data subject(s)** has the meaning given to it in the Ordinance and includes applicants or accountholders for Facilities, Products and Services, customers, security providers, guarantors, referees, corporate officers and managers, (e.g. authorized signatories, contact persons, company secretary, directors, shareholders, beneficial owners of a corporate), beneficiaries, suppliers, agents, contractors, service providers and other contractual counterparties and any third party transacting with or through us.

**disclose, disclosing or disclosure**, in relation to personal data, includes disclose or disclosing information inferred from the data.

**Hong Kong** means the Hong Kong Special Administrative Region.

**in any capacity** means whether as a borrower, mortgagor or guarantor and whether in the data subject's sole name or joint names with others.

**mortgage count** means the number of mortgage loans held by the data subject (in any capacity) with credit providers in Hong Kong from time to time.

### **Other Terms and Conditions**

There may be specific terms and conditions in our banking and product agreements that govern the collection, use and disclosure of your personal data. Such other terms and conditions must be read in conjunction with this privacy notice.

In the case of discrepancies between the English and Chinese versions of this privacy notice, the English version shall apply and prevail.

This privacy notice was updated on 1 September, 2025.

## ANNEX 1: Personal Data (Privacy) Ordinance Code of Practice on Consumer Credit Data

If you apply for, have or have had a loan (including a mortgage) with us, we may provide your personal data to credit reference agencies approved for participation in the Multiple Credit Reference Agencies Model, or in case of default, debt collection agencies. The credit reference agencies will use it to compile a count of mortgages held by you with credit providers which will be added into centralised consumer credit databases shared between credit providers, to help credit providers assess whether to provide you with credit and collect debts.

With respect to data in connection with mortgages applied by a data subject (in any capacity) on or after 1 April 2011, the following data relating to the data subject (including any updated data of any of the following data from time to time) may be provided by us, on our own behalf and/or as agent, to credit reference agencies:

- full name;
- capacity in respect of each mortgage (as borrower, mortgagor or guarantor, and whether in the data subject's sole name or in joint names with others);
- Hong Kong Identity Card Number or travel document number;
- date of birth;
- correspondence address;
- mortgage account number in respect of each mortgage;
- type of the facility in respect of each mortgage;
- mortgage account status in respect of each mortgage (e.g. active, closed, write-off (other than due to a bankruptcy order), write-off due to a bankruptcy order); and
- if any, mortgage account closed date in respect of each mortgage.

Credit reference agencies will use the above data supplied by us for the purposes of compiling a count of the number of mortgages from time to time held by the data subject with credit providers, as borrower, mortgagor or guarantor respectively and whether in the data subject's sole name or in joint names with others, for sharing in the consumer credit databases of credit reference agencies by credit providers (subject to the requirements of the Code of Practice on Consumer Credit Data approved and issued under the Ordinance).

We may from time to time access the mortgage count held by the credit reference agency(ies) in the course of:

- considering mortgage loan application(s) made by the data subject (in any capacity) from time to time;
- reviewing any credit facility (including mortgage loan) granted or to be granted to the data subject (in any capacity) which is in default for a period of more than 60 days with a view to putting in place any debt restructuring, rescheduling or other modification of the terms of such credit facility by us;
- reviewing any credit facility (including mortgage loan) granted or to be granted to the data subject (in any capacity), where there is in place any debt restructuring, rescheduling or other modification of the terms of such credit facility between us and the data subject consequent upon a default in the repayment of such credit facility for implementing such arrangement;
- reviewing any credit facility (including mortgage loan) granted or to be granted to the data subject (in any capacity), with a view to putting in place any debt restructuring, rescheduling or other modification of the terms of any credit facility initiated by the request of the data subject; and/or
- reviewing, evaluating and modifying terms of any credit facility (including mortgage loan) granted or to be granted to the data subject (in any capacity) from time to time, and reviewing the same with the data subject.

We may from time to time access the mortgage count held by the credit reference agency(ies) in

the course of (after 31 March 2013):

- reviewing and renewing mortgage loans granted or to be granted to the data subject (in any capacity); and/or
- considering the application for credit facility (other than mortgage loan) by the data subject (in any capacity other than mortgagor) and/or reviewing or renewing any facility (other than mortgage loan) granted or to be granted to the data subject (in any capacity other than mortgagor), in each case where such facility is in an amount not less than such level or to be determined by a mechanism as prescribed or approved by PCPD from time to time.

In the event of any default of payment relating to an account, unless the amount in default is fully repaid or written off (other than due to a bankruptcy order) before the expiry of 60 days from the date such default occurred, the account repayment data (as defined above) may be retained by credit reference agencies until the expiry of five years from the date of final settlement of the amount in default.

In the event any amount in an account is written-off due to a bankruptcy order being made against a data subject, the account repayment data (as defined above) may be retained by credit reference agencies, regardless of whether the account repayment data reveal any default of payment lasting in excess of 60 days, until the expiry of five years from the date of final settlement of the amount in default or the expiry of five years from the date of discharge from a bankruptcy as notified by the data subject with evidence to the credit reference agency(ies), whichever is earlier.

Without limiting the generality of the foregoing, we may from time to time access the personal and account information or records of a data subject held by the credit reference agency(ies) for the purpose of reviewing any of the following matters in relation to the existing credit facilities granted to a data subject or a third party whose obligations are guaranteed by a data subject:

- an increase in the credit amount;
- the curtailing of credit (including the cancellation of credit or a decrease in the credit amount); and
- the putting in place or the implementation of a scheme of arrangement with the data subject or the third party.

We may have obtained credit report(s) on a data subject from credit reference agency(ies) in considering any application for credit or modification of terms of the credit. In the event a data subject wishes to access the credit report(s), we shall advise the contact details of the relevant credit reference agency(ies).

Under and in accordance with the terms of the Ordinance and the Code of Practice on Consumer Credit Data, you have the following additional rights:

- to ascertain from us our policies and procedures in relation to personal data and to be informed of the kind of personal data held by us and/or you have access to;
- to be informed on request which items of data are routinely disclosed to credit reference agencies or debt collection agencies, and be provided with further information to enable the making of access or correction requests to the relevant credit reference agency(ies) or debt collection agency(ies); and
- in relation to any account data (including, for the avoidance of doubt, any account repayment data) which has been provided by us to a credit reference agency, to instruct us, upon termination of the account by full repayment, to make a request to the credit reference agency to delete such account data from its database, as long as the instruction is given within five years of termination and at no time was there any default of payment in relation to the account, lasting in excess of 60 days within five years immediately before account termination. Account repayment data includes amount last due, amount of payment made during the last reporting period (being a period not exceeding 31 days immediately preceding the last contribution of account data by us to the credit reference agency), remaining available credit or outstanding balance and default data (being amount past due and number of days past due, date of settlement of amount past due, and date of final settlement of amount in default lasting in excess of 60 days (if any)).

Contact us if you would like further details about data which is routinely disclosed to credit reference agencies or debt collection agencies, as well as information on how to make data access or correction requests to these agencies.

We will respond to requests to exercise your rights in relation to personal data in line with applicable laws. You can exercise your rights by contacting us as detailed in the 'How do you Contact Us?' section of this privacy notice.

## **ANNEX 2: Transfer of Personal Data Using Application Programming Interface (API)**

As per your consent provided in accordance with the Ordinance, we may, in accordance with your instructions to us and/or your instructions provided to other banks or other third party service providers, including other financial service providers, engaged by you, transfer your data to such other banks and/or third party service providers using an API for the purposes that we or your other banks or third party service providers have notified to you.

## **ANNEX 3: China Personal Information Protection Law (PIPL)**

Insofar as the Personal Information Protection Law of the People's Republic of China ("PIPL") is applicable to our process and/or use of your data, this PIPL Annex supplements the Hong Kong privacy notice/PICs.

### **Sensitive Personal Information**

Sensitive personal information refers to the personal information that is likely to result in damage to the personal dignity of any natural person or damage to his or her personal or property safety once disclosed or illegally used, including such information as biometric identification, religious belief, specific identity, medical health, financial account and whereabouts and tracks, as well as the personal information of minors under the age of fourteen. We will process your sensitive personal information only when there is a specific purpose, when it is of necessity, and under the circumstance where strict protective measures are taken. Insofar as the PIPL is applicable to our process and/or use of your data, such sensitive personal data will be processed with your separate consent.

### **Sharing Personal Information**

To the extent required under the PIPL, we will, prior to sharing your personal information with third parties, notify you of the name and contact details of the recipients, the purposes and means of processing and provision of your personal data, and the types of personal information to be provided and shared, and obtain your separate consent to the sharing of your personal information. The foregoing data recipients will use the personal information to the extent necessary for the specific purposes set out in this privacy notice and store the personal data for minimum length of time required to fulfil the purposes, or insofar as the PIPL is applicable to our process and/or use of your data, in accordance with the PIPL.

### **Your Additional Rights Under PIPL**

Insofar as the PIPL is applicable to our process and/or use of your personal information, you have the following additional rights:

- to request us to delete your personal information;
- to object to certain uses of your personal information;
- to request an explanation of the rules governing the processing of your personal data;
- to ask that we transfer personal information that you have provided to us to a third party of your choice under the circumstances provided under the PIPL;

- to withdraw any consent for the collection, processing or transfer of your personal data (you should note that withdrawal of your consent may result in us being unable to open or continue accounts or establish or continue banking facilities or provide banking services); and
- In some services, we may make decisions based solely on non-human and automated decision-making mechanisms, including information systems, algorithms, etc. If these decisions significantly affect your legal rights, you have the right to request an explanation from us, and we will also provide appropriate remedies.

## **Current / Cheque / Savings Account and Time Deposit Account Terms**

## **Contents**

### **Current / Cheque / Savings Account and Time Deposit Account Terms**

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## Current / Cheque / Savings Account and Time Deposit Account Terms

### Important notice

#### You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with *current/cheque account, time deposit account, integrated deposits account and savings account products*. **You must read it in conjunction with our Client terms and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Client terms, these terms prevail. These terms do not apply to any existing current/cheque account, time deposit account or savings account products you have with us to the extent that they are subject to separate terms and conditions.

### Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Client terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

## 1. Choosing the account that is right for you

We offer a variety of *current/cheque accounts, time deposits accounts and savings accounts* designed to suit your personal banking needs. The particular types of *current/cheque accounts, time deposits accounts and savings accounts* we offer are set out in the *product brochure*. If you need us to explain any of the features of, or the terms applying to, any *current/cheque account, time deposit account or savings account*, please contact us.

## 2. Savings accounts

### Interest - general

- 2.1 If you have a credit balance in a *savings account* you may be entitled to receive interest depending on the type of *account* (see the *product brochure*, the *tariff sheet* or elsewhere in our banking agreement). The rate of interest may be fixed or varied from time to time as we determine. We pay interest monthly or at other regular intervals that we determine.
- 2.2 Interest is:
  - calculated on a compound basis for a *savings account* in Hong Kong Dollars;
  - simple interest for a *foreign currency deposit*.
- 2.3 Interest accrues daily and if the credit balance of your *savings account* is denominated in:
  - Hong Kong Dollars, Pound Sterling or Singapore Dollars, we calculate interest on the basis of a 365 day year (a 366 day year in the case of a leap year);
  - any other currency, we calculate interest on the basis of a 360 day year (or any other basis we choose);
  - Number of decimal places used when calculating or posting interest is determined by the bank from time to time at its sole discretion and/or in accordance with our usual practice.

### Withdrawals

- 2.4 You must not make a withdrawal using a cheque on a *savings account*.

### Passbook or statement

- 2.5 You may either:
  - be issued with a passbook; or
  - receive periodic statements.

### Mistakes on a statement

- 2.6 You must check your statements carefully. If you do not report any mistake or unauthorised transaction within 90 days after the date of the statement, we treat the statement as correct.

**Passbooks to be kept secure**

2.7 If you have a passbook, you must keep it secure (including keeping it in a safe place - please refer to the security procedures set out in the Client terms).

**Third party withdrawals with passbooks**

2.8 A third party may only make withdrawals from a *savings account* with a passbook if they prove their identity to our satisfaction and provide:

- the passbook;
- an original debit slip signed by you or an *authorised person*.

The amount to be withdrawn by the third party must not exceed any maximum amount we set.

**Over the counter transactions without passbooks**

2.9 Despite anything else in our banking agreement, we may allow transactions to be carried out over the counter or otherwise without the passbook being produced.

**Update of passbooks**

2.10 You must update a passbook regularly if you frequently conduct transactions otherwise than over our branch counters.

2.11 If a passbook is not updated and there is any conflict between the information in the passbook and our records, our records prevail to the extent of that conflict.

**3. Time deposits accounts**

**Interest on time deposits account**

3.1 Simple interest on a *time deposit account* is paid at a rate we determine. The applicable interest rate is available by contacting us. In some circumstances, we may allow an early withdrawal. We may not pay all the interest accrued if you make an early withdrawal of any amount. More details on arrangements for interest and fees payable on amounts withdrawn early are available by contacting us.

3.2 Interest accrues daily and if the credit balance of the *time deposit account* is denominated in:

- Hong Kong Dollars, Pound Sterling or Singapore Dollars, we calculate interest on the basis of a 365 day year (a 366 day year in the case of a leap year);
- any other currency, we calculate interest on the basis of a 360 day year (or any other basis we choose);
- Number of decimal places used when calculating or posting interest is determined by the bank from time to time at its sole discretion and/or in accordance with our usual practice.

**Maturity of time deposit account**

3.3 If a *time deposit* matures on a day which is not a business day, then the date will be extended to the next business day.

3.4 You must instruct us in writing (or any other way we agree to accept) before the maturity date (and in the case of *foreign currency deposits*, at least 2 business days before the maturity date) whether you want:

- to renew the *time deposit*; or
- us to pay you the principal and interest on the maturity date.

If you do not instruct us, we may renew the *time deposit*. However, we have no obligation to do so.

3.5 Interest ceases to be payable after the maturity date unless the *time deposit* is renewed.

**Withdrawal**

3.6 You must not make a withdrawal using a cheque on a *time deposit*.

**4. Current/cheque accounts**

**Interest**

4.1 Interest is not payable on a *current/cheque account* unless specified in the *product brochure*

for the particular type of *current/cheque account*.

#### Cheque books

- 4.2 If we issue you with a cheque book for a *current/cheque account* you must keep it secure (including keeping it in a safe place - please refer to the security procedures set out in the Client terms).
- 4.3 If you need a new cheque book it can be ordered on online banking, ATM or through any other process we offer. We may refuse to issue a new cheque book without providing any reasons.
- 4.4 When you receive your cheque book you should check that the account number and name are correct.

#### Writing cheques

- 4.5 You or an *authorised person* must be careful when writing cheques to ensure the cheque cannot be altered without authorisation and to prevent fraud by forgery. For example, when writing cheques, you or an *authorised person* must:
  - only use cheques in the form we have issued;
  - write in non-erasable ink or ballpoint pen;
  - write the words and figure of the amount as close as possible to each other and to the left-hand margin in order to prevent space for insertions;
  - add the word 'only' after the amount stated in words;
  - never pre-sign a cheque in blank;
  - if sending cheques by post, delete the words 'or bearer' (to make the cheque an 'order' cheque) and cross the cheque with two parallel lines;
  - not alter the cheque (including deleting the words 'or bearer') unless confirmed by their full signature; and
  - not use correction fluid.

We may dishonour and return any cheque that is not completed in accordance with these procedures, is post-dated or out of date or otherwise not in a form acceptable to us.

If the words 'or bearer' are not deleted the cheque is a 'bearer cheque' and may be deposited by anyone holding the cheque.

You can protect yourself by crossing a cheque with two parallel lines as the cheque must then be paid into the payee's account rather than 'on demand'.

#### Fees & charges

- 4.6 Fees and charges apply to cheques including stop fees, dishonour fees and fees if a cheque is returned to us for any reason. For details on fees and charges, see the *tariff sheet* or elsewhere in our banking agreement. Please contact us for further details.

#### Electronic recording of cheques

- 4.7 If a cheque you have drawn on a *current/cheque account* has been paid and recorded electronically, it may be kept by the collecting bank or Hong Kong Interbank Clearing Limited for the time specified in the rules of Hong Kong Interbank Clearing Limited. After this time the cheque may be destroyed. We may make arrangements with the collecting banks and Hong Kong Interbank Clearing Limited where we consider appropriate.

#### Overdraft facility

- 4.8 We may allow you to use an overdraft facility on a *current/cheque account* if you have an overall credit balance on your *savings account*, *time deposit account* and *current/cheque account*.
- 4.9 The overdraft facility may be used to draw cheques and for direct debit payment arrangements but may not be used to repay any facility with us.
- 4.10 We set a limit for the overdraft facility and if the *current/cheque account* balance exceeds the limit then you must immediately make payment to reduce the balance to or below the limit. We may increase or decrease the limit at any time.
- 4.11 To secure any amount outstanding on the overdraft facility, we may place a lien over any credit

balance on your accounts.

4.12 We charge compound interest on the debit balance of the overdraft facility calculated in accordance with our usual practice. We debit any accrued interest from the *current/cheque account* on a monthly basis. We may also charge fees in accordance with the *tariff sheet* or elsewhere in our banking agreement.

4.13 Interest accrues daily and if your *current/cheque account* is denominated in:

- Hong Kong Dollars, Pound Sterling or Singapore Dollars, we calculate interest on the basis of a 365 day year (a 366 day year in the case of a leap year);
- any other currency, we calculate interest on the basis of a 360 day year (or any other basis we choose);
- Number of decimal places used when calculating or posting interest is determined by the bank from time to time at its sole discretion and/or in accordance with our usual practice.

4.14 We do not take into account any uncleared funds in calculating the unused portion of the overdraft facility.

## 5 Integrated Deposits Account Terms

5.1 This Section 5 applies to Integrated Deposits Account (IDA) in addition to the specific provisions relating to *savings accounts*, *time deposits accounts* or *current/cheque accounts* (as the case may be) or other sections of these terms. If there is any inconsistency between this Section 5, Client terms, and the other sections of these terms, this Section 5 prevails with respect to *IDA*. This Section 5 does not apply to any existing *current/cheque account*, *time deposit account* or *savings account* products you have with us which are not part of your *IDA*.

5.2 An *IDA* is an account comprising different *account types* and *IDA currencies*. For instance, an *IDA* may incorporate a *current/cheque account* in Hong Kong dollars and a *savings account* and/or any other *sub-accounts* in Hong Kong dollars or another *IDA currency*. If you need us to explain any of the features of, or the terms applying to your *IDA*, please contact us.

### Operations and instructions

5.3 Unless we specify or determine otherwise, a *sub-account* will be operated in the same way as the *account type* to which it belongs provided for in our Client terms, and other sections of these terms. Such operation includes but is not limited to crediting / debiting money to and from *sub-accounts* and calculation of interest (if the *sub-account* is interest-bearing).

5.4 Notwithstanding clause 5.3 above, we reserve the right to specify the way that instructions for the operation of an *IDA* and its *sub-accounts* have to be given to us.

5.5 If you do not specify the relevant *sub-account* to which your instruction relates or your instruction is otherwise unclear or incomplete, we may treat such instruction as relating to such *sub-account* as we may determine in accordance with our usual business practice and procedures. In any event, we may act or refuse to act on an instruction in accordance with our Client terms and other sections of these terms or any other document forming our *banking agreement*.

### Dormant IDAs and Fees

5.6 If no withdrawal, deposit or fund transfer instruction is given in respect of any *sub-accounts* for 12 consecutive months or such other period as we notify to you, we will classify your *IDA* as dormant.

5.7 Unless prohibited by law, if the aggregate balance standing to the credit of a dormant *IDA* is below the minimum limit set out in the *tariff sheet* or elsewhere in our *banking agreement*, we may debit the dormant account fee set out in the *tariff sheet* or elsewhere in our *banking agreement* or as notified by us until there is no credit balance in the *IDA* following which the *IDA* will be closed.

5.8 We will give you 14 days' notice before charging any dormant account fee.

### Other miscellaneous operations

5.9 We may treat any *sub-account* as an account for any purpose we find necessary, such as for set-off, consolidation of accounts, reimbursing ourselves for any fees and costs set out in the *tariff sheet* that are owing to us or as may otherwise be provided for in our *banking agreement* or as notified by us, or otherwise enforcing our rights.

5.10 Without limiting any foregoing provisions, unless prohibited by law, we may debit any fees and

costs set out in the *tariff sheet* or elsewhere in our *banking agreement* or as notified by us from one or more of the *sub-accounts* selected by us even though after making such debits there is no credit balance left in any of the *sub-accounts*.

- 5.11 We may close or suspend your *IDA* or any *sub-account* we may determine at any time for any reason (even if there is no default). If we do so, notice may or may not be sent to you provide for in our Client terms, other sections of these terms or any other applicable *banking agreement*.
- 5.12 For the purpose of calculating any aggregate balance standing to the credit of your *IDA* or any *sub-accounts* (including determining any minimum balance limit applicable to your *IDA*), we may convert the balance on any *sub-account* into Hong Kong dollars or any other *IDA* currency at a rate we reasonably consider appropriate.

## 6 e-Cheques

### 6.1 e-Cheques Deposit Services provisions - applicability

The provisions in this Part apply to our services relating to e-Cheques. This Part supplements and forms part of our Current/Cheque/Savings Account and Time Deposit Account Terms ("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.

#### Nature and scope of e-Cheques Deposit Services

- 6.2 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.
- 6.3 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 6.6, 6.7 and 6.8 below.
- 6.4 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.
- 6.5 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.

#### e-Cheques Deposit Services

- 6.6 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.
- 6.7 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.

## 6.8 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.

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

### 6.9 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 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 may not expressly provide for presentment of e-Cheques or may specify other manner for presentment of cheques.

### 6.10 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; 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.

### 6.11 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, any other document forming our banking agreement, 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.

## 7. Foreign currency

Deposits of foreign currency are generally made into a form of *savings account or time deposit account*. However, foreign currency *current/cheque accounts* may also be available. For more information, please contact us.

### Conditions of deposit

7.1 We accept foreign currency deposits in currencies acceptable to us and on the conditions (including term, interest rates and minimum deposit amounts) available by contacting us or as set out in the product brochure.

#### Deposit methods

7.2 We may accept and deposit, as agent for collection foreign currency drafts, cheques or travellers' cheques for good value after clearance. We deduct from the proceeds our fees and charges (the details of which are available by contacting us) and any fees and charges that may be imposed by third parties.

However, we may:

- refuse to accept for collection drafts, cheques or travellers' cheques drawn in favour of third parties or if the payee's name is not identical to your name in our records; and
- need to see the purchase agreement of any travellers' cheques presented for deposit.

We return dishonoured cheques, drafts or travellers' cheques to your last notified address at your risk and cost.

7.3 If you have an existing foreign currency *time deposit account* and we receive additional foreign currency funds with no specific instructions, we may place them in any type of *account* we determine for a minimum of one month. However, if the additional funds are below our minimum deposit amounts, we may place them in an existing account in the same currency and with the interest rate and the earliest maturity date we determine.

### Withdrawal methods

7.4 *Accounts for foreign currency deposits* which are time deposits may not be withdrawn before the maturity date. However, we may allow withdrawal before the maturity date subject to any conditions we may impose (including a period of notice, reduced or nil interest fees and other charges).

7.5 If you give us notice, proceeds of withdrawal may be available in foreign currency notes. You must pay any applicable fees which are available by contacting us.

### Commission

7.6 We may charge commission on a deposit or withdrawal made in cash, cheques, drafts, payment orders or other monetary instruments in the currency of the account for the *foreign currency deposit*. Please refer to the *tariff sheet* or elsewhere in our banking agreement for details. Please contact us for further details.

### Foreign exchange controls

7.7 Foreign currency *accounts*, and all transactions under them, are subject to any applicable exchange control laws.

### **US Dollar clearing in Hong Kong**

- 7.8 When issuing or depositing US Dollar cheques drawn against a US Dollar account in Hong Kong, the operation of the US Dollar clearing system is subject to the *US Dollar Clearing House Rules*.
- 7.9 Rule 2.3.5 of the *US Dollar Clearing House Rules* applies to our banking agreement to the extent that it is applicable to you and transactions you conduct.
- 7.10 The Hong Kong Monetary Authority does not owe any duty or incur any liability to you in respect of any loss (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 by the giving of any notice, advice or approval in connection with the *US Dollar Clearing House Rules*.

### **8. RMB accounts**

- 8.1 This clause 8 and clause 7 both apply to RMB accounts in addition to the specific provisions relating to *savings accounts*, *time deposits accounts* or *current/cheque accounts* (as the case may be). If there is any inconsistency between this clause and the other sections of these terms, this clause prevails. No part of this clause 8 limits our other rights under our banking agreement.

#### **Hong Kong identity card**

##### **HKID card holders**

- 8.2 If you are a holder of valid Hong Kong identity card and you are opening a RMB account for Hong Kong resident, you represent that you have a valid Hong Kong identity card. You must immediately tell us in writing if you no longer have a valid Hong Kong identity card. Without limiting our other rights, we may suspend or terminate the *RMB account* if we have reason to suspect that you do not or may not continue to have such a card.

##### **Non-HKID card holders**

- 8.3 If you are not a holder of valid Hong Kong identity card and you are opening a *RMB account* for non-Hong Kong resident, you represent that you do not hold a valid Hong Kong identity card. You must immediately tell us in writing if you become a Hong Kong resident and have a valid Hong Kong identity card. In such circumstance, we may exercise our rights under our banking agreement to terminate or convert your *RMB account* into another type of account (with relevant restrictions and requirements as may be applicable) at our sole and absolute discretion.

#### **Transactions using Renminbi**

- 8.4 We may but need not accept deposits or allow withdrawal by any cheques, drafts, payment orders or other monetary instruments in Renminbi.
- 8.5 If you give us prior notice, we may (but need not) pay you an amount from a *RMB account* in Renminbi notes and coins subject to availability and charges that we determine. We may specify the denominations of Renminbi notes and coins that we accept or pay.

#### **Conversion to Hong Kong Dollars**

- 8.6 If you ask, we may (but need not) convert a deposit in a *RMB account* into Hong Kong Dollars.

#### **Not to be used as security**

- 8.7 Unless we agree, the balance of a *RMB account* cannot be relied upon by you as collateral for any banking facility and will not be considered in calculating the available limit for any banking facility we offer.

#### **Payment into suspense account**

- 8.8 If a *RMB account* is closed, we may place any credit balance into a non-interest bearing suspense account. We may convert the credit balance into Hong Kong Dollars before doing so.

#### **RMB current account**

- 8.9 You must not overdraw on a *RMB current account*.
- 8.10 A cheque drawn on a *RMB current account* must only be used to pay for consumer goods and services in Guangdong province in the People's Republic of China or for other purposes that we may specify.

- 8.11 We may not act on an instruction which will cause the balance of a *RMB current account* to fall below any minimum limit or exceed any maximum limit that we specify. If the balance of a *RMB current account* exceeds any maximum limit, we may reduce the balance by transferring the excess to another of your *accounts* or in any other manner we choose without giving notice to you.
- 8.12 You must ensure that the aggregate amount of cheques on a *RMB current account* presented for payment on any day does not exceed any daily clearing limit we specify. If the limit is exceeded, we pay the cheques in any order we choose.
- 8.13 If a *RMB current account* does not have sufficient funds to pay cheques that have been presented, we may (but need not) transfer funds from any of your *accounts* to the *RMB current account* to pay the cheques subject to the availability of the funds and any transfer limit we specify. We may charge a fee for paying any cheque where the *RMB current account* did not have sufficient funds.
- 8.14 If you use a *RMB current account* for any improper purpose then we may suspend, close or take any other action we consider appropriate in connection with the *RMB current account*.

## 9. Minimum balances

- 9.1 We may require you to maintain a minimum balance on any account we specify. For details on required minimum balances, see the *tariff sheet* or elsewhere in our banking agreement. Please contact us for further details.
- 9.2 We may require you to maintain a minimum aggregate balance on your *savings accounts, current/cheque accounts, time deposits accounts, foreign currency deposits* and other *accounts* we specify where you are the primary accountholder (either solely or jointly). For details on required minimum aggregate balances, see the *tariff sheet* or elsewhere in our banking agreement. Please contact us for further details.
- 9.3 If a minimum balance or a minimum aggregate balance applies and the balance falls below the required minimum we:
  - need not accept any instruction or allow any transaction on an *account* which would cause the balance to fall below the minimum;
  - need not pay interest on the relevant *account or accounts*; and
  - may close the relevant *account or accounts*.You must also pay any applicable fees (the details of which are available by contacting us).

## 10. Payments into accounts

### We may accept or refuse payment

- 10.1 We may accept or refuse to accept any deposit whether in cash or by cheque or other instrument or set minimum or maximum amounts on deposits.
- 10.2 Any cheque or other instrument is received by us as agent for collection on your behalf.
- 10.3 We may charge a fee if you wish to make a large cash deposit. For more information, see the *tariff sheet* or elsewhere in our banking agreement. Please contact us for further details.

### Foreign cheques or instruments

- 10.4 If we agree to accept cheques or other instruments drawn on financial institutions located outside Hong Kong, you acknowledge that:
  - clearance depends on the laws and practices of the location of the financial institution; and
  - we are not responsible for the value given by the financial institution or any other loss incurred in connection with the cheque or instrument.

### Receipts

- 10.5 Receipt of a deposit is evidenced by our usual practice, depending on how you make the deposit. A person making a deposit should keep their copy of the receipt.
- 10.6 A deposit slip is only valid if endorsed by our machine print or by our stamp and signature of a bank officer.
- 10.7 Any receipt we issue cannot be used as evidence that the deposit has been cleared.

### **Interest accrues**

10.8 Interest begins to accrue on a deposit when we accept the deposit and it has been credited to an *account*.

### **Third party cheques**

10.9 If a cheque or other instrument is presented which is payable to a third party or it appears to belong or to have belonged to someone else (called a "third party cheque"), we may refuse to accept it for deposit or refuse to cash it. If we agree to accept or cash a third party cheque we may require you or an *authorised person* to comply with additional conditions.

### **Cheque collection box deposits**

10.10 You must not deposit cash or bearer cheques into the cheque collection boxes. If you make a deposit in this way, you do so at your own risk and we will not be liable for any loss incurred as a result of your action.

### **Clearance of payments**

10.11 We do our best to process all cheques and other instruments within a reasonable period of time. However, if they are deposited after any cut off time we specify, they may not be processed until the following business day. Please contact us for more information on clearance times as they may vary.

10.12 The proceeds of cheques and other payment instruments deposited, or funds transferred electronically cannot normally be withdrawn until cleared. If we allow withdrawal of the proceeds before clearance occurs, you must repay or we may debit that amount if the cheque, payment instrument or transfer is dishonoured.

### **Regular payments to an account**

10.13 If you ask, we may establish a regular payment arrangement to an *account*. We may cancel or stop the regular payment arrangement if:

- you instruct us to do so; or
- the payment arrangement no longer complies with the terms of the payment authority signed by you; or
- required by law.

### **Dishonoured cheques**

10.14 We give you details of any cheque deposited into an account which is dishonoured as soon as practicable.

## **11. Payments out of accounts**

### **Withdrawals**

11.1 Deposits and/or credit balances in an *account* will only be repayable by us in the same country or territory where the *account* is maintained. Withdrawal is also subject to conditions we impose.

11.2 We may charge a fee if you wish to make a large cash withdrawal. For more information, see the *tariff sheet* or elsewhere in our banking agreement. Please contact us for further details.

### **Authority to debit and payment**

11.3 You authorise us to debit all cheques and other instruments drawn by you to a *current/cheque account*.

11.4 We may determine the order of priority for payment of cheques.

### **Third party withdrawals**

11.5 We may, but need not, accept instructions allowing third parties to withdraw from an *account*.

### **Stopping payment of cheques**

11.6 You or an *authorised person* may request us in writing to stop payment of a cheque drawn on a *current/cheque account* before it has been paid. However, the instruction is only effective if it:

- gives full details of the cheque; and
- is received by us before the cheque is deposited for clearing. (See our Client terms for how we deal with stopped payments.)

### **Direct debits or periodical payments from accounts**

11.7 If you ask, we can organise a direct debit or periodical payment arrangement from an *account*. You will need to sign additional documents to authorise it.

11.8 We may cancel or stop any direct debit or periodical payment arrangement if:

- you instruct us to do so or
- the payment arrangement no longer complies with the terms of the direct debit authority signed by you.

We may ask that you also notify the person to whom you have given the direct debit authority.

### **Telegraphic transfers**

11.9 You may ask us to effect telegraphic transfers for you. We need not agree to your request.

11.10 We may set a minimum amount or maximum amount for telegraphic transfers. For details of these amounts, please contact us.

11.11 If a telegraphic transfer is made in a currency other than the currency of the destination country, you may be required to pay multiple charges for the telegraphic transfer. For details of these charges, please contact us.

11.12 You consent to us disclosing any information in connection with the telegraphic transfer to the correspondent or intermediary bank.

11.13 If a telegraphic transfer cannot be completed, we are not required to refund the charges paid by you for the telegraphic transfer unless the failure to complete was solely and directly due to anything we do or do not do.

### **Repayment by us**

11.14 If you agree in writing, we may repay an amount to you by paying a bank in or outside Hong Kong by electronic transfer, telegraphic transfer or other means we choose. The repayment is made at your own risk.

## **12. Dormant accounts**

### **What is a dormant account?**

12.1 If no withdrawal, deposit or fund transfer is made on a *savings account* or *current/cheque account* for 12 consecutive months or such other period that we notify to you, we classify the *account* as dormant.

### **Fees for dormant accounts**

12.2 Unless prohibited by law, if the balance of a dormant *account* is below the minimum limit set out in the *tariff sheet* or elsewhere in our banking agreement, we may debit the dormant account fee set out in the *tariff sheet* or elsewhere in our banking agreement or as notified by us until there is no credit balance in the *account* following which the *account* is closed.

12.3 We give you 14 days' notice before charging any dormant account fee.

## **13. Closing accounts**

### **Early closure**

13.1 If you close a *savings account* or *current/cheque account* within 3 months (or such other period that we may notify to you) after you open it, you must pay the early account closure fee set out in the *tariff sheet* or elsewhere in our banking agreement or as notified by us.

### **When we may close accounts**

13.2 We may close a *savings account*, *time deposit account* or a *current/cheque account* at any time with notice to you. We need not give a reason for doing so. If we do so, we pay you the balance of the *account* in the manner we determine (but we need not pay interest).

### **Return of passbooks**

13.3 If an *account* for which you have a passbook is closed, you must ensure that all passbooks are returned to us.

#### 14. Meaning of words

You also need to refer to our Client terms which also define key words used in these terms. If a word defined in these terms is also defined in our Client terms, the definition in these terms applies for the purposes of *current/cheque accounts*, *time deposits account*, *foreign currency deposits*, *Integrated Deposits Account* and *savings accounts*.

**account type(s)** means the type(s) of account that may be opened under an *IDA* as determined by us from time to time in our absolute discretion.

**an IDA currency** means a currency (including Hong Kong dollars) that we may from time to time determine in our absolute discretion that a *sub-account* of an *IDA* may be denominated in.

**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.

**current/cheque account** means any account of the type referred to in clause 4.

**Deposit Channel** means any channel offered by us from time to time for presentation of e-Cheques for deposit.

**e-Cheque** has the meaning ascribed to it in the e-Cheque Drop Box terms.

**e-Cheques Deposit Services** mean the services offered by us to clients from time to time for depositing e-Cheques.

**e-Cheque Drop Box or e-Cheque Drop Box Service** has the meaning ascribed to it in the e-Cheque Drop Box terms.

**e-Cheque Drop Box Account** has the meaning ascribed to it in 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.

**foreign currency deposit** means any deposit of foreign currency described in clause 7.

**IDA** means our Integrated Deposits Account service.

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

**our banking agreement** means the agreement between you and us formed when we accept an application from you, the terms of which include our Client terms and these *product terms*.

**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** has the meaning ascribed to it in the e-Cheque Drop Box terms.

**RMB account** means any *current/cheque account*, *savings account* or *time deposit account* denominated in Renminbi.

**RMB current account** means a *current/cheque account* denominated in Renminbi.

**savings account** means any account described in clause 2.

**sub-account or sub-accounts** means the account(s) which we may agree to open or activate for you from time to time and which are integrated under an *IDA*.

**time deposit** means any term deposit, fixed deposit or time deposit described in clause 3.

**US Dollar Clearing House Rules** means the US Dollar Clearing House Rules and the US Dollar Operating Procedures.

**Terms and Conditions Applicable to  
Priority Banking, Premium Banking and  
Easy Banking**

## **Contents**

# **Terms and Conditions Applicable to Priority Banking, Premium Banking and Easy Banking**

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## **Terms and Conditions Applicable to Priority Banking, Premium Banking and Easy Banking**

These terms and conditions apply to and regulate the Priority Banking, Premium Banking and Easy Banking Plans made available by Standard Chartered Bank (Hong Kong) Limited to certain of its clients.

### **1. Definitions**

- 1.1 In these terms and conditions unless otherwise defined or the context otherwise requires:
  - a. "Application" means the application form annexed to these terms and conditions and which forms a part of these terms and conditions;
  - b. "Bank" means Standard Chartered Bank (Hong Kong) Limited and its successors and assigns;
  - c. "SCB Group Company" means any other company of the Standard Chartered group being the Standard Chartered Bank (including all its branches) and the parent or any subsidiary or associated company of Standard Chartered Bank, and includes each such company's successors and assigns;
  - d. "Banking Plans" means Priority Banking, Premium Banking and Easy Banking, and "Banking Plan" means any one of them;
  - e. "Business day" means a day on which the Bank is open for business in Hong Kong;
  - f. "Client" means any person signing, and named in, the Application and who has been enrolled by the Bank in a Banking Plan;
  - g. Easy Banking means the Bank's special relationship services described as Easy Banking;
  - h. Premium Banking means the Bank's special relationship services described as Premium Banking;
  - i. "Liabilities" means all the liabilities of any person to the Bank, whether present or future, actual or contingent, and whether owed individually or jointly with any other person;
  - j. Priority Banking means the Bank's special relationship services described as Priority Banking;
  - k. "Services" means the banking services listed in the client user guides and materials relating to one or more of the Banking Plans issued by the Bank from time to time, and any other banking services which the Bank may from time to time include in one or more of the Banking Plans (including such services as may from time to time be renamed, replaced, supplemented or varied by the Bank), and each a "Service"; and
  - l. "Service Conditions" means the specific terms and conditions regulating each of the Services, and includes any applicable account mandates and client user guides, as any of the same may from time to time be supplemented, amended or replaced.
- 1.2 In these terms and conditions, unless the context otherwise requires:
  - a. the word "person" includes any individual, company, firm, partnership, joint venture, association, sole proprietorship or other business entity;
  - b. words denoting one gender includes all other genders;
  - c. words denoting the singular includes the plural and vice versa; and
  - d. headings have been inserted for convenience of reference and shall not affect construction.
- 1.3 The Bank shall have an absolute discretion in respect of any discretion, determination, demand or decision exercised, made or taken by it relating to all or any of the Banking Plans and as to the time when the same shall be exercised, made, taken and/or effective.
- 1.4 The Chinese translation of these terms and conditions is provided for convenience only and the English version shall prevail for all purposes.

### **2. Banking Plans**

The Client may from time to time elect to enrol in a Banking Plan by notice to the Bank.

### **3. Services**

The Client agrees that each of the Services is made available by the Bank subject to the applicable Service Conditions and agrees to be bound by all the Service Conditions. In case of conflict between any of the Service Conditions and these terms and conditions, the relevant Service Conditions shall prevail.

### **4. Amendments**

The Bank shall be entitled at any time at its discretion (i) to add new banking services to the Services or to replace, suspend, vary or terminate any Services and (ii) to vary or amend these terms and conditions, in each case by notice to the Client. Any amendment to these terms and conditions shall be deemed to be effective and binding on the Client unless notice of termination of the Banking Plan in which the Client is enrolled at the time is received by the Bank before the effective date of such amendment.

### **5. Fees**

5.1 The Client who enrolls in Priority Banking ("Priority Banking Client") shall pay the Bank such fees and charges as the Bank may from time to time impose. If the Priority Banking Client's average daily credit balance with the Bank and any other balance(s) with the Bank as determined by the Bank, whether held by the Priority Banking Client in sole name or in joint names, shall in any time period from time to time specified by the Bank fall below HK\$1,000,000, or such other amount as the Bank from time to time determines, the Priority Banking Client shall also pay the Bank a periodic maintenance fee.

5.2 The Bank shall be entitled to debit any fees and charges payable by the Priority Banking Client under this condition 5 to any account of the Priority Banking Client with the Bank at any time.

5.3 Without prejudice to any other right of the Bank, if the Priority Banking Client has insufficient funds in his accounts with the Bank or insufficient credit with the Bank to cover fees and charges payable by him, the Bank shall be entitled to terminate or suspend the whole or any part of the Priority Banking in which he is enrolled.

5.4 The Client shall pay the Bank such fees and charges in respect of the services he employed as the Bank may from time to time impose. For using the pre-arranged services, pre-registration of information, such as personal details and bank account of beneficiary, is required.

### **6. Set-off**

6.1 In addition to and without prejudice to the right of set off at law of the Bank or any SCB Group Company or under any other agreement from time to time subsisting between the Bank or any SCB Group Company and the Client, the Bank may at any time and without prior notice to the Client set off, transfer or apply, and the Client authorises each SCB Group Company to transfer or release to the Bank or the relevant SCB Group Company upon request, all or any of the credit balances in any account (whether or not in Hong Kong, and in whatever currency) which the Client maintains with the Bank or any SCB Group Company, whether singly or jointly with any other person, and whether or not matured or subject to notice, in or towards discharging the Client's Liabilities to the Bank or any SCB Group Company. Credit balances in a currency other than the currency of the Liabilities of the Client to the Bank or any SCB Group Company shall be converted to the latter currency at the Bank's prevailing rate of exchange on the date of conversion.

6.2 The circumstances in which the Bank or any SCB Group Company will exercise their right of set-off against the Client include without limitation the following: (a) any Liabilities of the Client to the Bank or any SCB Group Company become overdue, (b) any attachment, execution or similar process is levied against the Client, (c) an act of bankruptcy is committed by the Client or a petition in bankruptcy is filed by or against the Client, (d) a receiver is appointed of all or any substantial part of the Client's assets, or (e) the Bank or any SCB Group Company have reason to believe that the Client is unable to pay his debts when due.

### **7. Liabilities / Indemnity**

7.1 The Client shall indemnify the Bank against, and reimburse the Bank on demand, all

costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amount and were reasonably incurred by the Bank, directly or indirectly, in demanding, collecting or attempting or collect, or suing to recover, any amount due to the Bank under these terms and conditions, or otherwise in exercising its rights under or enforcing these terms and conditions.

7.2 For reminder message services, neither the Bank nor any of the telecommunication companies transmitting the messages ("Companies") or any agent, contractor or third party service provider of the Bank or any of the Companies engaged in connection with Mobile Banking Service and/or Reminder Message Services ("Mobile Services"):

- (i) makes any warranty in respect of, or accepts any responsibility for, the accuracy, completeness or correctness of any information supplied by the Bank or of any other person through the mobile telephone network of any of the Companies or their respective third party service providers pursuant to the Mobile Services applied for, nor is any warranty or undertaking given that any information requested pursuant to such Services will be delivered to or received by the Client on time or at all;
- (ii) shall be responsible for any loss or damage whatsoever and howsoever suffered or incurred by the Client or any other person for using or accessing any information through the Mobile Services applied for, or as a result of any such information not having been received on time or at all (whether due to the Client's designated mobile telephone having been turned off, not connected with International Roaming Services or not being in the Client's possession at the time of transmission or any delay or failure by the Client to notify the Bank of any change in telecommunication company providing the mobile phone service or delay in or failure of transmission owing to failure or breakdown of systems or equipment, termination or suspension of the transmission service by any of the Companies or their respective third party service providers, drastic market movements or otherwise, for any other reason whatsoever.)
- (iii) shall be responsible for any charges whatsoever and howsoever incurred by any Client or any other person using or accessing any information through the International Roaming Services; except where it is caused directly by our negligence.

## **8. More than one Client**

If the Bank permits more than one person to be bound by these terms and conditions in respect of jointly held Services:-

- a. the obligations and liabilities of those persons to the Bank in connection with the Banking Plan and the
- b. Services applicable to them shall be joint and several. The Bank shall be entitled to deal separately with any such person on any matter, including the discharge of any liability to any extent without affecting the liability of any other such person;
- c. any amount payable to any of such persons may be credited to any accounts;
- d. any advance to any such person by way of overdraft or by any other means can be made at the request of any such person; and
- e. references to the Client shall be construed, as the context requires, to any or all such persons.

## **9. Partial Invalidity**

Any provision in these terms and conditions which is invalid for any reason shall be ineffective only to the extent of such invalidity and shall not affect the validity of the remaining terms and conditions. Nothing in this document shall operate so as to exclude or restrict any liability, the exclusion or restriction of which is prohibited by the laws of Hong Kong.

## **10. Termination**

10.1 The Bank may by notice terminate any of the Banking Plans either in whole or in part and with or without cause, without prejudice to the respective rights and obligations of the Bank and the Client in respect of any one or more of the Services which shall continue to be governed by the relevant Service Conditions.

- 10.2 The Client may terminate the Banking Plan in which he is enrolled by written notice to the Bank and subject to payment of any service fee which the Bank may see fit to impose.
- 10.3 Any termination of the Banking Plan by the Client or the Bank shall not operate to discharge or otherwise affect in any way any Liabilities or other obligations of the Client accrued or arising before termination.

**11. Law**

- 11.1 These terms and conditions shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.
- 11.2 The Client submits to the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region in respect of these terms and conditions.

**Important Notes on Priority Banking /  
Premium Banking / Easy Banking and  
New Accounts / Services Application**

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# **Important Notes on Priority Banking / Premium Banking / Easy Banking and New Accounts / Services Application**

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## **Important Notes on Priority Banking / Premium Banking / Easy Banking and New Accounts / Services Application**

It is important that you or, in case of a Joint Account, all the joint account holder(s), read these Important Notes carefully by making cross reference to sections of the Priority Banking/Premium Banking/Easy Banking, New Accounts/Services Application Form (the "Application Form"), and make sure that they are well understood. You hereby further agree and acknowledge that these Important Notes shall form part of the contract which may be made between Standard Chartered Bank (Hong Kong) Limited (the "Bank") and you regarding the various banking services set out below and if the Bank agrees to accept your application for the banking services, you agree to be bound by them.

### **General Agreement for Accounts and Services**

I/We apply for the Bank to open accounts and provide services at my/our request from time to time subject to the Bank's prevailing Client terms, Current/Cheque/Savings Account and Time Deposit Account Terms and/or such other terms and conditions (the "Term") from time to time applicable to specific accounts and services.

I/We acknowledge that I/we have received a copy of each of the terms (where applicable), as amended by the Bank from time to time, and agree to be bound by them.

In case I/we select to use "All-in-One signature" for all accounts/services of the Banks and unless the Bank receives from me/us notice of change in signature, the specimen signature/chop I/we provided on the Signature Panel of the Application Form shall be used for applying for and utilizing all of the Bank's services and facilities and operating all of my/our accounts with the Bank in the name specified in the Signature Panel, whether singly or jointly with others.

In case I/we apply for the Hong Kong Dollar Current Account, I/we confirm my/our understanding of the relevant terms and conditions as set out in the terms relating to overdraft facility (as may be amended by the Bank from time to time) and agree to accept the terms thereof.

I/We request the Bank to contact me/us on any investment opportunities that it believes may be of interest to me/us. I/We confirm my/our understanding of the matters described in the terms relating to Investment Services and agree to accept the terms thereof in relation to my/our utilization of the Bank's investment services.

### **Banking Plan Service**

In case I/we apply for Banking Plan Service, I/we acknowledge that I/we have received a copy of the terms & conditions Applicable to Priority Banking/Premium Banking/Easy Banking and agree to be bound by them.

In case I/we apply for Banking Plan Service, I/we understand that the execution of certain instructions of the pre-arranged services, electronic banking services (including but not limited to phone banking and internet banking), can only take place during office hours.

### **ATM Card Service**

In case I/we apply for ATM Card Service, I/we should read carefully the following major terms and conditions of the Client terms (as the case may be):

1. The Cardholder shall take good care of the ATM Card (the "Card") and keep the Personal Identification Number ("PIN") secure and confidential at all times without disclosing it to any person. The Cardholder shall not allow the Card and/or the PIN to be used by any third party.
2. Bank account statements shall be considered conclusive if the Bank does not receive from the Cardholder notice of errors or unauthorized debits within the period specified in the statement.

3. If the Card is lost or stolen or if the PIN is disclosed to any person, the Cardholder is liable for all losses arising from transactions effected before the Bank receives notification of such loss, theft or disclosure.
4. The Cardholder shall be liable to indemnify the Bank all costs of recovery and enforcement, including legal fees and expenses on an indemnity basis, which are of reasonable amount and reasonably incurred.
5. The Cardholder may terminate the card service if he/she does not accept any amendment to the terms and conditions proposed by the Bank.

I/We shall receive a copy of the Client terms (as the case may be) upon issuance of the Card. I/We am/are advised to read carefully the entire Client terms (as the case may be) and agree to be bound by them.

I/We confirm that the nominated account(s) is/are account(s) in my/our name without the additional signature of anyone else. I/We understand that as Priority Banking/Premium Banking/Easy Banking client, I/we am/are entitled to one free ATM Card.

### **Electronic Banking Services**

In case I/we apply for Electronic Banking Services, I/we acknowledge that I/we have received a copy of the "Client terms" and agree to be bound by them.

I/We confirm that the nominated account(s) is/are account(s) in my/our name without the additional signature of anyone else. I/We understand that as Priority Banking/Premium Banking/Easy Banking client, I/we am/are entitled to free Electronic Banking Services.

For non-relationship package clients, annual fee for Electronic Banking Services is HK\$150 and will be charged to client's account.

### **Mandate for Joint Account(s)**

1. In case of a Joint Account, we hereby request and authorize the Bank the following:
  - (a) To open an account or accounts in our joint names stated in the Application Form and at any time subsequently to open such further accounts in such currency or currencies as may be specified in our joint names of whatever nature as we may direct.
  - (b) To receive money from time to time to the credit of any account or accounts in our joint names and to accept the signature(s), seal(s), or chop(s) of us in accordance with our signing instructions as set out in the Application Form or the signature(s), seal(s) or chop(s) of the survivors or survivor of us as a sufficient discharge for the withdrawal of any monies so deposited with you.
  - (c) To debit to our current account(s) (as the case may be) any cheques, bills of exchange, promissory notes or orders for payment drawn, accepted or made by us in accordance with our signing instructions as set out in the Application Form and to carry out any instructions given by us in accordance with our signing instructions as set out in the Application Form in connection with any account or accounts of any kind whatsoever on our behalf notwithstanding that any such debiting or carrying out may cause such account(s) to be overdrawn or any overdraft thereon to be increased but without prejudice to the Bank's right to refuse to allow any overdraft or increase of overdraft.
  - (d) Without in any way limiting the foregoing general request to make at the request of us in accordance with our signing instructions as set out in the Application Form any advance to us by way of loan or overdraft or discount or in any manner howsoever with or without security.
  - (e) Without in any way limiting the foregoing general request to deliver upon the instructions given by us in accordance with our signing instructions as set out in the Application Form any securities, deeds, boxes and parcels and their contents and property of any description held in our joint names.
  - (f) To hold on the death of any of us any credit balance(s) on any account or accounts in our joint names and any securities, deeds, boxes and parcels and their contents and property

of any description held in our joint names to the order of the survivors or survivor of us without prejudice to any right the Bank may have in respect of such balance securities etc. arising out of any lien, charge, pledge, set-off, counterclaim or otherwise whatsoever or to any step which you may deem it desirable to take in view of any claim by any person other than the survivors or survivor of us.

2. All accounts opened with the Bank shall be operated subject to the Rules from time to time issued by the Bank governing the relevant type of account and the Bank shall be entitled to be indemnified in the circumstances set out in such Rules.
3. We agree that any liability whatsoever incurred to the Bank by us in respect of the foregoing shall be joint and several.
4. We agree that the terms of this Mandate shall cover any monies placed on fixed deposit and that repayment of any such monies before maturity shall be entirely in the Bank's discretion whether the Bank pays interest and if so the amount thereof.
5. In the absence of contrary written instructions signed by all of us the foregoing conditions shall apply to each and every account of whatever nature now or hereafter opened by the Bank in our joint names.

#### **Information on Insurance Portfolio**

In case I/we apply for insurance services, I/we confirm that the Bank's strategic insurance alliance partners, Prudential Hong Kong Limited and/or Allianz Global Corporate & Specialty SE Hong Kong Branch is/are authorised to transfer to the Bank any data relating to use of any insurance or other products offered by Prudential Hong Kong Limited and/or Allianz Global Corporate & Specialty SE Hong Kong Branch to me/us from time to time, and agree that the Bank is authorised to include any data relating to such use in my/our monthly bank statements. To arrange for exclusion of insurance data in my/our bank statements, I/we may call the Bank's Client Services Helpline at 2282 2313.

#### **Personal Data**

I/We agree that all personal data relating to me/us collected by the Bank may be used and disclosed for such purposes and to such persons (whether in or outside Hong Kong) as may be in accordance with the Bank's policies on use and disclosure of personal data set out in statements, circulars, notices or terms and conditions made available by the Bank to its clients from time to time and such data may be (i) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance); and (ii) disclosed (by way of bank references or otherwise) to any financial institution with which I/we have or propose to have dealings to enable such financial institution to conduct credit checks on me/us.

According to the Personal Data (Privacy) Ordinance, I/we may, at any time and without charge, choose not to be included in any of the Bank's future promotional mailings. To arrange for the exclusion, I/we can fill out a form at any Standard Chartered branches. For further enquiry about the Ordinance, I/we may write to the Bank's Data Protection Officer at GPO Box 21, Hong Kong.

If there is any inconsistency or conflict between the English and Chinese versions, the English version shall prevail.



## **Terms and Conditions for eStatement/eAdvice Service**

## **Contents**

### **Terms and Conditions for eStatement/eAdvice Service**

- 1. Use of the Service**
- 2. Client's Responsibilities for Security**
- 3. The Bank's Liability for Your Loss or Damage**
- 4. Your Liability towards the Bank**
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## Terms and Conditions For eStatement/eAdvice Service

Please read through carefully before using the Service.

These terms and conditions (a) set out the rights and obligations of yourself, the Client, and ourselves, the Bank, in connection with your use of the Service; and (b) are in addition and without prejudice to the terms and conditions that are applicable to the Eligible Accounts. In the event of conflict, these terms and conditions shall prevail over the terms and conditions governing your use of the Eligible Accounts to the extent in relation to the Service.

All the terms and conditions herein are legally binding.

### 1. Use of the Service

- 1.1. To use the Service, you must (a) be a holder of an Eligible Account or a person authorized to operate the Eligible Account (as the case may be); and (b) be registered with us to use the Service by returning to us the duly completed eStatement/eAdvice Service subscription form or by such other means as required or accepted by the Bank from time to time and taking all necessary steps that we may advise you to complete the registration process.
- 1.2. Upon your registration of the Service and the verification and acceptance by the Bank, eCommunication shall be accessible by you for viewing, printing and downloading through Standard Chartered Online Banking/SC Mobile app provided that you are registered to use the Standard Chartered Online Banking/SC Mobile app. We will no longer send you printed statements/advises by post save for certain Eligible Accounts which the Bank is required to provide printed statements/advises.
- 1.3. eCommunication are accessible through Standard Chartered Online Banking/SC Mobile app and you must observe at all times the "Client Terms" when using the Service, a copy of which has already been provided to you and accessible at website and that additional copies will be made available to you upon request. The Bank will only send you an electronic mail alert to the Designated Electronic Mail Account when the eCommunication is available for access, view, print and download. You are advised to check the Designated Electronic Mail Account regularly.
- 1.4. You agree that your use, access and/or subscription of the Service will constitute your agreement to and acceptance of these terms and conditions as well as your acknowledgement of the inherent risks in accessing, viewing, printing and downloading eCommunication over the Internet. You also agree that the Service will be made available to you on Eligible Accounts that you have with us as indicated on the eStatement/eAdvice Service subscription form or upon registration for Service by such other means and if instructed by you other Eligible Accounts that you may have with us in the future.
- 1.5. You agree that you are solely responsible for (a) ensuring that Your System is capable of receiving, viewing, printing and downloading eCommunication and (b) checking the Designated Electronic Mail Account and/or Standard Chartered Online Banking/SC Mobile app for eCommunication and/or electronic mails in relation to your use of the Service. The Service will usually be available for use through Standard Chartered Online Banking/SC Mobile app during normal operating hours or at the times set out in any applicable guidelines or otherwise notified to you. However, routine maintenance requirements, excess demand on the systems and circumstances beyond our control may mean it is not always possible for the Service to be available during all normal operating hours, which you accept.

### 2. Client's Responsibilities for Security

- 2.1. You acknowledge that electronic mails sent by us are not encrypted; and the use of and transmission of information via electronic mail and/or the Internet cannot be guaranteed to be secure; and information transmitted may be susceptible to errors, Viruses, delay, interception, modification or amendment by unauthorised persons. You therefore agree to take all reasonably practicable measures to ensure that Your System is adequately secure and adopt and maintain the security procedures stipulated by the Bank from time to time in relation to your use, access and/or subscription of the Service.
- 2.2. You or a person authorized to operate the Eligible Account (as the case may be) must not allow anyone else to use, access and/or subscribe the Service on your behalf.
- 2.3. You must never respond to a request purportedly from us to provide your account, security details or Personal Data by electronic mail as the Bank will never make such a request. For the avoidance of doubt, all website hyperlinks authorized by the Bank will be for information

only and will not require the inputting of your account or security details or Personal Data. You should inform the Bank as soon as possible if any electronic mail or website hyperlink appears to be irregular or Your System is compromised.

- 2.4. You must not leave Your System unattended while you are on-line or accessing the Service.
- 2.5. When using, accessing and/or subscribing the Service, you must ensure that Your System is not connected to a local area network (or LAN) (such as an office environment) without first making sure that no one else is able to observe or copy, trace or track your access or obtain access to the Service on your behalf.
- 2.6. You are required to keep all login IDs and/or passwords which you use for the Service secret at all times (including without limitation those for accessing the Designated Electronic Mail Account and/or the Tele-Electronic Banking Services). We shall not be liable for any loss and/or damage you sustain by reason of any unauthorised access to your eCommunication or the Service.
- 2.7. You are also required to check all eCommunication for any unauthorised transactions. If you become aware of any unauthorised transaction on any of the eCommunication, you shall notify the Bank as soon as reasonably practicable, but in any event no later than the applicable time period specified in the relevant eCommunication for purposes of raising any query that you may have in connection with the eCommunication. For the avoidance of doubt, any applicable time periods within which you must notify us of any unauthorized transaction(s) shall begin on the statement/advice date printed on the relevant eCommunication regardless of when you access or open the eCommunication.
- 2.8. You are required to inform the Bank as soon as practicable upon any change in the Designated Electronic Mail Account.
- 2.9. You are advised to save an electronic copy of any eCommunication that is made available on Standard Chartered Online Banking/SC Mobile app from time to time in Your System or your computer device or print a hard copy for future reference.

### **3. The Bank's Liability for Your Loss or Damage**

- 3.1. In connection with our provision of the Service, we will take reasonably practicable steps to ensure that our systems are installed with adequate security designs; to control and manage the risks in operating the systems; and to take into account any laws, rules, regulations, guidelines, circulars, codes of conduct and prevailing market practices which may be applicable to us from time to time.
- 3.2. To the extent permitted by the laws of Hong Kong, we disclaim any implied representation or warranty (a) as to the title, fitness for a particular purpose, merchantability, accuracy, completeness or standard of quality of the Service; and (b) that the Service or your use or access thereof will be uninterrupted, error-free, virus-free, or reliable. Notwithstanding the foregoing, nothing in this Clause seeks to avoid liability for fraudulent misrepresentation.
- 3.3. To the extent permitted by the laws of Hong Kong, we will not be liable for any loss or damage to you as a result of making available to you the Service (including without limitation any indirect, consequential or special loss or damage) even if the Bank shall have been advised of the same unless such loss or damage is directly caused by our negligence or our wilful default. Examples of circumstances in which we will not be liable to you for loss or damage resulting to you through the use or access of the Service include (but are not limited to):
  - 3.3.1. any incompatibility between Your System and the Service for purposes of using, accessing and/or subscribing the Service; and
  - 3.3.2. any misuse of Your System by you or anyone else, authorised or unauthorised; and
  - 3.3.3. any damage to or loss of data from any computer system (including without limitation Your System) or device with which you use, access and/or subscribe the Service suffered by you arising from your use or access of the Service; and
  - 3.3.4. any access to information about you, the Eligible Accounts and/or eCommunication which is obtained by a third party as a result of your using or accessing the Service; and
  - 3.3.5. any machine, system or communications breakdown, interruption, malfunction or failure; industrial dispute; failure or fault of any Internet or electronic mail service providers, telecommunications or any other service providers or operators, or their respective agents and subcontractors; or other circumstances that are beyond our control which leads to the delay in the delivery of the eCommunication or delay in the delivery of any information

and/or data made available under the Service, or disruption or suspension of the Service (whether partially or wholly), or to the non-receipt, interception of or unauthorised access to the eCommunication or any information and/or data made available under the Service; and

- 3.3.6. any delay or failure to send, transmit, receive, confirm or acknowledge any electronic mail, SMS messages, security codes, passwords, or anything available under the Service, or any error or incompleteness of any information or data available under the Service; and
- 3.3.7. for any errors, Viruses, delay, inaccuracy, losses, damages whatsoever arising from or in connection with your use or access of the Service (including but not limited to any interception, modification or amendment, disruption, interruption, delay or inaccuracy of emails or Internet transmission or other communication equipment or facilities); and
- 3.3.8. any services through which you use or access the Service or by which you obtain a password or other security codes that are not controlled by us, or for any loss you may suffer as a result of you using such a service.
- 3.4. Nothing contained in this Clause 3 shall restrict the Bank's liability for death or personal injury resulting from any act, omission or negligence of the Bank or its officers, agents, employees or sub-contractors.

#### **4. Your Liability towards the Bank**

- 4.1. You shall compensate and indemnify us for all losses, damages, costs or expenses (including legal and other professional advisors' fees) which are of reasonable amount and reasonably incurred by us in connection with your breach and/or our enforcement against you of these terms and conditions.
- 4.2. You will indemnify us and keep us indemnified against any consequences, claims, proceedings, losses, damages or expenses (including all legal costs on an indemnity basis) which are of reasonable amount whatsoever and howsoever caused (save and except any direct loss or damages caused by negligence or wilful default on our part) that may arise to be reasonably incurred by us in providing the Service to you, whether or not arising from or in connection with and including but not limited to (a) your breach of these terms and conditions; (b) your improper use of the Service; and (c) any damage to Your System (or other computer hardware, devices, facilities or software) as a result of accessing and/or using the Service.

#### **5. Termination of Service**

- 5.1. The Bank may, without any liability and disclosing any reason, suspend or terminate the Service rendered to you at its sole discretion forthwith upon giving you a written notice including without limitation by electronic mail to the Designated Electronic Mail Account.
- 5.2. You may suspend or terminate the Service at any time by completing a form designated by us or by such other means as accepted or required by the Bank from time to time.
- 5.3. Any termination or suspension of the Service is without prejudice to and shall not affect the liabilities and rights which have accrued between you and the Bank prior to the date of suspension or termination.
- 5.4. All indemnities, restrictions and obligations on your part contained in these terms and conditions shall survive termination of the Service.

#### **6. Amendment**

- 6.1. The Bank reserves the right to amend, add or delete at any time these terms and conditions as well as the scope or features of the Service by giving reasonable prior notice in writing to you and such notice may be made in such manner and by such means of communication as the Bank shall deem fit, including, without limitation, use of direct mailing material, advertisement, website display or electronic communications such as electronic mail. You acknowledge and agree that you shall observe and comply with any such amendment, addition and/or deletion when using, accessing and/or subscribing the Service.

#### **7. Personal Data**

- 7.1. The Personal Data collected by us in connection with the provision of the Service to you will be used by us for the purpose of performing our obligations under these terms and

conditions and other purposes arising out of and in connection with our provision of the Service. You agree that all Personal Data relating to a person collected by the Bank from time to time may be used and disclosed for such purposes and to such persons (whether the recipient is located in Hong Kong or another country/region, or in a country/region that does not offer the same level of data protection in Hong Kong) in accordance with the Bank's policies on use and disclosure of personal data. Such policies are set out in statements, circulars, terms and conditions or notices made available by the Bank to you from time to time. The collected data may be (i) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance), and (ii) disclosed (by way of bank references or otherwise) to any financial institution with which you have or propose to have dealings to enable such financial institution to conduct credit checks on you.

## **8. Communication**

- 8.1. Electronic mail is not a completely reliable or secure method of communication and you must not use it for sending us notices in connection with these terms and conditions as well as any other communication that is in its nature sensitive or confidential.
- 8.2. Unless otherwise provided for herein, if we need to send you a notice, we will use the address you have given us most recently in connection with your bank accounts.

## **9. Validity of these Terms and Conditions**

- 9.1. Any part of these terms and conditions which is invalid for any reason in any jurisdiction shall be ineffective only to the extent of such invalidity, and shall not affect the validity of the remaining provisions hereof or the validity of such provision in any other jurisdiction.
- 9.2. If any term of these terms and conditions is unenforceable against any Client, such non-enforceability shall not in any way affect the enforceability of that term against other Clients.

## **10. Waiver**

- 10.1. No forbearance, neglect or waiver by the Bank in the enforcement of any of these terms and conditions shall prejudice its rights thereafter to strictly enforce the same. A single exercise or partial exercise of any power or right by the Bank does not preclude further exercises of that power or right or the exercise of any other power or right.

## **11. Language**

- 11.1. These terms and conditions are available in both English and Chinese versions. The English version shall prevail in the event of any discrepancy between the two versions.

## **12. Governing Law and Jurisdiction**

- 12.1. These terms and conditions are governed by the laws of Hong Kong. The parties agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

## **13. Definitions**

- 13.1. In these terms and conditions, the following words and phrases shall, unless the context otherwise requires, have the following meanings:

**"Bank"** / **"we"** / **"us"** / **"our"** means Standard Chartered Bank (Hong Kong) Limited and all other entities in the Standard Chartered Bank group in respect of which the Service will be available;

**"Client"** / **"you"** / **"your"** means any client of the Bank who has subscribed for the Service;

**"Designated Electronic Mail Account"** means the electronic mail account specified by you on the eStatement/eAdvice Service subscription form or upon registration for Service by such other means and in the absence of such details, any electronic mail account you provided in connection with your use of the Bank's services, or such other electronic mail account which you may designate to the Bank from time to time for purposes of receiving electronic mails in relation to your use of the Service, as the case may be;

**“eAdvice”** means any advices as determined by the Bank to be included from time to time showing the information in respect of the Eligible Accounts, or any similar documentation provided to the Client via electronic mean(s);

**“eCommunication”** means eStatement and/or eAdvice;

**“Eligible Account(s)”** means the credit card account(s) held by the Client with the Bank and/or any other applicable accounts, including but not limited to savings, current, fixed deposit, loan or other accounts as determined by the Bank to be eligible for the Service;

**“eStatement”** means the Bank’s Consolidated Statements, Savings/Current Account Statements, Credit Card Statements and/or any other statement as determined by the Bank to be included from time to time showing the information in respect of the Eligible Accounts, or any similar documentation provided to the Client via electronic mean(s);

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

**“Personal Data”** refers to personal data as defined in the Personal Data (Privacy) Ordinance, Cap. 486 of the Laws of Hong Kong;

**“SC Mobile”** means the mobile application installed on your mobile or communications device for the provision of the Bank’s general mobile banking services;

**“Service”** means the service of providing eCommunication by the Bank to the Client in accordance with these terms and conditions and under which eCommunication may be accessed by the Client through Standard Chartered Online Banking/SC Mobile app;

**“Standard Chartered Online Banking”** means the website and/or the internet platform for the provision of the Bank’s general online banking services;

**“Viruses”** means computer viruses or similar device or software including, without limitation, devices commonly known as software bombs, Trojan horses and worms; and

**“Your System”** means the equipment or device and software programs that are contained on such equipment or device used by you to use, access and/or subscribe the Service.



## **Terms and Conditions of InvestPro**

## **Contents**

### **Terms and Conditions of InvestPro**

- 1. Interpretation and Definitions**
- 2. Investment Rewards Plan**
- 3. Disclosure**
- 4. Governing Law and Submission to Jurisdiction**
- 5. Notices**
- 6. Miscellaneous**

**6A. Termination**

## Terms and conditions of InvestPro

Important: Please read these terms and conditions carefully.

The following terms and conditions are applicable to all type(s) of account(s) and service(s) as the Bank shall in its absolute discretion designate from time to time to be included under the "InvestPro" service. These terms and conditions set out the rights and obligations of you, the Client, and us, the Bank, in connection with your use of "InvestPro" service. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them.

Please read in conjunction with "**Additional terms and conditions of U.S. taxation for investment products**".

### 1. Interpretation and Definitions

1.1 These terms and conditions are in addition to the Bank's "Conditions For Accounts", "Terms and conditions for Accounts & Services", "Client terms" and the terms and conditions that apply to the individual account(s) or service(s) that the Client has applied for and together form the contract which governs the Client's relationship with the Bank. In case of conflict between any of these terms and conditions and such other relevant terms and conditions, these terms and conditions shall prevail.

1.2 In these terms and conditions, unless specifically defined or redefined or the context otherwise requires:

**"Application"** means the application form signed by the Client in respect of the relevant account(s) or service(s) as the Bank may in its absolute discretion designate from time to time to be included under "InvestPro" ;

**"Bank"** means Standard Chartered Bank (Hong Kong) Limited and its successors and assigns;

**"Business Day"** means any day (excluding Saturday and Sunday) on which the Bank is open for the transaction of business in Hong Kong;

**"Client"** means any client, being an individual in his personal capacity, signing, and named in, the Application and who has been enrolled by the Bank in the "InvestPro";

**"Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China;

**"Hong Kong dollar"** means the lawful currency for the time being of Hong Kong and "HKD" shall be construed accordingly;

**"Investment Rewards Plan"** means the plan or scheme established by the Bank from time to time for the benefit of the clients utilizing "InvestPro".

1.3 In these terms and conditions, unless the context otherwise requires:

(a) the word "person" includes any individual, company, firm, partnership, joint venture, association, sole proprietorship or other business entity

(b) words denoting one gender shall include all other genders;

(c) words denoting the singular shall include the plural and vice versa;

(d) headings have been inserted for convenience of reference and shall not affect construction.

1.4 Where the Application is signed by more than one person, the expression "Client", shall be construed as referring to them collectively and individually and all the agreements, acknowledgements, obligations and liability on the part of the Client stipulated herein shall accordingly be deemed to be joint and several. The Bank shall be at liberty to release or discharge any of such persons from the liability hereunder or to accept any composition from or make other arrangements with any of such persons without releasing or discharging the other or others or otherwise prejudicing or affecting the Bank's rights and remedies against the other or others, and none of them shall be released or discharged by the death of any one of them.

1.5 The Chinese translation of these terms and conditions is provided for convenience only and the English version shall prevail for all purposes. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.

## 2. Investment Rewards Plan

### 2.1 Investment Zone Membership

Membership of the investment zones available under the Investment Rewards Plan, which currently comprise Investment Zones A, B, C and D (each an "Investment Zone" and together "Investment Zones") and the benefits associated with such membership (the "Benefits") are only available in accordance with the following terms and conditions:

- 2.1.1 Membership of an Investment Zone will be available to Clients who are the persons named as "Primary Applicant" in the Application and maintain one or more of the accounts/services designated by the Bank from time to time to be included under the InvestPro service or such other categories of service as the Bank shall in its absolute discretion determine from time to time (each an "Account" and together the "Accounts") and who either accumulate sufficient points ("Investment Points") in accordance with these terms and conditions or are otherwise eligible for membership of such Investment Zone in accordance with the Bank's then current policy. The Bank may in its absolute discretion grant membership of Investment Zones to such persons as it sees fit.
- 2.1.2 A Client's membership to an Investment Zone shall be reclassified by the Bank in accordance with the Client's accumulated Investment Points and/or the Investment Zone membership criteria met by the Client. If a Client has accumulated Investment Points and has an Account package which entitles the Client to join two different Investment Zones, the Client shall be entitled to the Benefits and the membership attaching to the higher of the two relevant Investment Zones.
- 2.1.3 Clients will be notified by post when a Client's membership of a certain Investment Zone changes from one to another. The Client's membership change is with immediate effect upon reclassification in accordance with sub clause 2.1.2.
- 2.1.4 If a Client is granted membership of any Investment Zone solely by reason of that Client being the holder of a particular category of Account or otherwise in accordance with the Bank's policy from time to time, the Client's entitlement to membership of such Investment Zone shall continue until such Account is closed or the Bank otherwise determines, but the Client's entitlement to membership of a higher Investment Zone shall, unless the Client is automatically granted membership of such higher Investment Zone in accordance with the Bank's then current policy, be determined on the basis of Investment Points accrued by that Client and, for the avoidance of doubt, the Client shall not be treated as having accrued the minimum number of Investment Points necessary for membership of that Investment Zone of which the Client became a member otherwise than by reason of the accrual of Investment Points.
- 2.1.5 For the avoidance of doubt, Investment Zone membership is a Client level identity and not an account level identity.

### 2.2 Investment Points

#### 2.2.1 Details of:

- (a) the number of Investment Points which a Client is required to accumulate in order to become a member of a specific Investment Zone;
- (b) the criteria for transactions which qualify to be awarded Investment Points ("Qualifying Transactions");
- (c) the number of Investment Points awarded for each Qualifying Transaction;
- (d) the award of Investment Points to selected Clients;
- (e) variations to these terms and conditions; and
- (f) other information relevant to the operation of the Investment Rewards Plan.

will be published by the Bank from time to time or otherwise be available at branches of the Bank.

- 2.2.2 If a Qualifying Transaction is conducted in a currency other than Hong Kong dollars, for the purpose of determining the Investor Point(s) arising from such Qualifying Transaction, the Bank shall convert the relevant amount of such currency into Hong Kong dollars at such exchange rate as the Bank shall elect.

- 2.2.3 Investment Points are not transferable from one Client to another.

2.2.4 In the case of Accounts which are in the joint names of two or more Clients, such as joint accounts, the Investment Points will be awarded to the person named as "Primary Applicant" in the Application.

2.2.5 Entitlement to Investment Points and Investment Zone membership shall be calculated by the Bank on a daily basis. The Investment Points awarded to a Client will be recorded in the Bank's computer system based on the Bank's procedures applicable to the Investment Rewards Plan and will be rounded to two decimal places. The Client's entitlement to membership of an Investment Zone and to Benefits shall be determined on the basis of the information contained in the Bank's computer system.

2.2.6 For the avoidance of doubt, Investment Points may not be redeemed for cash nor on the surrender of bonus points relating to credit cards issued by the Bank.

### **2.3 Benefits**

2.3.1 The Benefits of each Investment Zone are subject to such terms of use as the Bank may impose from time to time. The Benefits cannot be used in conjunction with other promotional offers and discounts.

2.3.2 The Benefits available to members of each Investment Zone shall be determined by the Bank from time to time. When the Bank has determined that a Client has accumulated sufficient Investment Points or has met the criteria set by the Bank to become a member of an Investment Zone, the Benefits to which that Investment Zone is entitled shall become available to the Client on the next following Business Day with the exception of Benefits relating to securities which shall become available to the Client on the second following Business Day.

2.3.3 The Bank reserves the right to offer Benefits available to a specified Investment Zone to members of other Investment Zones or to other persons.

2.3.4 The Bank reserves the right at any time without any liability to provide compensation to any Client, to give notice to disband any of the Investment Zones or to change the Benefits available to members of any of the Investment Zones.

2.3.5 In the case of Accounts which are in the joint names of two or more Clients, such as joint accounts, the Benefits available in respect of such Account shall be determined by reference to the entitlement of the person named as "Primary Applicant" in the Application.

### **2.4 Cancellation of Investment Points**

2.4.1 Accumulated Investment Points will be valid until they are cancelled in accordance with these terms and conditions.

2.4.2 The Bank shall be entitled to cancel any Investment Points awarded in relation to a Qualifying Transaction which the Bank determines to have been not properly authorised or otherwise in breach of the terms and conditions governing the relevant Account.

2.4.3 If a Client's Account(s) is inactive, the Client's Investment Points may be cancelled in accordance with the following procedures:

- (a) If a Client does not carry out any Qualifying Transactions in any period of 12 consecutive months, the Bank shall cancel half of the outstanding Investment Points accumulated by the Client.
- (b) If the Client does not carry out any Qualifying Transactions in any period of 24 consecutive months, the Bank shall cancel all of the outstanding Investment Points accumulated by the Client regardless of whether any Investment Points have been cancelled under sub-paragraph (a).
- (c) The Bank may but shall not be obliged to notify the Client in writing and/or over the telephone, at least 1 month before the time when, if no Qualifying Transactions are carried out by the Client in the intervening period, Investment Points will be cancelled in accordance with sub-paragraphs (a) or (b) above.

2.4.4 Any change in the Investment Zone membership of a Client resulting from the cancellation of all or part of the Client's Investment Points shall take effect immediately upon cancellation and the Client's entitlement to Benefits shall be adjusted or cancelled accordingly.

2.4.5 A Client will cease to be a member of an Investment Zone and all accrued Investment Points held by such Client will be cancelled on the date on which the Client has no account forming part of the InvestPro remaining open, unless the Bank in its absolute discretion decides otherwise.

## 2.5 Investment Point Enquiries

The Client may contact the Bank to enquire the details of the total amount of Investment Points accumulated by the Client from time to time.

## 2.6 General

2.6.1 *The Bank shall not be liable in any manner to a Client for any errors, omissions or miscalculations of the Investment Points earned by a Client, the failure by the Bank to make available the Benefits to which the Client is entitled or for any other liabilities, losses, costs or expenses that a Client may by reason of his/her participation in the Investment Rewards Plan incur, except where the same are caused directly by the negligence or wilful default of the Bank.*

2.6.2 In case of disputes between the Bank and the Client in connection with any matter relating to the Investment Rewards Plan including but not limited to Investment Points, Investment Zone membership and Benefits, the Bank's determination in its sole and absolute discretion shall be final and conclusive.

## 2.7 Suitability

2.7.1 If the Bank solicits the sale of or recommends any Financial Product (as defined in clause 2.7.2 below) to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of these terms and conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause 2.7.1.

2.7.2 "Financial Product" in clause 2.7.1 means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Cap. 571). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity (leveraged foreign exchange trading) (as defined in the Securities and Futures Ordinance (Cap. 571).

2.7.3 The mere provision of marketing or promotional materials relating to any "InvestPro" services for general information purposes does not constitute an offer, recommendation or solicitation by the Bank to the Client.

2.7.4 The Client agrees to regularly provide the Bank with information relating to the Client's risk tolerance, investment objective, investment experience or sophistication, financial situation and financial needs. The Bank uses and relies on this information to help the Client make investment decisions that meet the appropriate risk profile and to ensure, if required, that Financial Products (as defined in clause 2.7.2) which the Bank solicits the sale of or recommend to the Client is reasonably suitable for the Client at the point of sale. If there are circumstances or other considerations that the Client feels are relevant, the Client should inform the Bank. The Bank's investment recommendations will be based on the information the Client provides to the Bank.

## 3. Disclosure

3.1 The Client agrees that all personal data relating to the Client collected by the Bank from time to time may be used and disclosed for such purposes and to such persons (whether in or outside Hong Kong) as may be in accordance with the Bank's policies on use and disclosure of personal data set out in statements, circulars, terms and conditions or notices made available by the Bank to its clients from time to time and such data may be (i) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance), and (ii) disclosed (by way of bank references or otherwise) to any financial institution with which the Client has or proposes to have dealings to enable such financial institution to conduct credit checks on the Client, and (iii) disclosed by the Bank in the event that such disclosure is required by any regulatory or governmental body having jurisdiction over it whether or not the requirement has the force of law.

3.2 Without limiting the generality of the foregoing, the Client further agrees that the personal data and information referred to in clauses 3.1 may be disclosed by the Bank in the event that such disclosure is required by any securities exchange or regulatory or governmental body having jurisdiction over it (including without limitation the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission) whether or not the requirement has the force of law.

#### **4. Governing Law and Submission to Jurisdiction**

- 4.1 These terms and conditions shall be governed by and construed in accordance with the laws of Hong Kong.
- 4.2 The Client hereby:
  - a) irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong and of any places where the Client has assets now or in the future;
  - b) waives any objections on the grounds of venue, forum non convenient or similar grounds; and
  - c) consents to service of process including any writ, judgment or other notice by mail to the Client's address on the Bank's records or to such other address as may subsequently be notified in writing to, and received by, the Bank.

#### **5. Notices**

- 5.1 Any communications or notices required or permitted to be given by or on behalf of the Bank to the Client may be given in writing and sent by mail (postage prepaid) to the Client at the last mailing address on record with the Bank.
- 5.2 All communication and documents so sent by letter under clause 5.1 shall be deemed to have been received by the recipient:  
24 hours after posting if mailed to an address in Hong Kong, or 7 days after posting if mailed to an address elsewhere, save that in the case of legal process these periods shall be increased to 7 and 21 days respectively.

#### **6. Miscellaneous**

- 6.1 The Bank shall be entitled at any time by notice to the Client to amend or change any or all of these terms and conditions.
- 6.2 If any of these terms and conditions is held or deemed to be void or unenforceable, the other terms will remain in full force and effect.

#### **6A. Termination**

- 6A.1 Notwithstanding any other provisions of the banking agreement, if any of the Client's Accounts (whether maintained by the Client in sole name or joint names) is terminated or to be terminated, whether by the Client or by the Bank, the Client shall withdraw or transfer the monies and other assets in the relevant Accounts and close all of the relevant Accounts as soon as reasonably practicable and in any case within 30 calendar days after termination of the relevant Accounts.
- 6A.2 If the Client does not withdraw or transfer the monies and other assets and close the relevant Accounts as required by clause 6A.1, the Bank shall have the right without further notice to or consent from the Client:
  - a) to pay the monies in the relevant Accounts to the Client;
  - b) to redeem, sell, transfer or otherwise dispose of the other assets in the relevant Accounts and pay the proceeds (after deducting the expenses of reasonable amount and reasonably incurred by the Bank in the process) to the Client; and
  - c) thereafter, to close the relevant Accounts including taking such action and completing and executing such documents for and on behalf of the Client as the Bank considers appropriate for such purpose.
- 6A.3 In exercising the right under clause 6A.2, the Bank is entitled to redeem, sell, transfer or dispose of the assets at any time and price and in any way, and pay the monies and proceeds to the Client in any manner, as the Bank considers appropriate in the circumstances. In this case, the Bank has no duty to redeem, sell, transfer or dispose of the assets at a particular time or price or in a particular way and shall not be liable for any loss which the Client may suffer as a result, unless such loss is directly caused by the Bank's negligence, wilful default or fraud.



## **Terms and Conditions for Securities Services**

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## Terms and Conditions for Securities Services

Important: Please read these terms and conditions carefully.

These terms and conditions set out the rights and obligations of you, the Client, and us, the Bank, in connection with your use of the Securities Services. All these terms are legally binding, so please read them through carefully before you agree to be bound by them.

Please read in conjunction with "**Additional terms and conditions of U.S. taxation for investment products**".

### Securities Services Risk Disclosure Statement

**The stock market is a rapidly changing market and there is an inherent risk in incurring loss in shares dealing.**

Every transaction concluded through and required by The Stock Exchange of Hong Kong Limited ("the Exchange") is subject to a transaction levy or other levies from time to time imposed by the Exchange. Every Broker is authorised to collect the appropriate transaction levy or other levies in accordance with the rules prescribed by the Exchange from time to time. A copy of the latest rule on this aspect is available from the Exchange on payment of the prescribed charges.

All transactions duly concluded through and recognized by the Exchange are governed by the Rules of the Exchange relating to trading and settlement in particular and shall be binding on both Broker and the Client. A copy of the latest rules on these aspects is available from the Exchange on payment to the Exchange.

The prices of Securities fluctuate, sometimes dramatically. The price of a Security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling or otherwise dealing in Securities.

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

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

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

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

The Securities under the Nasdaq-Amex Pilot Program (PP) are aimed at sophisticated investors. Client should consult his/her dealer and becomes familiarised with the PP before trading in the PP Securities. Client should be aware that the PP Securities are not regulated as a primary or secondary listing on the Main Board or the GEM of the Exchange.

Where Securities are received or held overseas, the Client acknowledges that such Securities may not enjoy the same protection as that conferred under the Securities and Futures Ordinance and the Securities and Futures (Client Securities) Rules.

**In leaving the Securities in the custody of another person, Client may be exposed to the credit risk of that person.**

### 1. Interpretation

1.1 In the event of any conflict or discrepancy between these terms and conditions and (a) the terms of any other agreement subsisting from time to time between the Bank and the Client or (b) the terms of any agreement between such Client and any other Bank Affiliate in respect of

dealings in Securities, these terms and conditions shall prevail. For the avoidance of doubt, the Client terms shall apply in relation to the giving of instructions by telephone or via the Internet.

1.2 In these terms and conditions,

**“Account”** means the Securities Account and/or, as the case may be, the Settlement Account;

**“Application”** means the application form signed by the Client (including application form signed by the Client with electronic signature) in respect of the Securities Services;

**“BCAN”** means a “Broker-to-Client Assigned Number”, being a unique identification code in the format prescribed by SEHK, generated by a relevant licensed or registered person in accordance with SEHK’s requirements. This definition also applies to China Connect;

**“Bank”** means Standard Chartered Bank (Hong Kong) Limited which is registered for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance with CE number AJI614 and its successors and assigns;

**“Bank Affiliate”** means any subsidiary of the Bank and any holding company thereof and any subsidiary of any such holding company;

**“Broker”** means such broker or brokers as may be appointed from time to time by the Bank to provide broking services in relation to the Securities Services;

**“Business Day”** means any day (excluding Saturday and Sunday) on which the Bank is open for the transaction of business in Hong Kong;

**“Charge”** means the charge created by clause 22;

**“CCASS”** means Central Clearing and Settlement System operated by HKSCC;

**“Charged Securities”** means all Securities which are now or shall come into the possession, custody or control of the Bank or, where appropriate in the custody of the Nominee, from time to time and for any purpose whatsoever which shall include any additional or substituted Securities and all dividends or interest paid or payable, rights, interests, monies or property accruing or offered at any time by way of redemption, bonus, preference, option or otherwise on or in respect of such Securities or additional substituted Securities;

**“CID” or “Client Identification Data”** means the following client identification data in relation to a client to whom a BCAN is assigned: (i) the full name of the Client as shown in the Client’s identity document (“**Identity Document**”); (ii) the issuing country or jurisdiction of the Identity Document; (iii) the Identity Document type; and (iv) the Identity Document number;

**“Communication”** means any notice, statement, request, demand for payment, approval, consent or other communication to be given by the Bank to the Client or by the Client to the Bank;

**“Client”** or **“You”** means any client, being an individual in his personal capacity, signing (including through electronic signature), and named in, the Application and who has applied to the Bank to subscribe to the Securities Services and in whose name the Securities Account and the Settlement Account are maintained; where the Securities Services are to be jointly subscribed by, and the Securities Account and the Settlement Account are in the joint name of two or more persons, then unless otherwise specified or the context otherwise requires, “Client” or “You” shall mean all of such individuals collectively;

**“Client Company”** means any company in respect of which the Client directly or indirectly:

(a) owns not less than fifty per cent (50%) of the issued share capital; or

(b) controls not less than fifty per cent (50%) of the voting rights attaching to the issued share capital;

**“Dealing System”** means any automated dealing system which the Bank may (but without obligation) from time to time provide for the purposes of the Securities Services;

**“Exchange”** or **“SEHK”** means The Stock Exchange of Hong Kong Limited;

**“HKSCC”** means the Hong Kong Securities Clearing Company Limited;

**“Holding company”** and **“subsidiary”** have the meanings ascribed thereto in Section 2 of the Companies Ordinance;

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

**“Hong Kong dollar”** means the lawful currency for the time being of Hong Kong and “HKD” shall be construed accordingly;

**“IPO”** means Initial Public Offering, as the case may be “New Issues of Securities”;

**“Liabilities”** means all monies, liabilities and obligations of whatsoever nature whether actual or contingent which are now or at any time hereafter may be or become due, owing or incurred from or by the Client or any Client Company as primary or collateral obligations to the Bank or any Bank Affiliate and whether or not accrued in connection with the Securities Account, the Settlement Account or the Securities Services or for which the Client or any Client Company may be or become liable to the Bank or any Bank Affiliate on any account or in any manner whatsoever and in whatever currency (whether alone or jointly with any other person and in whatever name, style or firm) together with interest from the date of demand to the date of payment, legal costs and all other costs, charges and expenses incurred by the Bank or any Bank Affiliate (where the Client consists of more than one person, then only monies, liabilities and obligations due, owing or incurred by those persons jointly);

**“Nominees”** means such entity or entities as may be appointed from time to time by the Bank to provide nominee services in respect of Securities acquired for the Client;

**“Securities”** has the meaning ascribed thereto in Part 1 of Schedule 1 of the Securities and Futures Ordinance and, for the avoidance of doubt, shall include securities listed or traded on the Exchange or any stock exchange outside Hong Kong;

**“Securities Account”** means the account opened and maintained by the Client with the Bank for the purposes of the Securities Services, and shall include such account as may from time to time be re-designated or re-numbered;

**“Securities Depository”** means any securities depositary, settlement system, dematerialised book entry system or similar system, including, without limitation, CCASS;

**“Securities Services”** means the services provided by the Bank to the Client of buying and selling Securities for the account of the Client, on instructions given by the Client to the Bank by telephone or via the Internet, and all services related or incidental to such activity, in accordance with these terms and conditions;

**“Settlement Account”** means the bank account or accounts established and maintained by the Client with the Bank which is designated by the Client from time to time to hold funds intended for the settlement of transactions in the Securities Services and/or for the receipt of income, dividends and other payments (if any) in connection with any Securities and/or for the payment of any fees in connection with any Securities, or in the absence of any such designated account(s) subsisting at the relevant time for whatever reason, any other cash account(s) maintained by the Client with the Bank, and shall include such account as may from time to time be re-designated or re-numbered;

- 1.3 In these terms and conditions, unless the context otherwise requires:
  - (a) the word “person” includes any individual, company, firm, partnership, joint venture, association, sole proprietorship or other business entity;
  - (b) words denoting one gender shall include all other genders;
  - (c) words denoting the singular shall include the plural and vice versa;
  - (d) headings have been inserted for convenience of reference and shall not affect construction.
- 1.4 In these terms and conditions reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, codified or re-enacted.
- 1.5 The Chinese translation of these terms and conditions is provided for convenience only and the English version shall prevail for all purposes. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.

## 2. Instructions

- 2.1 The Client hereby authorises the Bank to buy and sell Securities for the account of the Client and otherwise deal with Securities, receivables or monies held in or for the Securities Account or monies held in or for the Settlement Account upon the instructions of the Client as given in accordance with these terms and conditions.

2.2 The Bank is hereby authorised (a) to act as the agent of the Client relating to the purchase and sale of or other dealings in Securities as well as the registration, withdrawal or collection of Securities or distributions from Securities, or the exercise of any rights or claims arising from or relating to Securities including (without limitation) dividends, rights issues, conditional cash offers or other corporate actions and (b) to provide the Client with information requested by the Client from time to time on the prices of or other information relating to Securities. The Bank is not obliged to provide the Client with any translation of any such information requested by the Client or to ensure that such information is true and accurate where such information is independently prepared by a third party. For the avoidance of doubt, and without prejudice to the generality of clause 23, the Client shall make its decision with respect to investment in Securities. The Bank shall have the absolute discretion to determine whether or not to accept any instructions as to any transactions in Securities given pursuant to these terms and conditions by the Client. **The Bank shall not be obliged to give any reason for any refusal to accept or delay in acting on such instructions, nor shall the Bank be held liable for the consequences of any such refusal or delay unless caused by the fraud, wilful default or negligence of the Bank.** In particular (without prejudice to the generality of the foregoing) the Bank may refuse to act, or delay in acting, on instructions for the sale of Securities if such Securities are not registered in the name of the Bank or a Nominee or documents of title relating to those Securities are not held by the Bank or a Nominee or where in the opinion of the Bank such instructions are contrary to any applicable laws, rules or regulations and the Bank shall be entitled with the Client's consent to amend such instructions so that they comply with such laws, rules or regulations. In accepting instructions from the Client, the Bank shall in all circumstances act as the Client's agent and not as principal.

2.3 **Prior to giving instructions to sell any Securities, the Client will advise the Bank of any legal restriction on the transfer of such Securities (including under the Securities Act of 1933 (U.S.)) and will provide the necessary documents to the Bank to satisfy legal transfer requirements. The Client is responsible for any delays, expenses and losses associated with the compliance or failure to comply with any restrictions on the transfer of Securities.**

2.4 **Where the Bank requires a response from the Client within a specified time frame, the Client acknowledges that failure to respond within such specified time frame may result in the Bank being unable to implement the Client's instructions.**

2.5 If an order cannot be executed or wholly executed, the Bank shall be under no obligation to notify the Client immediately. Accordingly, if the Client requires immediate confirmation as to whether any transaction has been effected he should contact the Bank subsequently. Instructions to buy or sell Securities may be partially executed if the instructions cannot be fully executed. Orders to sell or purchase Securities will, to the extent not by then executed, lapse at the close of trading hours on each Business Day.

2.6 Notwithstanding the terms of any other agreement or course of dealing between the Bank and the Client, the Bank is requested and authorised, but is not obliged, to rely upon and act in accordance with any instruction, notice or other Communication which may from time to time, be, or purport to be, given by telephone or via the Internet by the Client (when applicable) without inquiry or verification on the part of the Bank as to the authority or identity of the person making or giving or purporting to make or give such instruction, notice or Communication and regardless of the circumstances prevailing at the time of such instruction, notice or Communication provided that the Bank reasonably believes such instruction, notice or Communication emanated from the Client. **The Bank shall not be liable for any losses suffered or incurred by the Client as a result of the Bank acting upon the same.**

2.7 The Bank shall be entitled to treat an instruction, notice or Communication given as provided in clause 2.6 as fully authorised by and binding upon the Client. The Bank shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such instruction, notice or Communication as the Bank may in good faith consider appropriate, whether it be an instruction to acquire, purchase, sell, dispose of or otherwise deal with Securities or transfer Securities from the Securities Account or purports to bind the Client to any agreement or other arrangement with the Bank or with any other person or to commit the Client to any other type of transaction or arrangement whatsoever, regardless of the nature of the transaction or arrangement or the value, type and quantity of the Securities involved and notwithstanding any error or misunderstanding or lack of clarity in the terms of such instruction, notice or Communication.

2.8 **In the event that the Bank does not consider any communications to be genuine or to have been given by the Client or on its behalf, the Bank may decline to act and the Client hereby releases the Bank from any liability whatsoever or howsoever arising, directly or indirectly, from or as a result of the Bank's inaction or omission.**

2.9 The Bank may record all telephone conversations with the Client in order to verify the instruction or Communication of the Client but it shall not be obliged to do so. The Bank may also maintain records of instructions or Communications received from the Client via the Internet. In case of dispute, the Client agrees to accept the contents of any such telephone recording or computer record as final and conclusive evidence of instructions or Communications from the Client.

2.10 The Client agrees and acknowledges that the Application can be signed by the Client with electronic signature through the internet and/or mobile application portal made available at the discretion of the Bank. Such electronic signature shall be in such digital form as determined by the Bank in its discretion. If the Application is made available to the Client under such portal, terms and conditions, fees and charges, important notes and disclosure statements (if any) applicable to such portal shall apply in addition to these terms and conditions.

## **2A. Suitability**

2A.1 If the Bank solicits the sale of or recommends any Financial Product (as defined in clause 2A.2 below) to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of these terms and conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause 2A.1.

2A.2 "Financial Product" in clause 2A.1 means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Cap. 571). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity (leveraged foreign exchange trading) (as defined in the Securities and Futures Ordinance (Cap. 571)).

2A.3 The mere provision of marketing or promotional materials relating to any Securities Services for general information purposes does not constitute an offer, recommendation or solicitation by the Bank to the Client.

2A.4 The Client agrees to regularly provide the Bank with information relating to the Client's risk tolerance, investment objective, investment experience or sophistication, financial situation and financial needs. The Bank uses and relies on this information to help the Client make investment decisions that meet the appropriate risk profile and to ensure, if required, that Financial Products (as defined in clause 2A.2) which the Bank solicits the sale of or recommend to the Client is reasonably suitable for the Client at the point of sale. If there are circumstances or other considerations that the Client feels are relevant, the Client should inform the Bank. The Bank's investment recommendations will be based on the information the Client provides to the Bank.

## **3. Appointment of Brokers, Nominees and Agents**

3.1 The Bank has express authority from the Client to appoint Brokers, Nominees and other agents including custodians and sub-custodians and to terminate any such arrangements with said Brokers, Nominees and other agents and to appoint replacement Brokers, Nominees and/or other agents. The Bank shall use reasonable care in the selection and appointment of such Brokers, Nominees and/or other agents.

3.2 The Client agrees that the Bank shall have full power and authority to negotiate and agree for and on behalf of the Client all arrangements in respect of brokerage, nominee or custodian services with Brokers, Nominee and/or custodians, or other agents and, in relation to any termination, appointment or replacement appointment, to instruct such Brokers, Nominees and/or custodians or other agents to make suitable arrangements in respect of the completion of transactions and transfer of securities including, without prejudice to the foregoing the transfer of securities into the name of a replacement Nominee.

## **4. Funding of Purchases : Restrictions on Withdrawals**

4.1 The Bank shall debit and make payments from the Settlement Account without further instructions from the Client, and the Client hereby authorises the Bank to debit the Settlement Account:

- (a) with an amount (including the purchase price and all related accrued interests, fees, costs and expenses) required to be paid by the Client pursuant to any transaction effected under these terms and conditions; and
- (b) all taxes, fees, disbursements, charges and expenses properly payable by the Client pursuant to these terms and conditions or in respect of the purchase, sale, holding or transfer of Securities or for such other dealings in Securities.

4.2 It is a fundamental condition that the Client shall ensure, and the Client undertakes and warrants, that at all times there shall be available in the Settlement Account funds sufficient to satisfy all payments due in relation to any purchase of Securities instructions for which have been issued to the Bank hereunder, including the relevant purchase price together with the relevant stamp duties, relevant commissions and other charges payable or to be incurred in connection with such purchase. The Bank is authorised, at any time after receipt of such instruction, at its discretion to place a stop order to earmark such amount of the funds in the Settlement Account required to satisfy all amounts payable in relation to such purchase. **In the event that the Settlement Account becomes overdrawn, the overdrawn amount will be considered a loan payable on demand, and shall be subject to a rate of interest customarily charged by the Bank for similar loans as determined by the Bank from time to time.** If there is no or insufficient cash held in the Settlement Account in the currency in which the Client has instructed the Bank to make a payment, then the Bank is authorised (but not obliged) by the Client to make such conversions of cash (at such rates of exchange as the Bank shall determine on the date of conversion) held in any other currency in the Settlement Account as may be required for such payment.

4.3 Notwithstanding any term of any other agreement between the Bank and the Client, following the giving of such instructions, and whether or not any earmarking of funds has been effected as aforesaid, the Client shall not be entitled to and shall not withdraw or otherwise utilise, by cheque or otherwise, and the Bank shall not be obliged to release or pay out of the Settlement Account, any of the amount required to settle the purchase unless and until the Bank is notified that the instruction to purchase has for any reason not been executed and subject to rights arising pursuant to clause 21. Accordingly, the Bank is irrevocably authorised, notwithstanding any provision of any other agreement or arrangement between the Client and the Bank from time to time:

- (a) to refuse to honour any cheque or other payment drawn or debited against the Settlement Account and/or to delay in taking any such action, during any period between the issue of instructions to purchase Securities for the account of the Client and the application of funds payable in relation to the purchase the subject of such instructions; and
- (b) to apply monies in the Settlement Account in settlement of any sums payable in relation to any such purchase in priority to any other proposed application of such funds instructed or purportedly instructed upon by the Client.

4.4 The Client acknowledges and agrees that if at any time there are in the reasonable opinion of the Bank (having regard to other payments debited or due to be debited) insufficient funds in the Settlement Account for these purposes the Bank may (in the Bank's sole discretion and without any obligation to do so on the part of the Bank) transfer funds as necessary from any other account or accounts maintained by the Client with the Bank without further instruction or sanction from the Client.

4.5 For the purposes of placing a stop order on such funds in the Settlement Account and/or prohibiting withdrawal or utilization of such funds, the Bank shall be entitled to assess an approximate amount using such guidelines as it may determine from time to time and subsequently to adjust such amount following notification by the Broker of the precise amount due from the Client in respect of such purchase.

4.6 The Bank is authorised to deliver to the Brokers on behalf of the Client such funds, share certificates and other documents relating to Securities as it may receive or hold in connection with dealings in Securities effected pursuant to instructions received or purportedly received from the Client.

4.7 By these terms and conditions, the Client expressly authorises the Bank to part with possession of Securities for the exercise of any lien or charge in these terms and conditions or pursuant to any sale of Securities permitted by these terms and conditions including any sale to realise monies to make any payment due to the Bank pursuant to these terms and conditions.

4.8 The Bank shall promptly credit to the Settlement Account all cash received by it for the account of the Client from the sale of Securities held on behalf of the Client pursuant to these terms and conditions.

4.9 The Bank reserves the right to debit or credit the Settlement Account if it has been inadvertently credited or debited. The Settlement Account will be governed by current account principles. The Bank's obligation to pay the Client any amounts and/or repay any funds in the Settlement Account is an obligation of the Bank in Hong Kong, where the Settlement Account is opened.

4.10 The Client agrees that if the Bank shall for any reason fail to receive payment for all or any part of any amount due to be paid to the Client in respect of any sale entered into by the Client or by the Bank on the Client's behalf on the due date for payment in accordance with the rules and regulations of the relevant exchange and/or any applicable laws, the Bank's obligation to make payment to the Client in respect of such sale shall by virtue of such failure become an obligation to make payment of such amount as is equal to such payment as is actually received by the Bank.

## 5. Client's Default in Funding

5.1 Unless otherwise agreed between the Client and the Bank, the Client agrees that if insufficient funds are available in the Settlement Account as required by clause 4.2, the Bank is authorised:

- (a) In the case of a purchase transaction, to transfer or sell such purchased Securities to satisfy the Client's obligations to the Bank; or
- (b) In the case of a sale transaction, to borrow and/or purchase such sold Securities to satisfy the Client's obligations to the Bank.

5.2 The Client acknowledges that he will be responsible to and will indemnify and keep indemnified the Bank from any loss, costs, fees and expenses in connection with the Client's failure to meet his obligations by the settlement dates required.

## 6. No margin or credit facilities

These terms and conditions shall apply to an account for cash dealing only. Nothing in these terms and conditions shall oblige the Bank or any Bank Affiliate to grant or maintain any margin or credit facilities.

## 7. Registration of Securities

7.1 Subject to the provisions of clause 7.2 and clause 21, the Client agrees that any Securities deposited with the Bank or acquired by the Bank on behalf of the Client or any amounts paid to the Bank on behalf of the Client shall be dealt with in accordance with the instructions of the Client given in respect of the particular Securities or monies.

7.2 The Bank shall register Securities acquired for the Client in the name of the Bank or the Nominee or may deposit securities with, or hold securities in, CCASS or any other Securities Depositary on such terms as such Securities Depositary customarily operates.

7.3 The Nominee shall hold Securities registered in its name as the nominee of the Bank. The Nominee shall designate all such Securities as held by it to the order of the Bank but identified as being Securities held by the Bank for the Clients and being identified as Securities of which the Bank is not the beneficial owner. The Client shall not give any instruction to the Nominee direct.

7.4 The Client acknowledges and agrees that Securities from time to time acquired and/or held through or in CCASS shall be held subject to and in accordance with CCASS Rules.

## 8. Securities Fungible

8.1 Any securities deposited with the Bank or purchased for the Securities Account may, at the absolute discretion of the Bank, either be treated as fungible or specifically allocated to the Securities Account.

8.2 Any obligation of the Bank to deliver, or to hold in safe custody, Securities purchased or acquired on behalf of the Client shall be satisfied by the delivery; or the holding, of Securities being identical with such Securities in terms of number, class, denomination, nominal amount and rights attached thereto (subject always to any capital reorganisation which may have occurred in the meantime affecting such Securities).

## **9. Securities Account: Withdrawals**

9.1 Subject to clause 9.2, the Bank shall as soon as reasonably practicable after having been required to do so by instructions from the Client:

- (a) procure the registration of any Securities from time to time forming part of the Securities Account in the name of the Client or a person notified by the Client as being the nominee of the Client, or if so instructed, deliver the documents representing the Securities to the Client or such a nominee whereupon such Securities shall cease to form part of the Securities Account;
- (b) transfer such sum as may be specified in the instructions of the Client from the Securities Account to the Settlement Account and such transfer shall be deemed a good discharge of the obligation to make payment to the Client.

9.2 The obligations of the Bank in clause 9.1 shall be subject to the other provisions of these terms and conditions and in particular clause 21 and to the right of the Bank to require that prior to any withdrawal the Client discharges in full all sums or liabilities actual or contingent owed by the Client or any Client Company to the Bank or any Bank Affiliate. The Bank may without Client instruction or notice to the Client discharge any such liabilities out of monies standing to the credit of the Accounts prior to implementing any registration or transfer pursuant to clause 9.1 or otherwise may require payment thereof to be made by the Client prior to implementing any registration or transfer pursuant to clause 9.1.

9.3 The Bank reserves the right to debit or credit the Securities Account if it has been inadvertently credited or debited.

## **10. Securities Account: Additions**

The Client may at any time request that the Bank accept delivery or a transfer of Securities to be held as part of the Securities Account. The Bank shall not be obliged to accept any such request but, if it does so, the Securities so delivered or transferred shall be held as part of the Securities Account and shall be subject to these terms and conditions as if they were acquired by the Bank on behalf of the Client. In such case, the Client shall execute such instruments of transfer and/or other documents as may be required to transfer the Securities to the Securities Account and register them in the name of the Bank or the Nominee, or deposit, and hold, them in CCASS or any other Securities Depositary.

## **11. Trading Limits**

11.1 The Client acknowledges that the Bank has the right to set limits and parameters to control the Client's ability to use the Securities Services at the Bank's absolute discretion and the Client undertakes to comply with those limits and parameters. Such limits and/or parameters may be amended, increased, decreased, removed or added to the Securities Services by the Bank in its absolute discretion and may include (without limitation): (i) controls over maximum order amounts and maximum order sizes, (ii) controls over the Bank's total exposure to the Client, (iii) controls over the price at which orders may be submitted, (iv) controls over the origin of the Client's orders and (v) any other limits, parameters or controls which the Bank may be required to implement under any applicable law or regulation.

11.2 The Client acknowledges that orders will be accumulated over the trading day and the Bank will check all orders received by whatever means of communication against the credit limits and trading limits as specified by the Bank from time to time.

## **12. Execution of transactions by the Bank**

12.1 In executing the Client's instructions from time to time:-

- (a) to acquire or purchase Securities, the Bank shall be authorised at its discretion to transfer to the Client Securities owned or held by (i) the Bank or (ii) any Bank Affiliate;
- (b) to sell or dispose of Securities, the Bank shall be authorised at its discretion to acquire or purchase such Securities (i) for the Bank's own account or (ii) for account of a Bank Affiliate.

12.2 The Bank will act as principal in the circumstances as described in clause 12.1(a)(i) and clause 12.1(b)(i) and subject thereto will act as an agent (in the capacity of a broker) and not as a principal.

12.3 By reason of physical restraints on the Exchange or on any other stock exchange and rapid

changes in the prices of Securities that frequently take place, there may, on occasions and despite the Bank's reasonable endeavours, be a delay in making prices or in dealing at any specific time or "at best" or "at market". The Client agrees in any event to accept and be bound by dealings which take place on his behalf and agrees that **the Bank shall not be liable for any loss arising by reason of its failing, or being unable, to comply with any terms of an order of the Client unless caused by the fraud, wilful default or negligence of the Bank.**

12.4 The Bank may aggregate the Client's order with the Bank's own orders, and those of persons connected with the Bank and its other clients. This procedure may operate on some occasions to the Client's advantage and on others to its disadvantage. However, where the Bank has aggregated its client' orders, including the Client's order, with the Bank's own order it will give priority to satisfying the orders of its clients in any subsequent allocation if all orders cannot be filled.

12.5 Unless the Client gives specific instructions to the Bank to the contrary, the Client acknowledges that all orders or requests are good for the day only and that to the extent unfulfilled they will lapse at the end of the official trading day of the Exchange or, as the case may be, the stock exchange outside Hong Kong on which the Securities in question are listed or traded.

### 13. Short Sales

13.1 The Client agrees that all sale orders submitted to the Bank are long sale orders, i.e., the Client represents that the Security to be sold is owned by the Client (or any person for whom the Client is acting) and that the Client has forwarded the Security to the Bank.

13.2 **Whenever any instruction to be given by the Client is an instruction to sell in respect of Securities which the Client does not own i.e. is a short sale, the Client undertakes to inform the Bank immediately of the same.**

13.3 The Client acknowledges that the Bank will not accept an instruction to sell for short account on behalf of the Client. The Bank shall not be responsible to the Client for identifying whether or not an instruction is to sell for short account.

### 14. Contract Notes

The Bank shall within the period from time to time specified under the Securities and Futures Ordinance or the subsidiary legislation related thereto or the rules of the Exchange, or of any other stock exchanges as amended from time to time, send to the Client copies of the contract note relating to any transactions in Securities effected by the Bank for the Securities Account. The Bank shall dispatch the copy of the contract note to the Client either at the last mailing address on record with the Bank or send the copy of the contract note via Online Channel and inform the electronic delivery of the contract notes by email notification to the Client at the last email address on record with the Bank. The Client shall upon receipt of the contract note examine the same and to promptly give notice to the Bank if the Client considers that any details stated therein are incorrect in any respect. If the Bank does not receive any written objection from the Client within the period stipulated in a contract note for this purpose, the Client shall be deemed to have accepted all the transaction details contained as true and accurate in all respects.

### 15. Statements

15.1 The Bank shall send the Client monthly statements showing the position of the Securities Account and the Settlement Account. Such statement shall be in the form and contain the information as the Bank may from time to time determine.

15.2 The Bank shall send to the Client such information relating to the Securities Account and the Settlement Account as the Client may from time to time reasonably require in writing.

15.3 The Client shall upon receipt of a monthly statement examine the same. If the Bank does not receive any written objection from the Client in respect of any details stated in a monthly statement within the period stipulated in the statement for this purpose, the Client shall be deemed to have accepted the same as true and accurate in all respects. Notwithstanding the foregoing, the Client shall not have the right to object to details contained in a monthly statement if those details have already been previously stated in a contract note which have been accepted by the Client as true and accurate.

15.4 The Bank shall dispatch the monthly statement and any other information requested in

accordance with clause 15.1 and clause 15.2 respectively to the Client either at the last mailing address on record with the Bank or send the monthly statement and inform the electronic delivery of the monthly statement by email notification to the Client at the last email address on record with the Bank.

## 16. Expenses and Fees

16.1 **In consideration of the Bank agreeing to provide the Securities Services, the Client agrees and acknowledges that the Bank shall be entitled to charge the Client fees and charges to be computed on such basis as may be notified to the Client from time to time and the Bank shall be entitled to revise the level of fees and charges and/or impose charges for any services by giving reasonable notice to the Client.**

16.2 The Bank is irrevocably authorised to debit the Settlement Account with all fees and charges levied by the Bank, and to so debit and pay to the Brokers or the Nominees as the Brokers or the Nominees may direct or to any other payee entitled thereto, all commissions payable in respect of such transactions and all stamp duties, taxes, bank charges, transfer fees, registration fees, interest and other expenses incurred or to be incurred in respect of or in connection with the Settlement Account or any dealings in Securities effected in pursuance of instructions received or purportedly received from the Client or holding of Securities on behalf of the Client pursuant to these terms and conditions.

16.3 **The Client acknowledges that the Bank may pay CCASS, or other Securities Depositaries, settlement fees on a consolidated basis and the Bank is entitled to retain any rounding differences as a result of the payment of such fees on such basis.**

## 17. Dividends

All dividends and other distributions in cash derived from Securities held by the Bank in the Securities Account shall be credited to the Settlement Account.

## 18. Corporate Actions

18.1 The Bank shall use reasonable endeavours to notify the Client with regard to communications in respect of distributions or pecuniary entitlements requiring any election or decision by the Client received by the Bank or the Nominee in respect of Securities held in the Securities Account and **the Bank shall not be liable for any non-receipt, delay or failure in forwarding communications in sufficient time for instruction to be given by the Client save in the case of fraud, wilful default or negligence of the Bank.** In the absence of or delay in receiving instructions from the Client in response to a notification in accordance with this clause 18.1, the Bank shall be authorised, at its discretion, to take such steps as it may consider expedient to enable it to provide the Securities Services including the right to act or refrain from acting in accordance with the default option as specified in such notification. Nothing in this clause obliges the Bank to notify the Client of any notice or corporate action information (including proxy voting form), whether received or not by the Bank or the Nominee, or restricts the Bank (or the Nominee)'s right to take such actions as the Bank considers appropriate in its discretion.

18.2 The Bank shall not be under any duty to investigate or participate in any meeting or any subscription, conversion or other rights in respect thereof or as regards any merger, consolidation, reorganisation, receivership, bankruptcy or insolvency proceedings, compromises or arrangement or to take any affirmative action in connection therewith or procure that the Nominee do so except in accordance with written instructions issued by the Client and upon such conditions as to indemnity, provisions for expenses and otherwise as the Bank may at that time require in its favour and in favour of the Nominee.

18.3 The Bank shall be authorised in respect of Securities registered in the name of the Nominee to do the following or instruct the Nominee to do so:

- to request payment of and receive all interest, dividends and other payments or distributions in respect of the Securities;
- where monies are payable to or for the benefit of the Client in respect of any of the Securities in more than one currency, to collect them in such currency as may be permissible by law and as the Bank may in its sole and unfettered discretion determine;
- to surrender any of the Securities against receipt of the monies payable at maturity or on redemption if called prior to maturity and provided that where Securities are called for

redemption prior to maturity the Bank and the Nominee shall have no duty or responsibility to present the Securities for redemption, unless, after call is made, the Client requests the Bank in writing so to do;

- (d) to complete and deliver on behalf of the Client as owner any ownership certificates in connection with the Securities which may be required by law;
- (e) in its sole and unfettered discretion to comply with the provisions of any law, regulation or order now or hereafter in force which purports to impose on a holder of any of the Securities a duty to take or refrain from taking any action in connection with any of the Securities or payments or distributions or monies payable in respect of any of the Securities;
- (f) to exchange any documents relating to any Securities, where such documents have been issued in interim or temporary form, for documents in definitive form;
- (g) for dividends or distributions or benefits (collectively "Benefits" in this clause), if in relation to any Securities of the Client held by the Bank or the Nominee which are not registered in the Client's name any Benefits accrued in respect of such Securities, to credit the Client's account with the Bank (or payment made to the Client as may be agreed) with the proportion of such Benefit equal to the proportion of the total number or amount of such Securities held for the Client. If, as a result of the Benefits, the Client is entitled to fractional entitlements, the Client authorises the Bank at its sole discretion to round up or down such fractional entitlements and/or to sell such fractional entitlements if in the Bank's sole discretion it determines that the amount of the proceeds that may be realised would justify the costs and expenses of the sale of such fractional entitlements. To the extent that any such fractional entitlements, other Benefits and any proceeds from a sale of fractional entitlements that the Bank are for any reason unable to or it is not practicable for the Bank to credit to the Client's account, the Client authorises the Bank at its sole discretion to deal with or dispose of any such entitlements/amount; and
- (h) to perform all other ancillary acts, at the Bank's sole discretion, which the Bank or the Nominee may reasonably consider to be necessary or useful to carry out any instructions or exercise our rights under this clause 18.

## **19. Conflict of Interest**

19.1 The Client acknowledges that when the Bank deals for the Securities Account it may have an interest, arrangement or relationship that is material in relation to the investment or transaction concerned. Such interests will not necessarily be separately disclosed to the Client prior to or at the time of any transaction or at any other time. The following interests of the Bank may affect the Client (without limitation):-

- (a) the Bank may have acted, may be acting or may seek to act as a financial adviser or lending banker to the issuer (or any of its affiliated companies) of the Securities in which the Client may be dealing or may have advised or may be advising any person in connection with a merger, acquisition or take over by or for such issuer (or any of its affiliated companies);
- (b) the Bank may have a holding, dealing, or market making position or may otherwise be trading or dealing in the Securities or assets of any kind underlying, derived from or otherwise directly or indirectly related to such Securities;
- (c) the Bank may have received or may be receiving rebates, payments or other benefits for giving business to the Brokers;
- (d) the Bank may have sponsored or underwritten or otherwise participated in, or may be sponsoring or underwriting or otherwise may be participating in a transaction;
- (e) the Bank may have been or may be an affiliate of an issuer (or any of its affiliated companies) of the Securities in which the Client may be dealing.

19.2 Nothing herein contained shall be deemed to inhibit the Bank from:

- (a) instructing or otherwise procuring the purchase for the Client of Securities held by the Bank for its own account or held by any other of its Clients; or
- (b) acting in any capacity for any other person or from buying, selling, holding or dealing in any Securities for its own account or that of any other Bank Affiliate notwithstanding that instructions have at any time been received from or on behalf of the Client for the

purchase, sale or holding of or other dealing in the same or similar Securities; or

(c) purchasing or procuring the purchase for its own account or for the account of any other of its Clients Securities of the same type as or a similar type to any Securities in respect of which instructions have at any time been received from the Client;

and the Client hereby acknowledges and agrees that the Bank may so act, buy, sell, hold, deal, or instruct provided that in any such case the terms of any such dealing are not less favourable to the Client than they would have been had the transactions been entered into with a party other than the Bank or one of its Clients.

**19.3 The Bank shall not be liable to account to the Client for any emoluments, commissions, profits or any other benefits whatsoever earned by it in relation to any transaction in Securities effected in pursuance of instructions received from the Client.**

**19.4** The Bank shall not be under any duty to disclose to the Client any fact or thing which comes to its knowledge or notice in the course of acting in any capacity for any other person or in its own capacity.

**20. Dealings with the Accounts**

The Client agrees not to, and not to purport to, assign, grant an interest over or otherwise deal in any way with, nor (without the Bank's prior written consent) to create or allow to subsist a charge, pledge or other encumbrance over:

(a) the Securities Account or any Securities, receivables or monies held in or for the Securities Account; or

(b) all or any part of the monies from time to time standing to the credit of the Settlement Account.

**21. Set-off and Lien**

Notwithstanding anything contained herein or in any other agreement between the Bank or any Bank Affiliate on the one part and the Client (or any Client Company) on the other part, the Bank may upon the occurrence of an Event of Default set out in clause 36 and without prior notice to or consent of the Client, set off and withhold from, apply and/or transfer (as the case may be) monies, securities and/or receivables held in or for the Settlement Account, the Securities Account or any other account held for the Client (or, if the Client consists of more than one party, any one or more of such parties) with the Bank (and whether or not such monies, securities or receivables are held for the Client individually or jointly with others) against and in full or partial settlement of Liabilities. For the purpose of exercising the right of set-off or of discharging any sums or liabilities aforementioned, the Bank may sell or dispose of any of the Securities or receivables from time to time held in or for the Securities Account or any other account with the Bank or a Bank Affiliate, if any relevant obligation or liability is not discharged in full by the Client. The Bank or a Bank Affiliate shall be under no duty to the Client as to the price obtained in respect of any such sale or disposal. The rights of the Bank set out in this clause 21 shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which the Bank or any Bank Affiliate is at any time otherwise entitled (whether by operation of law, contract or in any other manner whatsoever). The Client hereby irrevocably directs the Bank to take all necessary action and effect all necessary transfers in this respect.

**22. Charge Over Securities Account**

**22.1 The Client hereby charges the Charged Securities as continuing security for the payment and satisfaction on demand of all Liabilities and the performance of all obligations of the Client under these terms and conditions and including any costs, charges and expenses including legal fees of enforcing these terms and conditions and the Charge contained in this clause incurred by the Bank or any Bank Affiliate.**

**22.2** Upon the occurrence of an Event of Default set out in clause 36 or the failure of the Client to settle the Liabilities when due or perform its obligations under these terms and conditions:-

(a) the Charge contained in this clause shall be immediately enforceable; and

(b) the Bank (or where appropriate the Nominee acting upon instructions from the Bank) may, without notice to the Client:-

- i) appropriate, transfer or set-off the whole or any part of any monies comprised in the Charged Securities in or towards payment or discharge of any of the Liabilities hereby secured; and/or
- ii) sell or dispose of the Charged Securities or any part thereof either together or in parcels in such other manner and for such consideration (whether payable or deliverable immediately or by installments) as the Bank may think fit.

22.3 **The Bank and the Nominee shall not be in any way responsible for any loss occasioned by action pursuant to clause 22.2 howsoever arising unless it is caused by the negligence or wilful misconduct of the Bank.**

22.4 **Without prejudice to the generality of clause 22.2, the Bank (or, where appropriate, the Nominee) shall be entitled to appropriate to the Bank or sell or dispose of the Charged Securities or any part thereof at the current market price thereof to any Bank Affiliate without being:-**

- (a) **in any way responsible for any loss occasioned thereby howsoever arising; and**
- (b) **accountable for any profit made by the Bank (or, where appropriate, the Nominee as its agent) and/or any Bank Affiliate.**

22.5 In the event of any sale or disposal pursuant to this clause 22, if less than all of the Charged Securities are to be sold or disposed of, the Bank (or, where appropriate, the Nominee) may in the Bank's absolute discretion select which of the Charged Securities are to be sold or disposed of.

22.6 In the event of any deficiency after the sale or disposal of the Charged Securities, the Client hereby undertakes to make good and pay on demand to the Bank such deficiency.

22.7 The amounts realised by the exercise or enforcement of the Charge contained in this clause shall be applied against the liabilities of the Client or any Client Company in such order of priority as the Bank may in its absolute discretion determine.

22.8 The Charge contained in this clause is in addition to and without prejudice to any collateral or other security which the Bank or any Bank Affiliate may by these terms and conditions or otherwise whether now or hereafter hold from or on account of the Client or any Client Company and shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum or sums of money owing by the Client or any Client Company. Without prejudice to the foregoing, the Charge contained in this clause shall subsist and continue to have full force and effect after the termination of these terms and conditions until the Client and any Client Company has fully discharged all of its obligations to the Bank and any Bank Affiliate.

22.9 Any monies realised pursuant to the Charge contained in this clause may be placed and kept to the credit of a suspense account for so long as the Bank or the relevant Bank Affiliate may in its absolute discretion determine without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any monies or liabilities due or incurred by the Client or any Client Company to the Bank or any Bank Affiliate.

22.10 The Charge contained in this clause shall not be prejudiced any amendment or variation to these terms and conditions or by the liquidation, insolvency or bankruptcy of the Client or any Client Company.

**23. Automated Quotations, Order Confirmation and Notification Service**

23.1 The Client acknowledges that any quotes on the price of Securities, any market data and any other information provided via any automated quotation system maintained by the Bank (which may be received or accessed by the Client by internet, telephone or other tele-electronic means) are provided by an independent third party, subject to a disclaimer by such third party and the Exchange to the following effect: “[Third party] and The Stock Exchange of Hong Kong Limited endeavour to ensure the accuracy and reliability of the information provided but does not guarantee its accuracy and accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions”. The Bank is not responsible for the accuracy, timeliness or completeness of such information.

23.2 All orders shall be executed at the then current market prices and neither the Bank nor any of the Brokers represent to the Client that any order will be executed at a price previously quoted to the Client by way of an automated quotation system or otherwise.

23.3 If the Client has registered mobile/email order confirmation and notification service, the Client will receive notification from the Bank through mobile (by either (a) push notification sent through our software application for trading securities or (b) SMS) or email message (a) when an order has been partially or fully executed on the Exchange, (b) when the Exchange has accepted the Client's instruction to cancel an order, (c) when an order has expired because it has not been executed by the close of the period of validity of the order, and (d) when an order has been rejected either by the Bank or the Exchange, for whatever reason. **The Bank gives no warranty as to the timeliness or reliability of mobile/email communications, and shall have no liability in the event that the Client fails to receive such communication except where it is caused directly by the negligence or wilful default of the Bank.** The Bank will from time to time specify the scope and features of the mobile/email order confirmation service, and may modify, expand or reduce it at any time with or without notice. If the Client places his order via telephone, and has not registered to receive mobile/email order confirmation, the Bank will endeavour to notify the Client by telephone of the status of an order.

23.4 Any written confirmation sent out by the Bank, in the form of a contract note or monthly statement, shall (save in the case of manifest error) be conclusive as to the price at which any particular order has been executed and shall be deemed to have been accepted by the Client if not objected to in writing by the Client within the period (if any) stipulated in such statement for this purpose. The Client acknowledges that any statement given over the telephone or by SMS or email message or other electronic means as to the status of the Settlement Account or any particular transaction is provided for information only and is not binding on either the Bank or on any Broker.

## 24. Liability and Indemnity

24.1 *In the absence of fraud, negligence or wilful default, neither the Bank nor any of its officers, employees or agents shall be liable to the Client for any loss suffered by the Client arising out of or connected with any act or omission in relation to the operation of the Securities Services, the establishment or maintenance of the Accounts and/or transactions effected thereunder.*

24.2 In particular, without prejudice to the generality of the foregoing, the Client acknowledges and agrees that:

- (a) the Bank shall not be liable to the Client for any loss suffered as a result of or connected with any act or omission on the part of the Brokers or the Nominees, CCASS or any other Securities Depositary, or other agents, including custodians and sub-custodians, including, without prejudice to the generality of the foregoing, any incorrect or incomplete information or advice supplied or published by the Brokers, CCASS, or the Nominees, any other Securities Depositary to the Bank and subsequently communicated to the Client;
- (b) The Client agrees that it shall be jointly and severally liable with the Bank to any Broker for all obligations to be performed by the Bank in respect of any transaction in Securities conducted by the Bank as agent for and on behalf of the Client.
- (c) the Bank shall not be obliged to give any advice as to the selection of Securities to the Client or to provide discretionary management services to the Client under these terms and conditions, and each instruction to effect transactions in Securities shall be decided upon and issued by the Client;
- (d) the Brokers or other third parties may provide written or oral information or advice to the Bank for the Bank to communicate to the Client; in the absence of fraud, negligence or wilful default, the Bank shall have no responsibility or liability whatsoever to the Client in respect of any such information or advice from the Brokers or other third parties whether or not such advice was requested by the Client;
- (e) the Bank shall not be responsible for any failure, delays, errors or inaccuracies in the transmission or communication of instructions due to the breakdown or failure of transmission or communication facilities or to any other cause or causes beyond its reasonable control including (without prejudice to the generality of the foregoing) government restrictions, contract market rulings or suspension of trading;
- (f) the Bank shall not be liable to the Client for or in respect of any losses or failure to comply or delay in complying with its obligations under these terms and conditions which

is caused directly or indirectly by force majeure, Act of God, war, terrorism, industrial disputes, natural disaster, adverse weather conditions, failure of communication systems or any other causes, event or circumstances beyond the Bank's reasonable control;

(g) where instructions are given via the Dealing System, the Bank has no responsibility for any delay, failure, error, interruption or suspension in the transmission or communication of instructions or information on prices, or the mistaken receipt of any instructions by any other party;

(h) Brokers and Nominees are authorised to act upon any instructions received by them (regardless of any delay, error, interruption or suspension as aforesaid) and none of the Bank, the Brokers or the Nominees shall be liable for any losses or costs suffered or incurred by the Client as a result of the Brokers or the Nominees acting upon the same; and

(i) the Bank shall not be required to take any legal action unless fully indemnified to its reasonable satisfaction (as a prerequisite to taking such action) for all costs and liabilities by the Client.

24.3 The Client agrees to indemnify the Bank against all claims and liabilities arising, and all costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amount and were reasonably incurred by the Bank, whether directly or indirectly, out of or in connection with:-

(a) the performance or exercise of their duties or discretions under these terms and conditions; or

(b) arising out of or in connection with any breach by the Client of the obligations of the Client to the Bank or any Bank Affiliate; or

(c) any representation or warranty by the Client being or becoming untrue or inaccurate; or

(d) any costs incurred by the Bank or any Bank Affiliate in the collection (whether by it or any third party agent engaged by it for such purpose) of debts owed by the Client to the Bank or any Bank Affiliate; or

(e) as provided in clause 5.2.

## 25. Confirmation

The Client agrees to do such acts and things and to execute such documents as are necessary or are in the opinion of the Bank desirable to ratify or confirm anything done by the Bank in the proper exercise of any right or power conferred by these terms and conditions or any other agreement entered into pursuant to these terms and conditions or relating to the Securities Account, the Settlement Account or the Securities Services.

## 26. Accuracy of Information

26.1 The Client represents and warrants to the Bank that all information provided by the Client from time to time in connection with the establishment and operation of the Securities Services (including without limitation information provided in the Application and changes thereto notified by the Client) are true and accurate in every respect. The Client acknowledges that they constitute representations in reliance upon which instructions from the Client shall be accepted, and shall be treated as part of the agreement constituted by these terms and conditions. **The Client shall notify the Bank forthwith of any material change in such information.**

26.2 The Bank shall notify the Client of any material change in the information on the Bank provided hereunder.

## 27. Joint Liability

27.1 In circumstances where two or more persons have jointly subscribed to the Securities Services by designation of the Securities Account and the Settlement Account together:-

(a) the Bank may act on the instructions of either person acting singly but each such person shall be jointly and severally liable with the other person for any obligation or liability incurred by either of them to the Bank in connection with the Securities Services, the Securities Account or the Settlement Account or otherwise under or in connection with

these terms and conditions;

- (b) upon the death of any person, any Securities, deeds and property of any description held in the joint names of the Client shall be held by the Bank to the order of the survivor or survivors of the Client subject to compliance with the provisions of the Estate Duty Ordinance, but without prejudice to the Bank's rights in respect thereof arising out of any lien, charge, pledge, set-off, counterclaim or otherwise or to any step which the Bank may deem fit to take in view of any claim by any person other than such survivor or survivors; and
- (c) the Bank shall be at liberty to release or discharge any of such persons from their liability hereunder or to accept any composition from or make other arrangements with any of such persons without releasing or discharging the other or others or otherwise prejudicing or affecting the rights and remedies of the Bank against the other or others, and none of them shall be released or discharged by the death of any one of them.

## **28. Further Assurance**

The Client hereby undertakes to the Bank to do and/or execute any act, deed, document or thing which the Bank shall require the Client to do in connection with the implementation, execution and enforcement of the agreement constituted by these terms and conditions, including without limitation the rights referred to in clause 21 and the Charge referred to in clause 22, and the Client hereby constitutes the Bank the lawful attorney of the Client to do or execute all such acts, deeds, documents or things on behalf of the Client as the Bank considers necessary or desirable in connection with such implementation, execution and enforcement.

## **29. Compliance with Laws, etc.**

- 29.1 The Client shall not instruct the Bank to do anything in relation to the Securities Services, the Settlement Account or the Securities Account which is a breach of or would involve or result in the Bank, any Bank Affiliate, the Broker, the Nominees or any other person being in breach of the Securities and Futures Ordinance, the Rules of the Exchange, the Codes on Takeovers and Mergers and Share Repurchases or any other laws, rules or regulations in force or applicable to the conduct of the business of dealing in securities in Hong Kong or elsewhere or otherwise binding on the Bank, any Bank Affiliate, the Brokers or the Nominees (whether or not having the force of law).
- 29.2 The Client acknowledges that he shall be solely responsible for compliance with all obligations of disclosure under the relevant provisions of Part XV of the Securities and Futures Ordinance, the Codes on Takeovers and Mergers and Share Repurchases, and any other applicable laws, rules or regulations relating to disclosure of interests in securities in Hong Kong or any other relevant countries / regions, each as amended from time to time. The Bank shall not be obliged to give notice of holdings to the Client in any form or by any time limit for such purpose save any notice or statement to be issued as expressly set out in these terms and conditions. The Client acknowledges that **neither the Bank nor any Bank Affiliate, their respective directors, officers or employees shall be liable for any loss, cost or expense of the Client from any failure or delay by the Client or any other person to disclose in accordance with any such obligation nor any delay or default in notification to the Client as to the carrying into effect of instructions and shall indemnify the Bank for any loss, cost or expense arising from any such failure.**
- 29.3 The Client undertakes to the Bank that the Client will not engage or attempt to engage, and that the Client has proper safeguards in place to prevent the Client from engaging, in any activity which may constitute market misconduct under the Securities and Futures Ordinance and further agrees to inform the Bank immediately if the Client becomes aware of any activity by any person that may result in the Client being involved in market misconduct.
- 29.4 Due to money laundering or other requirements operating within the relevant jurisdiction, the Bank may require identification documentation or other information before the Client is entitled to enter into any transaction or before the Bank provides the Client with the Securities Services. **The Client acknowledges that it may be so required and undertakes to provide the Bank promptly with information or documentation as so requested.**

### 30. Disclosure

30.1 The Client agrees that all personal data relating to the Client collected by the Bank from time to time may be used and disclosed for such purposes and to such persons (whether in or outside Hong Kong) as may be in accordance with the Bank's policies on use and disclosure of personal data set out in statements, circulars, terms and conditions or notices made available by the Bank to its clients from time to time and such data may be (a) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance), and (b) disclosed (by way of bank references or otherwise) to any financial institution with which the Client has or proposes to have dealings to enable such financial institution to conduct credit checks on the Client; and (c) disclosed by the Bank in the event that such disclosure is required by any securities exchange or regulatory or governmental body having jurisdiction over it (including without limitation the Exchange and the Securities and Futures Commission) whether or not the requirement has the force of law.

30.2 Without limiting the Bank's rights under clause 30.1, the Client authorises the Bank to disclose to the Brokers and the Nominees any information regarding the Client and the Client's account relationship with the Bank, including without limitation the Client's security access codes, balances on the Securities Account and the Settlement Account, any information provided in the Application and changes therein notified by the Client, and such other information as the Bank, the Brokers or the Nominees may deem necessary from time to time for the purposes of the Securities Services, the transmission, verification or execution of the Client's instructions or any purpose ancillary thereto.

30.3 The Client's information may be provided to a location which does not have the legal protection of information equivalent to Hong Kong. By accepting the Securities Services, the Client consents to the use of its confidential information in accordance with this clause.

30.4 You acknowledge and agree that in the Bank, its service provider(s) and its execution broker(s) (collectively as "**we**" or "**us**" in clauses 30.4 to 30.8) providing securities services to you in relation to securities listed or traded on SEHK (the "**Services**" in clauses 30.4 to 30.8) and for complying with the rules and requirements of the SEHK and the SFC in effect from time to time, we will be required to:

- (i) tag each of your orders submitted or arranged to be submitted to the trading system of SEHK with a BCAN assigned that is unique to each of your sole name account(s) and/or joint account(s) with the Bank, as appropriate; and
- (ii) provide to the SEHK and/or the SFC your assigned BCAN(s) and such CID of you.

30.5 You acknowledge and agree that we may collect, store, process, use, disclose and transfer personal data relating to you (including your CID and BCAN(s)) as required for us to provide the Services to you and for complying with the rules and requirements of SEHK and the SFC in effect from time to time. Without limiting the foregoing, and without limitation to any notification we have given to you and/or consent we have obtained from you in respect of the processing of your personal data in connection with your account(s) and our services to you, this includes:

- (a) disclosing and transferring your personal data (including CID and BCAN(s)) to SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time;
- (b) allowing SEHK to: (i) collect, store, process and use your personal data (including CID and BCAN(s)) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange of SEHK; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets; and (iii) use such information for conducting analysis for the purposes of market oversight; and
- (c) allowing the SFC to: (i) collect, store, process and use your personal data (including CID and BCAN(s)) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements.
- (d) providing BCAN to HKSCC allowing HKSCC to: (i) retrieve from SEHK (which is allowed to

disclose and transfer to HKSCC), process and store your CID and transfer your CID to the issuer's share registrar to enable HKSCC and/ or the issuer's share registrar to verify that you have not made any duplicate applications for the relevant share subscription and to facilitate IPO balloting and IPO settlement; and (ii) process and store your CID and transfer your CID to the issuer, the issuer's share registrar, the SFC, SEHK and any other party involved in the IPO for the purposes of processing your application for the relevant share subscription or any other purpose set out in the IPO issuer's prospectus.

30.6 By instructing the Bank in respect of any transaction relating to securities listed or traded on the SEHK, you acknowledge and agree that we may use your personal data for the purposes of complying with the requirements of SEHK and/or SFC and its rules as in force from time to time in connection with the Services. You also agree that despite any subsequent purported withdrawal of consent by you, your personal data may continue to be stored, processed, used, disclosed or transferred for the above purposes after such purported withdrawal of consent.

By instructing the Bank to submit any IPO subscription(s) on your behalf, you acknowledge and agree to provide consents to the use of your personal data in accordance with personal information collection statement and other applicable terms and conditions set out in the prospectus of the relevant IPO issuer.

30.7 You also agree and acknowledge that:

(a) According to the requirements of SEHK / the SFC, the Bank should ensure that the following information has been collected as Client Identification Data from you as an individual client, and ensure that up-to-date Client Identification Data is submitted to the central data repository to be maintained by SEHK in respect of a relevant order for securities listed or traded on SEHK:

- full name as shown on your Identity Document;
- Identity Document's issuing country or jurisdiction;
- Identity Document type (order of priority ("**Order of Priority**"): (1) Hong Kong Identity ("HKID") card; (2) national identification document; (3) passport; and
- Identity Document number on the Identity Document.

(b) In respect of the Identity Document type, your Client Identification Data should be collected from the Identity Document that is first mentioned in the Order of Priority (i.e. HKID card) save that where you do not hold such document, the next mentioned document (i.e. national identification document) should be used and so forth (i.e. if you do not hold a HKID card nor a national identification document, then passport).

(c) You should also update the Bank promptly on any change of your Client Identification Data and Identity Document (including but not limited to your up-to-date passport, if passport is your Identity Document according to the Order of Priority), ensure your Identity Document type with the Bank is provided according to the Order of Priority and the Client Identification Data with the Bank is up-to-date and accurate, and provide the most updated Client Identification Data and Identity Document to the Bank or as required by the Bank from time to time.

30.8 Failure to provide us with your personal data or consent as described above may mean that we will not, or will no longer be able to, as the case may be, carry out your trading instructions or provide you with securities related services (other than to sell, transfer out or withdraw your existing holdings of securities, if any).

### 31. Representations by Client

31.1 By applying to the Bank for the provision of the Securities Services, the Client hereby represents and warrants to the Bank that:

- (a) unless he advises the Bank otherwise, no instructions given by the Client will be on behalf of a plan subject to the Employee Retirement Income Security Act of 1974 or any similar statute.
- (b) he will not acquire or hold Securities beneficially by or for any other person, or in violation of any applicable law but he will be the beneficial owner of the Securities Account;
- (c) he is the person(s) ultimately responsible for originating the transactions to be made on the Securities Account and no other person stands to gain the commercial or economic

benefit or bear the commercial or economic risk thereof;

- (d) he is fully aware of, and understands fully the market and the financial instruments being traded, in accordance with his instructions given pursuant to these terms and conditions, on the Exchange or any overseas stock exchange, and he is familiar with and understands all applicable laws, rules and regulations relating to his trading operations including (without limitation) those relating to insider dealing and other criminal offences. In particular, the Client represents and warrants that he is fully aware of the Rules of the Exchange, and will familiarise himself with and comply with all guidelines posted on the Exchange's website (as amended from time to time).
- (e) he acknowledges the Securities Services Risk Disclosure Statements set out in these terms and conditions and fully understands and accepts the risks (including the risk of loss) described thereunder;
- (f) it is his decision to enter into any dealings in Securities ("Transactions") and he fully understands the risks and consequences of his doing so and agree to bear all consequences of Transactions;
- (g) he acknowledges that the Bank may require further information from him or a third party on his financial standing and investment objectives or to verify the same and agrees to provide the same on request;
- (h) he has full power and authority to enter into these terms and conditions and to exercise the Client's right and perform the Client's obligations hereunder; and
- (i) all the representations and warranties made by the Client remain true and accurate at all times.

### **32. Authorisation for Credit Enquiry**

The Client authorises the Bank and any Bank Affiliate to contact from time to time such credit reporting agencies, credit bureaus and other information sources (both in Hong Kong and overseas) as it deems necessary or desirable for the Bank to open and to maintain the Securities Account and request them to conduct a credit enquiry or check on the Client for the purpose of ascertaining the Client's financial situation and investment objectives.

### **33. Applicable Rules and Regulations**

- 33.1 Every transaction in Securities made for or on behalf of the Client in Hong Kong or elsewhere and concluded through and recognized by the Exchange or any overseas stock exchange is subject to the relevant provisions of the constitutions, rules, regulations, bye-law, customs and usages of the Exchange or the relevant overseas stock exchange, HKSCC or the relevant overseas clearing agency and of the laws of Hong Kong or the jurisdiction in which the relevant overseas stock exchange is located, each as amended from time to time.
- 33.2 The rules of the Exchange and HKSCC or, as the case may be, the rules of the relevant overseas stock exchange and clearing agencies, in particular those rules relating to trading and settlement shall be binding on both the Bank and the Client in respect of transactions concluded on the Client's instructions.
- 33.3 The Client acknowledges that, where required by the Exchange or any other regulatory authority, the Bank shall provide all relevant information concerning Client's orders transmitted and/or executed by whatever means. The Client further acknowledges and agrees that it will co-operate fully and promptly with all requests by the Bank for the provision of any other information in the Client's possession, custody or control which the Bank may be required to produce to the Exchange or any other regulatory authority.

### **34. Investor Compensation Fund**

In the event of a default (as defined in the Securities and Futures Ordinance) committed by the Bank, the Client is entitled to claim against the Investor Compensation Fund, as the same may be amended from time to time, established under the Securities and Futures Ordinance for pecuniary loss suffered by the Client thereby to the extent provided for in the Securities and Futures Ordinance. The Client acknowledges that the extent of such claim will be restricted as provided in the Securities and Futures Ordinance and there can be no assurance that any pecuniary loss sustained because of such default will be recouped from the Investor Compensation Fund in full, in part or at all.

### **35. New Issues of Securities**

In the event that the Client gives instructions to the Bank to apply for Securities in a new issue of Securities for listing on the Exchange, the Client:-

- (a) authorises the Bank to make such application on behalf of the Client;
- (b) warrants that such application is solely for the benefit of the Client;
- (c) warrants that the application for Securities to be made by the Bank is and will be the only application made or intended to be made for the benefit of the Client and no other application will be made by the Client;
- (d) authorises the Bank to represent and warrant to the Exchange (or other relevant stock exchange) on the application form that no other application is being made or is intended to be made by the Client itself or for the benefit of the Client by any other person;
- (e) authorises the Bank to disclose that the application made by the Bank on the Client's behalf is the only application made or intended to be made for the benefit of the Client or by or for the benefit of the Client;
- (f) acknowledges that the representations, warranties and disclosure referred to above will be relied upon by the Bank in making the application and by the issuer of the Securities in deciding whether or not to allot Securities to the Bank on behalf of the Client;
- (g) agrees to indemnify and hold harmless the Bank and its directors, employees and agents in full against any and all reasonable losses, damages, claims, liabilities, costs or expenses arising out of or in connection with any breach of the warranties given in this clause 35 or any authorisation being incorrectly given.

### **36. Event of Default**

36.1 Any one of the following events shall constitute an event of default ("Event of Default"):-

- (a) any liabilities becomes overdue;
- (b) the Client's failure to pay any purchase price of Securities or other payments under these terms and conditions when due;
- (c) the filing of a petition in bankruptcy, or the commencement of other analogous proceedings against the Client and in the case where there are two or more persons as the Client any such filing, or proceedings in respect of or against any one of them;
- (d) any attachment, execution or similar process is levied against an Account;
- (e) default by the Client in the due performance or observance of any of these terms and conditions;
- (f) any representation or warranty made in these terms and conditions or in any document delivered to the Bank pursuant to these terms and conditions being or becoming incorrect;
- (g) any consent or authorisation required by the Client to open an Account in accordance with these terms and conditions being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect; or
- (h) the occurrence of any event which, in the sole opinion of the Bank, might jeopardise any of the rights of the Bank or any Bank Affiliate under these terms and conditions.

36.2 If an Event of Default occurs, the Bank may at its sole discretion:

- (a) cancel any or all outstanding orders or any other commitments made on behalf of the Client;
- (b) close any or all contracts between the Bank and/or any Bank Affiliate and the Client;
- (c) cover any short position with the Bank through the purchase of Securities on an exchange or liquidate any long position with the Bank through the sale of Securities on an exchange;
- (d) call upon any securities which may have been issued in favour of the Bank and/or any Bank Affiliate as security for the obligations of the Client in respect of an Account;
- (e) exercise any right of set-off or combination of Accounts conferred by these terms and conditions or otherwise; and/or
- (f) immediately close the relevant Account(s).

36.3 Any determination of whether an Event of Default has occurred shall be made by using

reasonable judgement. The Client undertakes to notify the Bank immediately in writing of the occurrence of any such event which shall constitute an Event of Default (although any failure to so notify the Bank will not prevent an Event of Default from having occurred).

### **37. Termination and Suspension**

37.1 The agreement set out in these terms and conditions may be terminated at the Bank's sole discretion or may be cancelled by the Client in writing at any time. The Bank shall not terminate the Client's account without first giving reasonable notice. Any such termination shall not affect any right or liability in respect of services provided by the Bank, transactions already effected by the Bank or any instruction given by the Client under these terms and conditions. These terms and conditions will continue to apply until all services, accounts and transactions have been closed or completed and the outstanding amounts and liabilities have been paid in full.

37.2 The agreement set out in these terms and conditions shall forthwith terminate upon the death or upon a legally recognised declaration of incapacity or incapability of the Client but all acts performed by the Bank, the Brokers and/or the Nominees prior to receiving written notice of such death, incapacity, incapability, shall be valid and binding upon the Client and the successors in title or permitted assigns of the Client.

37.3 Where the Client consists of more than one person, and one of the events described under clause 37.2 occurs in respect of one of those persons (the "Affected Person"), from the time of the occurrence of such event the Client shall consist of the other persons previously constituting the Client prior to such event. The Affected Person shall remain liable as part of the Client under these terms and conditions in respect of Liabilities incurred up to the occurrence of the relevant event.

37.4 The Bank may at any time by giving notice to the Client and without disclosing any reason therefor, suspend the services provided pursuant to these terms and conditions and the operation of the Securities Account until further notice.

37.5 Without prejudice to the generality of clause 37.1, the Bank may in its absolute discretion close the Securities Account if there is a zero balance on the Securities Account for such period as the Bank may determine from time to time.

### **38. Procedures on Closure of the Accounts**

38.1 Upon termination of these terms and conditions pursuant to clause 37 the Bank will close the Account in accordance with the standard procedures as may be adopted by the Bank from time to time.

38.2 These terms and conditions shall apply until all Securities have been transferred from the Securities Account, all sums due to the Client and all obligations of the Client to the Bank fulfilled.

38.3 On termination by either party, the Bank shall be entitled to receive from the Client all fees, costs, charges, expenses and liabilities accrued or incurred under these terms and conditions up to the date of termination including any additional expenses or losses reasonably and properly incurred in terminating these terms and conditions.

38.4 Notwithstanding any other provisions of the banking agreement, if any of the Accounts (whether maintained by the Client in sole name or joint names) is terminated or to be terminated, whether by the Client or by the Bank, the Client shall withdraw or transfer the monies and other assets in the relevant Accounts and close all of the relevant Accounts as soon as reasonably practicable and in any case within 30 calendar days after termination of the relevant Accounts.

38.5 If the Client does not withdraw or transfer the monies and other assets and close the relevant Accounts as required by clause 38.4, the Bank shall have the right without further notice to or consent from the Client:

- to pay the monies in the relevant Accounts to the Client;
- to redeem, sell, transfer or otherwise dispose of the other assets in the relevant Accounts and pay the proceeds (after deducting the expenses of reasonable amount and reasonably incurred by the Bank in the process) to the Client; and
- thereafter, to close the relevant Accounts including taking such action and completing

and executing such documents for and on behalf of the Client as the Bank considers appropriate for such purpose.

38.6 In exercising the right under clause 38.5, the Bank is entitled to redeem, sell, transfer or dispose of the assets at any time and price and in any way, and pay the monies and proceeds to the Client in any manner, as the Bank considers appropriate in the circumstances. In this case, the Bank has no duty to redeem, sell, transfer or dispose of the assets at a particular time or price or in a particular way and shall not be liable for any loss which the Client may suffer as a result, unless such loss is directly caused by the Bank's negligence, wilful default or fraud.

### **39. Notices**

39.1 Any Communications or notices required or permitted to be given by or on behalf of the Bank to the Client may be given in writing and sent by mail (postage prepaid) addressed to the Client at the last mailing address on record with the Bank.

39.2 All Communication and documents so sent by letter under clause 39.1 shall be deemed to have been received by the recipient:  
24 hours after posting if mailed to an address in Hong Kong, or 7 days after posting if mailed to an address elsewhere, save that in the case of legal process these periods shall be increased to 7 and 21 days respectively.

39.3 Each of the other joint applicants (if any) irrevocably appoints the person named as "Primary Applicant" in the Application as his agent for the purpose of service by the Bank of such notices, demands or other communications as well as any legal process arising in connection with the agreement constituted by these terms and conditions or the Securities Services. Any notice to the "Primary Applicant" will be deemed effective notification to all joint applicants.

39.4 Any communication from the Client to the Bank shall be irrevocable and shall not be effective until actually received by the Bank at its designated address and/or in the designated manner.

### **40. Governing Law and Submission to Jurisdiction**

40.1 These terms and conditions shall be governed by and construed in accordance with the laws of Hong Kong.

40.2 The Client hereby:

- irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong and of any country / region where the Client has assets now or in the future;
- waives any objections on the grounds of venue, forum non convenient or similar grounds;
- consents to service of process including any writ, judgment or other notice by mail to the Client's address on the Bank's records or to such other address as may subsequently be notified in writing to, and received by, the Bank.

40.3 The Client hereby acknowledges that if any dispute or difference of any kind whatsoever shall arise between the Client and the Bank in connection with or arising out of these terms and conditions, then the Bank may refer such dispute or difference to arbitration in accordance with and subject to the provisions of the Arbitration Ordinance or any statutory modification thereof for the time being in force and any such reference shall be deemed to be a submission to arbitration within the meaning of such Ordinance.

### **41. Securities eDocuments Service**

41.1 Use of the Securities eDocuments Service

- In order to be eligible for using the Securities eDocuments Service, you must (a) be a holder of an Eligible Account or a person authorized to operate the Eligible Account (as the case may be); and (b) be registered with us to use the Securities eDocuments Service by returning to us a duly completed Securities eDocuments Service subscription form or by such other means as required or accepted by the Bank from time to time and taking all necessary steps that we may advise you to complete the registration process.
- Only the principal account holder is eligible for registration of the Securities eDocuments Service for the Securities Account. Upon your registration of the Securities eDocuments Service and verification and acceptance by the Bank, Securities eDocuments shall, be

accessible by you for viewing, printing and downloading through Standard Chartered Online Banking provided that you have already registered for Standard Chartered Online Banking. We will no longer send you printed statements, documents or transaction records by post which will be replaced by the Securities eDocuments, save for certain Eligible Accounts as the Bank may be required or determined. If the registered Securities Account is a joint account, both holders of the joint account will be able to access to the Securities eDocuments.

- (c) Securities eDocuments are accessible through Standard Chartered Online Banking and you must observe at all times the Client terms when using the Securities eDocuments Service, a copy of which has already been provided to you and copy will be made available to you upon request. The Bank will only send you an electronic mail alert to the Designated Electronic Mail Account when the Securities eDocuments are available for access, view, print and download. You are advised and agree to check the Designated Electronic Mail Account regularly.
- (d) You agree that your use, access and/or operation of the Securities eDocuments Service will constitute your agreement to and acceptance of these terms and conditions, the Client terms as well as your acknowledgement of the inherent risks in accessing, viewing, printing and downloading the Securities eDocuments over the Internet.
- (e) By agreeing to be bound by these terms and conditions, you agree that the Securities eDocuments Service will be made available to you on Eligible Accounts that you have with us as indicated on the Securities eDocuments Service subscription form or upon registration for Securities eDocuments Service by such other means and if instructed other Eligible Accounts that you may have with us in the future.
- (f) You agree that you are solely responsible for (a) ensuring that Your System is capable of accessing, viewing, printing and downloading the Securities eDocuments and (b) checking the Designated Electronic Mail Account and/or Standard Chartered Online Banking for the Securities eDocuments and/or electronic mails in relation to your use of the Securities eDocuments Service.
- (g) If you hold a Securities Account, a notification may be sent to you by the Bank in relation to your consent to use the Securities eDocuments service from time to time. By logging onto Standard Chartered online banking / our software application for online banking / our online securities trading platform / our software application for trading securities during the time period specified in the relevant notification, regardless of whether a transaction is executed, you acknowledge and agree to use the Securities eDocuments Service. Upon your agreement to use the Securities eDocuments Service, a separate notice will be sent to you confirming the commencement date of the Securities eDocuments Service and methods of any change of your choice of the Securities eDocuments Service.

#### 4.1.2 Client's Responsibilities for Security

- (a) You acknowledge that electronic mails sent by us are not encrypted; and the use of and transmission of information via electronic mail and/or the Internet cannot be guaranteed to be secure; and information transmitted may be susceptible to errors, Viruses, delay, interception, modification or amendment by unauthorised persons. You therefore agree to take all reasonably practicable measures to ensure that Your System is adequately secure and adopt and maintain the security procedures or measures stipulated or recommended by the Bank from time to time in relation to your use, access and/or operation of the Securities eDocuments Service.
- (b) You must not allow anyone else to use, access and/or operate the Securities eDocuments Service on your behalf.
- (c) You must never respond to a request purportedly from us to provide your account, security details or Personal Data by electronic mail as the Bank will never make such a request. For the avoidance of doubt, all website hyperlinks authorized by the Bank will be for information only and will not require the inputting of your account or security details or Personal Data. You agree to inform the Bank as soon as possible if any electronic mail or website hyperlink appears to be irregular.
- (d) You must not leave Your System unattended while you are on-line or accessing the Securities eDocuments Service.

- (e) When using, accessing and/or operating the Securities eDocuments Service, you must ensure that Your System is not connected to a local area network (or LAN) (such as an office environment) without first making sure there is cyber security, including but not limited to no one else being able to observe or copy, trace or track your access or obtain access to the Securities eDocuments Service on your behalf .
- (f) You are required to keep all login IDs and/or passwords which you use for the Securities eDocuments Service secret at all times (including without limitation those for accessing the Designated Electronic Mail Account and/or the Tele-Electronic Banking Services). We shall not be liable for any loss and/or damage you sustain as a result of you sharing your login IDs and/or passwords with other persons or entities, or allowing other persons or entities to use the Securities eDocuments Service registered by you, or by reason of any unauthorised access to your Securities eDocuments Service.
- (g) You are also required to check all Securities eDocuments for any unauthorised transactions. If you become aware of any unauthorised transaction on any of the Securities eDocuments, you shall notify the Bank as soon as reasonably practicable, but in any event no later than the stipulated applicable time period specified in the relevant Securities eDocuments for purposes of raising any query that you may have in connection with the transactions shown on the Securities eDocuments. For the avoidance of doubt, any applicable time periods within which you must notify us of any unauthorized transaction(s) shall begin on the statement date printed on the relevant Securities eDocuments regardless of when you access or open the Securities eDocuments.
- (h) You are required to inform the Bank as soon as practicable upon any change in the Designated Electronic Mail Account. We shall not be liable for any loss and/or damage you sustain in connection with any delay or failure in identifying or discovering any unauthorised transactions for non-receipt of the Securities eDocument as a result of you failing to inform us of such change.
- (i) You are advised to save an electronic copy of any Securities eDocuments that is made available on Standard Chartered Online Banking from time to time in Your System or your computer device or print a hard copy for future reference.

#### 41.3 The Bank's Liability for Your Loss or Damage

- (a) In connection with our provision of the Securities eDocuments Service, we will take reasonably practicable steps to ensure that our systems are installed with adequate security designs and to control and manage the risks in operating the systems by taking into account any laws, rules, regulations, guidelines, circulars, codes of conduct and prevailing market practices which may be applicable to us from time to time.
- (b) To the extent permitted by the laws of Hong Kong, we disclaim any implied representation or warranty (a) as to the title, fitness for a particular purpose, merchantability, accuracy, completeness or standard of quality of the Securities eDocuments Service; and (b) that the Securities eDocuments Service or your use thereof will be uninterrupted, error-free, virus-free, or reliable. Notwithstanding the foregoing, nothing in this Clause seeks to avoid liability for fraudulent misrepresentation.
- (c) To the extent permitted by the laws of Hong Kong and without prejudice to Clauses 2.6 and 2.8, we will not be liable for any loss and damage to you as a result of making available to you the Securities eDocuments Service (including without limitation any indirect, consequential or special loss or damage) even if the Bank shall have been advised of the same unless such loss or damage is directly caused by our gross negligence or our wilful default. Examples of circumstances in which we will not be liable to you for loss or damage resulting to you through the use of the Securities eDocuments Service include (but are not limited to):
  - (i) any incompatibility between Your System and the Securities eDocuments Service for the purposes of using, accessing and/or operating the Securities eDocuments Service; and
  - (ii) any misuse of Your System by you or anyone else; and
  - (iii) any damage to or loss of data from any computer system (including without limitation Your System) or device with which you use, access and/or operate the Securities eDocuments Service suffered by you arising from your use of the Securities eDocuments Service.

eDocuments Service; and

(iv) any access to information about you, the Eligible Accounts and/or Securities eDocuments which is obtained by a third party as a result of your using the Securities eDocuments Service; and

(V) any machine, system or communications breakdown, interruption, malfunction or failure; industrial dispute; failure or fault of any Internet or electronic mail service providers, telecommunications or any other service providers or operators, or their respective agents and subcontractors; or other circumstances that are beyond our control which leads to the delay in the delivery of the Securities eDocuments or delay in the delivery of any information and/or data made available under the Securities eDocuments Service, or disruption or suspension of the Securities eDocuments Service (whether partially or wholly), or to the non-receipt, interception of or unauthorised access to the Securities eDocuments or any information and/or data made available under the Securities eDocuments Service; and

(vi) any delay or failure to send, transmit, receive, confirm or acknowledge any electronic mail, SMS messages, security codes, passwords, or anything available under the Securities eDocuments Service, or any error or incompleteness of any information or data available under the Securities eDocuments Service; and

(vii) for any errors, Viruses, delay, inaccuracy, losses, damages whatsoever arising from or in connection with your use of the Securities eDocuments Service (including but not limited to any interception, modification or amendment, disruption, interruption, delay or inaccuracy of emails or Internet transmission or other communication equipment or facilities); and

(viii) any services through which you access the Securities eDocuments Service or by which you obtain a password or other security codes that are not controlled by us, or for any loss you may suffer as a result of you using such a service.

(d) Nothing contained in this Clause 3 shall restrict the Bank's liability for death or personal injury resulting from any act, omission or negligence of the Bank or its officers, agents, employees or sub-contractors.

#### 4.1.4 Your Liability towards the Bank

(a) You shall compensate and indemnify us for all losses, damages, costs or expenses (including legal and other professional advisors' fees) which are of reasonable amount and reasonably incurred by us in connection with your breach and/or our enforcement against you of these terms and conditions.

(b) You will indemnify us and keep us indemnified against any consequences, claims, proceedings, losses, damages or expenses (including all legal costs on an indemnity basis) which are of reasonable amount whatsoever and howsoever caused (save and except any direct loss or damages caused by gross negligence or wilful misconduct on the part of us) that may arise to be reasonably incurred by us in providing the Securities eDocuments Service to you, whether or not arising from or in connection with and including but not limited to (a) your improper use of the Securities eDocuments Service; or (b) any damage to Your System (or other computer hardware, devices, facilities or software).

#### 4.1.5 Termination of Securities eDocuments Service

(a) The Bank may, without any liability and disclosing any reason, suspend or terminate the Securities eDocuments Service rendered to you at its sole discretion forthwith upon giving you a written notice including without limitation by electronic mail to the Designated Electronic Mail Account.

(b) You may suspend or terminate the Securities eDocuments Service at any time by completing a form designated by us or by such other means as accepted or required by the Bank from time to time.

(c) Any termination or suspension of the Securities eDocuments Service is without prejudice to and shall not affect the liabilities and rights which have accrued between you and the Bank prior to the date of suspension or termination.

(d) All indemnities, restrictions and obligations on your part contained in these terms and conditions shall survive termination of the Securities eDocuments Service.

#### 41.6 Amendment

(a) The Bank reserves the right to amend, add or delete at any time these terms and conditions as well as the scope or features of the Securities eDocuments Service by giving reasonable prior notice in writing to you and such notice may be made in such manner and by such means of communication as the Bank shall deem fit, including, without limitation, use of direct mailing material, advertisement, website display or electronic communications such as electronic mail. You acknowledge and agree that you shall observe and comply with any such amendment, addition and/or deletion when using, accessing and/or operating the Securities eDocuments Service.

#### 41.7 Personal Data

(a) The Personal Data collected by us in connection with the provision of the Securities eDocuments Service to you will be used by us for the purpose of performing our obligations under these terms and conditions and other purposes arising out of and in connection with our provision of the Securities eDocuments Service. You agree that all Personal Data relating to a person collected by the Bank from time to time may be used and disclosed for such purposes and to such persons (whether the recipient is located in Hong Kong or another country, or in a country / region that does not offer the same level of data protection in Hong Kong) in accordance with the Bank's policies on use and disclosure of personal data. Such policies are set out in statements, circulars, terms and conditions or notices made available by the Bank to you from time to time. The collected data may be (i) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance), and (ii) disclosed (by way of bank references or otherwise) to any financial institution with which you have or propose to have dealings to enable such financial institution to conduct credit checks on you.

#### 41.8 Communication

(a) You acknowledge that electronic mail is not a completely reliable or secure method of communication and you must not use it for sending us notices in connection with these terms and conditions as well as any other communication that is in its nature sensitive or confidential.

(b) Unless otherwise provided for herein, if we need to send you a notice, we will use the address you have most recently given us and on our records in connection with your bank accounts.

#### 41.9 Validity of these terms and Conditions

(a) Any part of these terms and conditions which is invalid for any reason in any jurisdiction shall be ineffective only to the extent of such invalidity, and shall not affect the validity of the remaining provisions hereof or the validity of such provision in any other jurisdiction.

(b) If any term of these terms and conditions is unenforceable against any Client, such non-enforceability shall not in any way affect the enforceability of that term against other Clients.

#### 41.10 Waiver

(a) No forbearance, neglect or waiver by the Bank in the enforcement of any of these terms and conditions shall prejudice its rights thereafter to strictly enforce the same. A single exercise or partial exercise of any power or right by the Bank does not preclude further exercises of that power or right or the exercise of any other power or right.

#### 41.11 Language

(a) These terms and conditions are available in both English and Chinese versions. The English version shall prevail in the event of any discrepancy between the two versions.

#### 41.12 Governing Law and Jurisdiction

(a) These terms and conditions are governed by the laws of Hong Kong. The parties agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

#### 41.13 Definitions

(a) In these terms and conditions, the following words and phrases shall, unless the context otherwise requires, have the following meanings:

*"Bank" / "we" / "us" / "our" means Standard Chartered Bank (Hong Kong) Limited and*

*all other entities in the Standard Chartered Bank group in respect of which the Securities eDocuments Service will be available;*

*“Client”/“you”/“your” means any client of the Bank who has applied for subscription to the Securities eDocuments Service and whose application has been accepted by the Bank;*

*“Client terms” means the terms and conditions entitled as such and a copy of is available at <https://av.sc.com/hk/content/docs/client-terms.pdf>;*

*“Designated Electronic Mail Account” means the electronic mail account specified by you on the Securities eDocuments Service subscription form or upon registration for Securities eDocuments Service by such other means and in the absence of such details, any electronic mail account you provided in connection with your use of the Bank’s services, or such other electronic mail account which you may designate to the Bank from time to time for purposes of receiving electronic mails in relation to your use of the Securities eDocuments Service, as the case may be;*

*“Eligible Account(s)” means the credit card account(s) held by the Client with the Bank and/or any other applicable accounts, including but not limited to savings, current, fixed deposit, loan or other accounts as determined by the Bank to be eligible for the Securities eDocuments Service;*

*“Securities eDocuments” means the Bank’s Securities Monthly Statements, Contract Notes, Corporate Action Advices and IPO Advices as determined by the Bank to be included from time to time showing the information in respect of the Eligible Accounts, or any similar documentation provided to the Client via electronic mean(s);*

*“Securities eDocuments Service” means the service to be provided by the Bank to the Client in accordance with these terms and conditions where Securities eDocuments may be accessed by the Client through the Bank’s website;*

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

*“Personal Data” refers to personal data as defined in the Personal Data (Privacy) Ordinance, Cap. 486 of the Laws of Hong Kong;*

*“Standard Chartered Online Banking” means the website and/or the internet platform for the provision of the Bank’s general online banking services;*

*“Viruses” means computer viruses or similar device or software including, without limitation, devices commonly known as software bombs, Trojan horses and worms; and*

*“Your System” means the equipment or device and software programs that are contained on such equipment or device used by you to use, access and/or operate the Securities eDocuments Service.*

## **42. Miscellaneous**

- 42.1 These terms and conditions supersede all prior agreements or arrangements between the Bank and the Client relating to the Bank effecting transactions in investments or holding investments for the Client and any such arrangements or agreements are hereby terminated and shall be of no further force and effect.
- 42.2 The Bank shall provide reasonable notice to the Client to amend or change any or all of these terms and conditions (subject to the provisions of clause 16.1 in the case of any revision to the level of fees and charges).
- 42.3 The Client may not vary, amend or supplement these terms and conditions without the prior written consent of the Bank.
- 42.4 The Bank may, in its absolute discretion, extend the services provided under these terms and conditions to cover securities listed or traded on any other stock exchange or market outside Hong Kong in which case the Bank may supplement these terms and conditions in accordance with clause 41.2.
- 42.5 If any of these terms and conditions is held or deemed to be void or unenforceable, the other terms will remain in full force and effect.
- 42.6 The authorised signatories for the Settlement Account shall be the authorised signatories for the Securities Account with the same limitation (if any) on signing authority, and the signature(s) of the Settlement Account shall be the Client’s specimen signature(s) for operating the Securities Account. The Bank may also act on instructions, in relation to such Securities Account and Settlement Account, confirmed by a signature that matches any specimen signature in our records about the Client, or otherwise in accordance with clause 2 or the Client

terms (in relation to the giving of instructions by telephone or via the Internet).

42.7 The failure of the Bank to exercise or delay in exercising a right or remedy provided by these terms and conditions or by law does not constitute a waiver of the right or remedy or prevent further exercise of the right or remedy or another right or remedy.

42.8 The Client may not assign, transfer, charge or otherwise dispose of rights or obligations in respect of the Account or pursuant to these terms and conditions without the prior written consent of the Bank.

42.9 The Bank may assign all or a part only of its rights and obligations under these terms and conditions without the prior consent of the Client.

#### **43. Standard Chartered China Connect Securities Services**

**Warning: THIS SECTION CONTAINS A BRIEF SUMMARY OF SOME (AND NOT ALL) OF THE FEATURES AND RISK DISCLOSURES OF INVESTING AND TRADING IN ELIGIBLE SHANGHAI STOCK EXCHANGE-LISTED SECURITIES AND ELIGIBLE SHENZHEN STOCK EXCHANGE LISTED SECURITIES ("CHINA CONNECT SECURITIES") THROUGH SHANGHAI-HONG KONG STOCK CONNECT AND SHENZHEN-HONG KONG STOCK CONNECT ("CHINA CONNECT") AND IS NOT MEANT TO BE AN EXHAUSTIVE SUMMARY. IF YOU ARE IN ANY DOUBT ABOUT THE RISKS INVOLVED IN INVESTING AND TRADING IN CHINA CONNECT SECURITIES, YOU ARE ADVISED TO SEEK INDEPENDENT FINANCIAL, TAX, LEGAL OR OTHER PROFESSIONAL ADVICE. THE CONTENTS OF THIS SECTION HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY.**

#### **I. Important Notes for Standard Chartered China Connect Securities Services**

Before trading in any eligible China Connect Securities through Standard Chartered China Connect Securities Services, clients are reminded of the following important notes:

##### **Broker, Settlement and Custodian Arrangement**

The Bank has expressed authority from the Client to appoint Brokers, Nominees and other agents including custodians and sub-custodians and to terminate any such arrangements with said Brokers, Nominees and other agents and to appoint replacement Brokers, Nominees and/or other agents. The Bank shall use reasonable care in the selection and appointment of such Brokers, Nominees and/or other agents.

The Client agrees that the Bank shall have full power and authority to negotiate and agree for and on behalf of the Client all arrangements in respect of brokerage, nominee or custodian services with Brokers, Nominee and/or custodians, or other agents and, in relation to any termination, appointment or replacement appointment, to instruct such Brokers, Nominees and/or custodians or other agents to make suitable arrangements in respect of the completion of transactions and transfer of securities including, without prejudice to the foregoing the transfer of securities into the name of a replacement Nominee.

##### **Cash Settlement Arrangement**

Both stock and cash settlement for all China Connect Securities trades executed through the Bank will be settled on the Trading Day. The Bank will check against the designated RMB settlement account to ensure the necessary funding is in place before accepting a buy order. Funding for executed buy trades will be debited on the same trading day. Similarly, sales proceeds for executed sell trades will be credited to customer's settlement account on the same day.

The Bank reserves the absolute right to revise the cash settlement schedule by giving a reasonable notice of no less than 7 calendar days in the future.

##### **Orders submitted before end of Opening Call Auction Session**

All orders submitted before the end of Opening Call Auction Session (i.e. 9:25 a.m.) will be submitted as an auction limit order and participate in the Opening Call Auction.

##### **Order Submission Time**

To ensure sufficient time for routing orders to the Shanghai Stock Exchange, Shenzhen Stock Exchange, and/or a stock market in the PRC acceptable to SEHK ("China Connect Market"), the last submission time for orders of China Connect Securities listed on Shanghai Stock Exchange is before 14:59, those for orders of China Connect Securities listed on Shenzhen Stock Exchange is

before 14:57 of each trading day.

### **Capital Gain Tax & Business Tax**

The Ministry of Finance and State Administration of Taxation ("SAT") in China have provided a temporary exemption to Hong Kong and foreign investors from the capital gain tax and business tax in relation to gains derived from trading of eligible China Connect Securities via China Connect. There is a risk that investors trading in China Connect Securities may be subject to capital gains tax and/or business tax in the future once the temporary exemption is no longer in force. Investors should consider this risk when investing in China Connect Securities.

The Bank has provided a tax indemnity to a third party custodian in regards to China Connect Securities. There is a risk that the SAT will, in the future, require either the Bank or its custodian to make payment of your capital gains tax and/or business tax liability, on your behalf. In this event Standard Chartered will recover the amount paid on your behalf from you.

### **II. Key Risks for trading Eligible China Connect Securities via China Connect Service.**

It is crucial to understand the specific terms and risks mentioned in the Additional terms and Conditions for Standard Chartered China Connect Securities Services, this document and other relevant documents (e.g. product leaflet, Frequently Asked Questions published in the Bank's website) (collectively referred to as "Product Documents") before trading Eligible China Connect Securities.

#### **Key risks include but are not limited to:**

##### **Not Protected By the China Securities Investor Protection Fund**

Investors carrying out Northbound Trading through securities brokers in Hong Kong are NOT protected by the China Securities Investor Protection Fund, but they are protected by Hong Kong Investor Compensation Fund which is established under the Securities and Futures Ordinance.

#### **Quotas used up**

Once the daily quota of Northbound Trading of Shanghai – Hong Kong Stock Connect or Shenzhen – Hong Kong Stock Connect is used up, i.e. the daily quota balance of China Connect drops to zero or the daily quota is exceeded during a Continuous Auction session (or closing call auction for SZSE), acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buying services will be resumed on the next trading day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted.

If the daily quota is used up during the Opening Call Auction session, new buy orders will be rejected. However, as order cancellation is common during opening call auction, the Northbound Daily Quota Balance may resume to a positive level before the end of the opening call auction. When that happens, SEHK will again accept Northbound buy orders.

#### **Trading Day**

China Connect may be operated and China Connect Securities may be traded on days as announced by SEHK from time to time. So it is possible that there are occasions when it is a normal trading day for the China Connect Markets but Hong Kong investors cannot carry out China Connect Securities trading. Clients should take note of the days China Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in China Connect Securities during the time when China Connect is not operating or when trading of China Connect Securities cannot be done.

#### **No Day Trading**

Clients should be aware that day trading is not allowed for China Connect Northbound Trading. Clients buying China Connect Securities on Day T can only sell these acquired shares on or after Day T+1.

#### **Restrictions on selling imposed by front-end monitoring**

For investors who keep China Connect Securities in financial institutions other than the Bank, if

investors want to sell relevant China Connect Securities through the Bank, they must first transfer the relevant China Connect Securities to the Bank before market opens on the day of selling. Clients should allow at least 3 working days for the Bank to complete transfer request of China Connect Securities from other financial institution to the Bank.

### **Recalling of eligible stocks**

When a stock is recalled from the scope of eligible stocks for trading via China Connect, the stock can only be sold but restricted from being further bought. This may affect your investment portfolio or strategies. Clients should there pay close attention to the list of China Connect Securities as provided and renewed from time to time by Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange ("SZSE") and SEHK.

### **Currency Risks**

Client who holds a local currency other than RMB will be exposed to currency risk if he/ she invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, currency conversion costs will be incurred. Even if the price of the RMB asset remains the same, you may still incur a loss when you convert the sale proceeds back to the local currency if RMB depreciates.

### **PRC-related Risk**

Investing in the PRC, an emerging market, involves special considerations and risks, including but not limited to greater price volatility, less developed regulatory and legal framework, economic, and social and political instability.

### **Market Risk**

The market value of China Connect Securities and the income from them may fluctuate. There can be no assurance that you will achieve profits or avoid losses from trading China Connect Securities, significant or otherwise. The return you receive from the China Connect Securities (if any) will fluctuate in response to changes in capital appreciation and/or income relating to such China Connect Securities. Furthermore, China Connect Securities may experience volatility and decline depending on market conditions. Through trading China Connect Securities, you are exposed to various forms of risk dependent on factors which are difficult to predict, including for example, interest rate risks (risks of falling China Connect Securities values in a rising interest rate market), income risks (risks of falling incomes from China Connect Securities in a falling interest rate market) and credit risk (risk of a default by an issuer of China Connect Securities).

### **Liquidity risks**

Although China Connect Securities are listed for trading on the China Connect Markets and available for trading through SEHK by China Connect Services, there can be no assurance that an active trading market for China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect your ability to dispose of China Connect Securities at the desired price. If you need to sell China Connect Securities at a time when no active market for them exists, the price you receive for your China Connect Securities — assuming you are able to sell them — is likely to be lower than the price received if an active market did exist.

### **Dividend risk**

Whether an issuer of China Connect Securities will pay distributions is subject to such underlying issuer's dividend policy. Dividend payment rates in respect of China Connect Securities may depend on factors including general economic conditions and the financial positions of the relevant issuers. There can be no assurance that any dividends or distributions in respect of China Connect Securities will be declared or paid.

### **Possible Business Failure Risk**

In the current economic environment, global markets are experiencing very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any issuer of China Connect Securities may have an adverse effect on your investment. You may lose money by investing in China Connect Securities.

## Additional Tax Indemnity

By trading in any China Connect Markets listed security you agree that:

- (i) Any taxes, duties, charges, withholdings or declarations which arise or are imposed in respect of investing in or trading China Connect Securities (including but not limited to capital gains tax from gain arising from China Connect Securities) ("Taxes") may be deducted or withheld by the Bank from all payments payable to you under China Connect Securities or otherwise under your existing accounts. Taxes shall include, but shall not be limited to, taxes arising from time to time under the laws of China including taxes, duties and similar charges, taxes withheld or deducted from gains arising from such China Connect Securities and other amounts withheld by any issuer from distributions made by such issuer, its agents or any relevant agent or authority and/ or any clearing or custodian agent authorized by the relevant authority.
- (ii) You acknowledge that the Bank may only be able to determine the portion of Taxes attributable to any China Connect Securities following the redemption, exercise, resale, unwind or termination of the China Connect Securities or following repatriation of the sale proceeds attributable to such China Connect Securities, when the relevant authority imposes such Taxes, including if such Taxes are imposed retroactively. You agree to pay to the Bank or its agent upon each and any demand, such portion of the Taxes as the Bank or its agent determines in a commercially reasonable manner are attributable to the China Connect Securities.
- (iii) You agree to indemnify and hold harmless the Bank and its affiliates and their respective officers, directors, employees, advisors, agents and controlling persons (each an "Indemnified Person") from and against any and all losses, claims, damages, judgments, liabilities and expenses, including attorneys' fees and expenses (including the cost of any investigation and preparation), whether joint or joint and several, when and as reasonably incurred by such Indemnified Person, resulting from or arising out of the Taxes or related to breach of any representation, warranty or agreement made by you.
- (iv) You agree that Standard Chartered is not responsible for handling tax treaty claim on your behalf.

## Retention of Information

You acknowledge and accept that the Bank will be required under the Applicable Regulations to keep records for a period of not less than 20 years of the following in respect of China Connect Securities (a) all orders and trades executed on your behalf; (b) any instructions received from you; and (c) your account information. **'Applicable Regulations'** means laws, regulations, rules and guidelines of Hong Kong and the People's Republic of China ('PRC') as may be amended from time to time (including but not limited to filing and registration obligations and those relating to disclosure of interest, "short swing profit rule", foreign ownership limits).

## General Legal and Regulatory Risk

You must comply with all Applicable Regulations. Furthermore, any change in any Applicable Regulations may have an impact on the market sentiment which may in turn affect the performance of China Connect Securities. It is impossible to predict whether such an impact caused by any such change will be positive or negative for China Connect Securities. In the worst case scenario, you may lose a material part of your investments in China Connect Securities.

## Ownership of China Connect Securities

- (i) China Connect Securities are held in China Securities Depository and Clearing Corporation Limited ("ChinaClear"). Hong Kong Securities and Clearing Company Limited ("HKSCC") will become a direct participant in ChinaClear and China Connect Securities acquired by investors through the China Connect Services will be:
  - a. recorded in the name of HKSCC in the nominee securities account opened by HKSCC with ChinaClear and HKSCC will be nominee holder of such China Connect Securities; and
  - b. held in custody under the depository of ChinaClear and registered in the shareholders' register of the listed companies on the China Connect Markets.
- (ii) HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS Clearing Participant (as defined in the SEHK rules).
- (iii) Under Hong Kong law, HKSCC will be regarded as the legal owner of such China Connect

Securities and will be regarded as holding its beneficial entitlement to the China Connect Securities on behalf of the relevant CCASS Clearing Participant. Depending on the custody arrangements between such CCASS Clearing Participant and its clients, such CCASS Clearing Participant will in turn generally be regarded as holding its beneficial entitlement for such clients.

- (iv) Under current PRC regulations, the China Connect Securities will be recorded in a nominee account opened by HKSCC with ChinaClear and China Connect Securities investors have rights and interests in China Connect Securities acquired through China Connect Services according to the applicable laws. The China Securities Regulatory Commission ("CSRC") Securities Registration and Settlement Measures, ChinaClear Securities Registration Rules and Administrative Rules on Securities Accounts, the ChinaClear China Connect Rules, SSE China Connect Rules and SZSE China Connect Rules generally provide for the concept of a "nominee holder" and recognise the China Connect Securities investors as the "ultimate owners" of the China Connect Securities.
- (v) China Connect Securities investors shall exercise their rights in relation to China Connect Securities through HKSCC as the nominee holder. As China Connect Securities investors will have actual control over voting rights in respect of such China Connect Securities (either individually or acting in concert with others), China Connect Securities investors are responsible for complying with disclosure obligations under PRC laws and regulations in relation to the China Connect Securities acquired through China Connect Securities trading.
- (vi) After the launch of the Shanghai Hong Kong Stock Connect, and concurrent with the promulgation of the expanded and revised China Connect rules, CSRC issued two FAQs respectively on 15 May 2015 and 30 September 2016, which provided regulatory clarification and affirmation that HKSCC is the nominee holder for China Connect Securities, and Hong Kong and overseas investors shall enjoy property rights as the holder and shall exercise their rights in relation to China Connect Securities as proprietary owners through HKSCC.
- (vii) SEHK has also published materials explaining the ownership rights of China Connect Securities investors in China Connect Securities and may publish further information from time to time. In summary, the SEHK published materials state that:
  - a. it is the China Connect Securities investors as the ultimate investors (rather than any broker, custodian or intermediary through whom such investors hold the China Connect Securities) who should be recognised under PRC laws and regulations as having beneficial ownership in the China Connect Securities;
  - b. as key functions of a nominee holder, HKSCC will be responsible for collecting and distributing dividends to its participants (for their own account and/or as agent for their investors) and obtaining and consolidating voting instructions from its participants and submitting a combined single voting instruction to the issuer of the relevant China Connect Securities. Under the CCASS China Connect Rules, HKSCC is prepared to provide assistance to the beneficial owners of China Connect Securities where necessary. Hong Kong Exchanges and Clearing Limited ("HKEX") notes that any beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings. Further details are set out in the HKEX published materials; and
  - c. on the insolvency of HKSCC, the China Connect Securities will not be regarded as the general assets of HKSCC under Hong Kong and PRC law and will not be available to the general creditors of HKSCC. ChinaClear and the PRC courts will recognise the liquidator of HKSCC, duly appointed pursuant to Hong Kong law, as the rightful person to deal with China Connect Securities in the place of HKSCC.

You should conduct your own review of the HKEX published materials and the Applicable Regulations from time to time. You should also consult your own legal advisers to make your own assessment of your rights as an investor in China Connect Securities.

### **III. Additional terms and Conditions for Standard Chartered China Connect Securities Services**

These terms and conditions set out the rights and obligations of you in connection with your use of China Connect Services. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them. You hereby acknowledge and accept that

there are material risks in trading via the China Connect Services and holding of China Connect Securities and confirm that you are prepared to accept all risks on trading China Connect Securities.

## 1. Interpretation

- 1.1 In the event of any conflict or discrepancy between these terms and conditions and (a) the terms and Conditions for Securities Services or (b) the terms of any other agreement subsisting from time to time between the Bank and the Client or (c) the terms of any agreement between such Client and any other Bank Affiliate in respect of dealings in Securities, these terms and conditions shall prevail. For the avoidance of doubt, the Client terms shall apply in relation to the giving of instructions by telephone or via the Internet.
- 1.2 The English version shall prevail in the event of any inconsistency between the English and Chinese versions.
- 1.3 In these terms and Conditions and Risk Disclosure:

**“China Connect Securities”** means any securities issued by companies incorporated in the PRC which are listed and traded on any China Connect Securities market (i.e. the Shanghai Stock Exchange or the Shenzhen Stock Exchange) and not on SEHK.

**“Applicable Regulations”** means laws, regulations, rules and guidelines of Hong Kong and the People’s Republic of China (“PRC”) as may be amended from time to time (including but not limited to filing and registration obligations and those relating to disclosure of interest, “short swing profit rule”, foreign ownership limits).

**“Authorities”** means SEHK, SSE, SZSE or other exchanges, clearing systems or regulators.

**“Authority”** means any one of them.

**“CCASS”** means Central Clearing and Settlement System operated by HKSCC.

**“China Connect”** refers to the Shanghai – Hong Kong Stock Connect, the Shenzhen – Hong Kong Stock Connect and/ or any other securities trading and clearing links programme developed or to be developed by SEHK, the relevant China Connect Market(s), HKSCC and ChinaClear for the establishment of mutual market access between SEHK and the relevant China Connect Market(s) (as the case may be).

**“China Connect Clearing House”** means a clearing house in Mainland China acceptable to Hong Kong Securities Clearing Company (“HKSCC”) and included in the list of China Connect Clearing Houses from time to time, as referred to in Rule 4105(b) under Central Clearing and Settlement System (“CCASS”) General Rules.

**“China Connect Market”** means SSE, SZSE, and/ or a stock market in the PRC acceptable to SEHK and included in the list of China Connect Markets which are eligible for China Connect trading (as the case may be).

**“China Connect Market Operator”** refers to any institutions operating in China Connect Market System for trading of China Connect Securities under China Connect, including but not limited to Shanghai Stock Exchange and Shenzhen Stock Exchange.

**“China Connect Order”** means an order input into the CSC via a China 2 Connect Open Gateway or via a China Connect Central Gateway session of a China Connect Exchange Participant for routing to a China Connect Market System to buy or sell China Connect Securities (including an order to sell Special China Connect Securities), and the terms “China Connect buy order” and “China Connect sell order” shall be construed accordingly.

**“China Connect Rules”** means any laws, rules, regulations, policies or guidelines published or applied by any Authority from time to time in respect of China Connect or any activities arising from China Connect.

**“China Connect Securities”** means securities listed and traded on the China Connect Markets that orders for buying and/or selling these securities shall be placed via the China Connect Services. The list of China Connect Securities and its admission criteria can be revised by SEHK from time to time.

**“China Connect Service”** means the order-routing service through which Northbound orders placed by certain Exchange Participant may be transmitted by an SEHK Subsidiary to the corresponding China Connect Market for the buying and selling of China Connect Securities and any related supporting services.

**“China Connect Market System”** means a system for trading of China Connect Securities under China Connect, i.e. (a) SSE Securities on SSE, as operated by SSE, (b) SZSE Securities on SZSE as operated by SZSE (as the case may be) and/or (c) China Connect Securities on the relevant China Connect Market, as operated by the relevant exchange that operates such China Connect Market and has entered into trading links with SEHK.

**“ChinaClear”** means China Securities Depository and Clearing Corporation Limited.

**“ChiNext Shares”** mean shares accepted for listing and admitted to trading on the ChiNext market operated by SZSE which are accepted as China Connect Securities, unless such ChiNext Shares were received by an investor as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or special circumstances arising from China Connect Securities.

**“CSRC”** means China Securities Regulatory Commission.

**“Exchange Participant”** means (a) any broker, appointed by the Bank, which is a person registered as a China Connect Exchange Participant (as defined in the SEHK China Connect Rules) by SEHK; or (b) where the context requires, any China Connect Exchange Participant (as defined in the SEHK China Connect Rules).

**“HKEX”** means the Hong Kong Exchanges and Clearing Limited.

**“HKSCC”** means the Hong Kong Securities and Clearing Company Limited.

**“SEHK”** means the Stock Exchange of Hong Kong Limited.

**“SEHK Subsidiaries”** means a wholly-owned subsidiary of SEHK duly authorised as an automated trading service provider under the Securities and Futures Ordinance and licensed under applicable laws in Mainland China to provide order-routing service under China Connect.

**“Shanghai – Hong Kong Stock Connect”** is a securities trading and clearing links programme developed by SEHK, SSE, HKSCC and ChinaClear for the establishment of mutual market access between Hong Kong and Shanghai.

**“Shanghai – Hong Kong Stock Connect Services”** refers to the order-routing service provided by the Bank, such that orders for buying and selling certain securities listed and traded on the Shanghai Stock Exchange can be placed by you and routed to the Shanghai Stock Exchange by the Bank's appointed execution broker.

**“Shenzhen – Hong Kong Stock Connect”** is a securities trading and clearing links programme developed by SEHK, SZSE, HKSCC and ChinaClear for the establishment of mutual market access between Hong Kong and Shenzhen.

**“Shenzhen – Hong Kong Stock Connect Services”** refers to the order-routing service provided by the Bank, such that orders for buying and selling certain securities listed and traded on the Shenzhen Stock Exchange can be placed by you and routed to the Shenzhen Stock Exchange by the Bank's appointed execution broker.

**“SSE”** means the Shanghai Stock Exchange.

**“Standard Chartered China Connect Securities Services”** refers to the services provided by the Bank to the client who may trade China Connect Securities pursuant to the China Connect Rules and relevant banking terms and conditions of the Bank.

**“SZSE”** means the Shenzhen Stock Exchange.

## 2. Trade Settlement and Settlement Instructions

### 2.1 With respect to a BUY order:

- i. Before placing a BUY order, you are required to ensure you have the sufficient Renminbi to deliver to the Bank upon settlement;
- ii. You authorize the Bank to debit the funding required to settle your Buy trades from your settlement account on trade day (“T”);
- iii. You acknowledge and agree that if for any reason the Bank does not receive by T all or any part of the China Connect Securities bought on your behalf on T, released from HKSCC or the Bank's execution broker and custodian, the Bank shall only deliver to you on T the quantity of the China Connect Securities actually received by the Bank on T from HKSCC, the Bank's execution broker and custodian.

2.2 With respect to a SELL order:

- i. Before placing a SELL order, you are required to ensure you have the sufficient China Connect Securities to deliver to the Bank upon settlement;
- ii. The Bank will credit the sales proceeds to your settlement account on trade day ("T") upon receipt of the relevant sales proceeds from the Bank's execution broker.

**3. Trading Restrictions**

**Client agrees to fully comply with and be bounded with the trading restrictions, including but not limited to the following, imposed by China Connect Markets, SEHK, the Bank and its execution broker from time to time:**

- (a) **Client may only place limit orders to trade Eligible China Connect Securities. Limit orders placed before the end of Opening Call Auction session will be submitted to China Connect Markets and participate in the Opening Call Auction.** Client should note that China Connect Markets limit orders are different from SEHK limit orders and can be matched at the specified price or a better price, whereas SEHK limit orders can only be matched at the specified price.
- (b) Orders for Eligible China Connect Securities are subject to price limits prescribed by Authorities and the price limits may be changed from time to time without prior notice. All orders in respect of China Connect Securities must be within the prescribed price limits or else such orders will be rejected by the Bank, its execution broker or China Connect Markets.
- (c) Orders for China Connect Securities are subject to **Daily Quota** as announced by the Authorities from time to time. You acknowledge that your China Connect Securities orders may be rejected by SEHK, the Bank or its execution broker if such Daily Quota is fully utilized as determined and announced by SEHK.
- (d) China connect Markets do not accept amendments of orders. **Client acknowledges that for order amendment, the outstanding order must first be cancelled followed by a new order placement to China Connect Markets if Client modifies an outstanding China Connect Securities order. Order priority will be lost and the new order will be subject to the Daily Quota balance restrictions at the time the new order is placed.**
- (e) Situations exist under which Eligible China Connect Securities may be restricted from trading, e.g. China Connect Securities under "risk alert" or its corresponding H shares are suspended from trading on the relevant China Connect Market. Any change to the risk alert board of China Connect Markets or suspension or restriction from trading may occur without prior notice. If a China Connect security which is eligible for China Connect Services trading is subsequently suspended or restricted from trading through China Connect Services, Clients may only be allowed to sell the relevant China Connect security under China Connect Services and may be restricted from further buying of such China Connect Market security.
- (f) No day trading is allowed. **For China Connect Securities that you have purchased, you may not sell such China Connect Securities before the purchase transaction of such China Connect Securities has been settled.** Settlement shall be effected when the on hold status has been released in accordance with the Operational Procedures set by SEHK.
- (g) Should Client places an order with order quantity exceeding the maximum limit imposed by China Connect Markets, the Bank or its execution broker would split up the order into multiple child-orders in a manner that will comply with the relevant limit and send the child-orders to China Connect Markets.
- (h) Buy orders involving odd lots through China Connect Services are not permitted. Sale of odd lots through China Connect Services is allowed provided that such order relates to the sale of all and not part of the odd lots held by the Client.
- (i) **Under applicable regulations, the "short swing profit rule" requires an investor to return any profits made from purchases and sales in respect of shares of a PRC company listed on a PRC stock exchange if:**
  - a. the client's shareholding in the PRC listed company exceeds the single foreign investor threshold prescribed by the relevant Authority from time to time; and
  - b. the corresponding transaction occurs within six months after a purchase transaction

**or vice versa, Client acknowledges that Client shall, and it is the Client's responsibility to, comply with such "short swing profit rule".**

(j) **Trading of ChiNext Shares** through the China Connect Services are restricted to 'professional investors' within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of 'professional investor' in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap.571) ('SFO') and unless the context otherwise requires, any subsidiary legislation made thereunder ('**Institutional Professional Investor**'). Violation on this would lead to unwind the position and face disciplinary action.

#### 4. Foreign Shareholding Restrictions

(i) Under applicable regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a PRC listed company, and also a limit to the maximum combined holdings of all foreign investors in a single PRC listed company. It is your responsibility to comply with such limit. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through China Stock Connect, the Qualified Foreign Investor ("QFI") regime or other investment channels)

(ii) If the aggregate foreign shareholding of an A Share reaches 28%, SEHK will not accept any further purchase orders until the shareholding reduces to 26%.

(iii) If the aggregate foreign shareholding of an A Share reaches 30%, SEHK will identify the relevant exchange participant(s) (on a Last-In-First-Out basis) and require such exchange participant(s) to sell such A Shares within a time specified by SEHK. **In such a situation, the Bank, its execution broker and/ or custodian may be required by the Authorities to sell your holdings in the relevant China Connect Securities. You acknowledge that the Bank shall not be liable for, any losses suffered or costs incurred by you and undertake to indemnify the Bank and to hold the Bank harmless from and against, any cost incurred by the Bank as a result of the Bank, its execution broker and/ or custodian acting upon the instruction by the Authorities.**

(iv) **It shall be Client's responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant Authorities and arrange for any relevant filings.**

#### 5. Corporate Actions

(i) Following existing market practice in the PRC, **investors engaged in the trading of China Connect Securities will not be able to attend meetings by proxy or in person**, unlike the current practice in Hong Kong in respect of SEHK-listed shares.

(ii) Since the distribution proceeds received by the Bank from CCASS in relation to corporate action entitled by Clients are after tax deduction, unless otherwise specified, the distribution rate specified in the correspondence issued by the Bank for corporate action events is after tax deduction.

(iii) The Bank does not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions and the Bank accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. The Bank expressly disclaims all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

(iv) Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through China Connect Markets website and the channel as officially approved by the Authority. **You should note that issuers that are listed on the China Connect Markets may publish such corporate action documents in Simplified Chinese only, and documents in Traditional Chinese or English may not be available, and the Bank has no responsibility to produce such translation for its clients.**

#### 6. Investor Protection

ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission ("CSRC"). If ChinaClear (as the host central counterparty) defaults, HKSCC may (but shall have no obligation) to take any legal action or court proceeding to seek recovery of the outstanding China Connect Securities

and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. As ChinaClear does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of ChinaClear's positions. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Authorities. The Bank, in turn, will only be distributing the China Connect Securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

## 7. Disclosures

- (i) SEHK may disclose your information (including any personal data) without the Bank's prior approval to SEHK's affiliates and relevant Authorities, including but without limitation for surveillance or investigation purposes.
- (ii) In order to comply with Applicable Regulations (including but not limited to requirements to conduct pre-trade checks and settlement of China Connect Securities trades in Renminbi), the Bank may disclose its clients' China Connect Securities data for use in compliance with Applicable Regulations.

## 8. Personal Information Collection Statement concerning China Connect Orders

### Processing of Personal Data as part of the China Connect Securities Services

You acknowledge and agree that in Standard Chartered Bank (Hong Kong) Limited (the "Bank"), its service providers and its execution broker (collectively as "we" or "us") providing China Connect Securities Services ("Services") to you, we will be required to:

- (i) tag each of your orders submitted to the trading system with a Broker-to-Client Assigned Number ("BCAN") that is unique to you or the BCAN that is assigned to your joint account with the bank, as appropriate; and
- (ii) provide to the Stock Exchange of Hong Kong ("SEHK") your assigned BCAN and such identification information of you ("Client Identification Data" or "CID"), including your name in English and Chinese (if applicable and available), Identity Document ("ID") issuing country / region, ID type and ID number relating to you, as SEHK may request from time to time under the Rules of the Exchange.

**Without limitation to any notification we have given you or consent we have obtained from you in respect of the processing of your personal data in connection with your account and our services to you, you acknowledge and agree that we may collect, store, use, disclose and transfer personal data relating to you as required as part of our Services**, including as follows:

- (a) to disclose and transfer your BCAN and CID to **the Exchange and the relevant SEHK Subsidiaries** from time to time, including by indicating your BCAN when inputting a China Connect Order into the trading system, which will be further routed to the relevant **China Connect Market Operator** on a real-time basis;
- (b) to allow each of SEHK and the relevant SEHK Subsidiaries to: (i) collect, use and store your BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant China Connect Clearing House (in the case of storage, by any of them or via Hong Kong Exchanges and Clearing Limited) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange; (ii) transfer such information to the relevant China Connect Market Operator (directly or through the relevant China Connect Clearing House) from time to time for the purposes set out in (c) and (d) below; and (iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;
- (c) to allow the relevant **China Connect Clearing House** to: (i) collect, use and store your BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to the relevant China Connect Market Operator, the SEHK and the relevant SEHK Subsidiary; (ii) use your BCAN and CID for the performance of its regulatory functions of securities account management; and (iii) disclose such information to the Mainland regulatory authorities and law enforcement agencies

having jurisdiction over it so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets; and

(d) to allow the relevant China Connect Market Operator to: (i) collect, use and store your BCAN and CID to facilitate their surveillance and monitoring of securities trading on the relevant China Connect Market through the use of the Services and enforcement of the rules of the relevant China Connect Market Operator; and (ii) disclose such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets.

By instructing the Bank in respect of any transaction relating to China Connect Order, you acknowledge and agree that we may use your personal data for the purposes of complying with the requirements of SEHK and its rules as in force from time to time in connection with the Services. You also acknowledge that despite any subsequent purported withdrawal of consent by you, your personal data may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes in connection with the Services, whether before or after such purported withdrawal of consent.

#### **Consequences of failing to provide Personal Data or Consent**

**Failure to provide the Bank with your personal data or consent as described above may mean that the Bank will not, or no longer be able, as the case may be, to carry out your trading instructions or provide you with our Services.**

This authorization and consent of the use and transfer of personal data is in addition to the Notice to customers and other individuals relating to the Personal Data (Privacy) Ordinance ("Ordinance") and the Code of Practice on Consumer Credit Data ("Notice") you received previously. You can refer to the Notice in more detail on the Bank's website if you wish to read before giving the above prescribed consent.

The person to whom requests for access to or correction of data held by the Bank, or for information regarding the Bank's data policies and practices and kinds of data held by the Bank is "Data Protection Officer, Standard Chartered Bank (Hong Kong) Limited, GPO Box 21, Hong Kong"

#### **44. U.S. Securities Services**

**Warning: THIS SECTION CONTAINS A BRIEF SUMMARY OF SOME (AND NOT ALL) OF THE FEATURES AND RISK DISCLOSURES OF INVESTING AND TRADING IN THE U.S. SECURITIES (INCLUDING NON-U.S. SECURITIES GIVING RISE TO PAYMENTS OF U.S. SOURCE INCOME) AND IS NOT MEANT TO BE AN EXHAUSTIVE SUMMARY. IF YOU ARE IN ANY DOUBT ABOUT THE RISKS INVOLVED IN INVESTING AND TRADING IN U.S. SECURITIES, YOU ARE ADVISED TO SEEK INDEPENDENT FINANCIAL, TAX, LEGAL OR OTHER PROFESSIONAL ADVICE. THE CONTENTS OF THIS SECTION HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY.**

#### **I. Important notes for U.S. Securities Services (the "Services")**

Before trading in any U.S. securities through U.S. Securities Services of Standard Chartered Bank (Hong Kong) Limited (the "Bank"), clients are reminded to read the "**Additional terms and conditions of U.S. taxation for investment products**" and the following important notes carefully.

#### **Broker, Settlement and Custodian Arrangements**

The Bank has expressed authority from the Client to appoint Brokers, Nominees and other agents including custodians and sub-custodians and to terminate any such arrangements with said Brokers, Nominees and other agents and to appoint replacement Brokers, Nominees and/or other agents. The Bank shall use reasonable care in the selection and appointment of such Brokers, Nominees and/or other agents.

The Client agrees that the Bank shall have full power and authority to negotiate and agree for and on behalf of the Client all arrangements in respect of brokerage, nominee or custodian services with Brokers, Nominee and/or custodians, or other agents and, in relation to any termination, appointment or replacement appointment, to instruct such Brokers, Nominees and/or custodians or other agents to make suitable arrangements in respect of the completion of transactions and transfer of securities including, without prejudice to the foregoing the transfer of securities into the

name of a replacement Nominee.

### Services Details

- (a) The service is only available to non-U.S. persons. If you have any changes to your personal information, please visit any of our branches to update your information.
- (b) Services allow clients to trade U.S. equities listed on the American Stock Exchange (AMEX), NASDAQ, New York Stock Exchange (NYSE), NYSE ARCA and BATS Global Exchange. Trading venue of U.S. equities is confined to the primary exchange where the instrument is listed on. The Service does not currently support pre-and post-market sessions trading.
- (c) The Bank does not accept penny stocks (i.e. securities with price less than USD1) and off-exchange (OTC) securities investments. If the price of U.S. securities falls below USD1, you can only sell or transfer-out the U.S. securities. No further buy order or transfer-in of U.S. securities with price less than USD1 would be accepted.
- (d) Services provide free delayed and real-time U.S. stock quotes. The number of free real-time quotes will vary depending on your use of our banking relationship package.

### Brokerage Fee and Market Charges

The client must pay the applicable brokerage fee, market charges and any costs, fees or expenses incurred due to the execution of securities orders or holding of securities. The Bank endeavors to provide the latest schedule of market charges, including the fees or levies charged by an exchange, a settlement system, a clearing agent, a custodian, a government or regulatory body and others from time to time through the Bank's website or other channels.

### Trading Hours

U.S. stock trading hours are from 9:30 a.m. to 4:00 p.m. Eastern Standard Time ("EST"), Monday to Friday. i.e. from 9:30 p.m. to 4:00 a.m. Hong Kong Time ("HKT") (summer trading hours) / 10:30 p.m. to 5:00 a.m. HKT (winter trading hours) of the following day. All "Day Orders" that have not been executed will be void on the same day after closing at 4:00 pm EST.

You can submit the U.S. securities trading orders at any time, except during the maintenance time (5:00 a.m. to 7:00 a.m. HKT) where the Bank would not be able to accept any new orders. When submitting the trading orders, clients have to ensure that the settlement account possesses sufficient funds and securities account is with sufficient purchasing power and stock positions to support the order.

### Settlement Day

The settlement day for U.S. securities is T+2 (it shall be changed to T+1 effective 28 May 2024). The funds from the unsettled transaction can be used to fund any new buy order in real time. The actual settlement day is affected by the market arrangement and may exceed the specified date due to time zone differences, required settlement times or business or transaction suspension.

### Purchasing Power and Positions

Before trading U.S. securities, your settlement account must have sufficient USD and securities account is with sufficient purchasing power or relevant securities holdings. You can deposit U.S. dollars or convert from other currencies into U.S. dollars for U.S. securities investment.

### Others

Services may be suspended due to special holidays or individual corporate activities without further notice.

## II. Key Risks for Trading U.S. Securities

It is crucial to understand the specific terms and risks mentioned in the Additional terms and Conditions for U.S. Securities Services, this document and other relevant documents (e.g. product leaflet, Frequently Asked Questions published in the Bank's website) (collectively referred to as "Product Documents") before trading U.S. securities.

### Key risks include but are not limited to below:

U.S. securities\* is subject to the laws and regulations of the U.S. Before you trade in U.S. securities, you should be aware of:

- The level of investor protection and safeguards that you are afforded in U.S., as U.S. securities

would operate under a different regulatory regime.

- The differences between the legal systems in U.S. and Hong Kong that may affect your ability to recover your funds.
- The tax implications, currency risks, and additional transaction costs that you may have to incur.
- The counterparty and correspondent broker risks that you are exposed to.
- The political, economic and social developments that influence U.S. markets you are investing in.
- The foreign exchange can negatively affect your value of investment.
- U.S. markets may be subject to rules that offer different or diminished investor protection, which may expose you to additional risks.
- U.S. suspension or restriction of trading, market conditions and/or the operation of the regulations of certain markets will make it difficult or impossible to effect certain transactions or liquidate positions. In such cases, you may face a higher risk of loss.

These and other risks may affect the value of your investment. You should not invest in the product if you do not understand or are not comfortable with such risks.

\*U.S. securities in this statement refers to a capital markets product that is listed for quotation or quoted only in U.S. exchange(s).

This statement does not disclose all the risks and other significant aspects of trading in U.S. securities. You should undertake such transactions only if you understand and are comfortable with the extent of your exposure to the risks.

You should carefully consider whether such trading is suitable for you in light of your experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade, you should be aware of the following:

### **Differences in Regulatory Regimes**

U.S. markets may be subject to different regulations and may operate differently from Hong Kong Stock Exchange (SEHK). For example, there may be different rules providing for the safekeeping of securities and monies held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of your investment products or monies held overseas. There is also the risk of your investment products or monies not being protected if the custodian has credit problems or fails. U.S. markets may also have different periods for clearing and settling transactions. These may affect the information available to you regarding transaction prices and the time you have to settle your trade.

U.S. markets may be subject to rules which may offer different investor protection as compared to Hong Kong. Before you start to trade, you should be fully aware of the types of redress available to you in Hong Kong and U.S., if any.

U.S. securities may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on SEHK. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.

### **Differences in Legal Systems**

Regulatory authorities in Hong Kong will be unable to compel the enforcement of the rules of the regulatory authorities or markets in U.S. where your transactions will be effected.

The laws of U.S. may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest arising from investment in U.S. Therefore, there is no guarantee that the funds you have invested and the funds arising from your investment will be capable of being remitted.

U.S. may also restrict the amount or type of investment products that foreign investors may purchase. This can affect the liquidity and prices of the U.S. securities that you invest in.

### **Different Costs Involved**

You may have to pay additional costs such as fees and broker's commissions for transactions in U.S. exchanges. You may also have to pay a premium to trade certain listed investment products. Therefore, before you begin to trade, you should obtain a clear explanation of all commissions, fees

and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

There are tax implications of investing in U.S. securities. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country/region, in Hong Kong, or in both countries/regions.

The U.S. tax regime covers everyone holding U.S.-based investments (be it marketable securities, mutual funds, or bonds, etc.) in his/her own name, regardless of whether the person is a U.S. citizen or permanent resident. In other words, all investors holding U.S. securities of any form are required to pay a withholding tax on dividends gained.

Any U.S. source income received by you through the Bank, including interests or dividends, is subject to the U.S. withholding tax. Therefore, the Bank's executing broker for U.S. securities is required to withhold a tax of up to 30% of any payment of the said income to a foreign person. Moreover, the Bank does not offer tax relief service, i.e. tax treaty withholding tax rates are not offered, nor the Bank will represent or assist client for any application filed with the IRS for reduction or exemption of the withholding tax or any request for a refund due to any tax being over-withheld.

### **Counterparty and Correspondent Broker Risks**

Transactions on U.S. markets are generally effected by the broker through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon your instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your money and assets held overseas.

### **Political, Economic and Social Developments**

U.S. markets are influenced by the political, economic and social developments in U.S., which may be uncertain and may increase the risk of investing in U.S. securities.

### **Not Protected by Investor Compensation Fund, Securities and Futures Ordinance (SFO) and Related Subsidiary Legislation**

Hong Kong Investor Compensation Fund is established to pay compensation to investors who suffer pecuniary losses as a result of default of a licensed intermediary or authorized financial institution in relation to exchange-traded products in Hong Kong. According to the SFO, the Investor Compensation Fund only covers products trading in Hong Kong's recognized securities market (SEHK), i.e. investors should note that any U.S. securities will NOT be covered by Hong Kong's Investor Compensation Fund. As the U.S. securities are not listed or traded on the SEHK, clients will not have protection under the Securities and Futures (Client Securities) Rules, unless otherwise specified by an Authority. As a result, clients engaging in U.S. securities do not have protection under the SFO and related subsidiary legislation.

## **III. Additional terms and Conditions for U.S. Securities Services**

These terms and conditions set out the rights and obligations of you in connection with your use of U.S. Securities Services. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them. You hereby acknowledge and accept that there are material risks in trading U.S. securities and confirm that you are prepared to accept all risks on trading U.S. securities.

### **1. Interpretation**

- 1.1 In the event of any conflict or discrepancy between these terms and conditions and (a) the terms and Conditions for Securities Services or (b) the terms of any other agreement subsisting from time to time between the Bank and the Client or (c) the terms of any agreement between such Client and any other Bank Affiliate in respect of dealings in Securities, these terms and conditions shall prevail. For the avoidance of doubt, the Client terms shall apply in relation to the giving of instructions by telephone or via the Internet.
- 1.2 The English version shall prevail in the event of any inconsistency between the English and Chinese versions.
- 1.3 In these terms and Conditions and Risk Disclosure:

**“Regulatory Authority”** means the U.S. Exchanges, Depository Trust Company (“DTC”) or regulators;

**“United States dollar”** means the lawful currency for the time being of the United States of America and “USD” shall be construed accordingly;

**“U.S. Exchanges”** means Nasdaq, New York Stock Exchange, New York Stock Exchange ARCA, American Stock Exchange and BATS Exchange.

**“U.S. Securities Services”** means the services provided by the Bank to the client who may invest in U.S. securities, in accordance with U.S. rules and the relevant terms and conditions of the Bank.

## **2. Trade Settlement and Settlement Instructions**

### **2.1 With respect to a BUY order:**

- i. Before placing a BUY order, you are required to ensure you have sufficient USD to deliver to the Bank upon settlement;
- ii. You authorize the Bank to debit the funding required to settle your Buy trades from your settlement account 2 days after Trade Day (“T+2”) (it shall be changed to T+1 effective 28 May 2024);

### **2.2 With respect to a SELL order:**

- i. Before placing a SELL order, you are required to ensure you have sufficient U.S. securities to deliver to the Bank upon settlement;
- ii. The Bank will credit the sales proceeds to your settlement account on 2 days after Trade Day (“T+2”) (it shall be changed to T+1 effective 28 May 2024) upon receipt of the relevant sales proceeds from the Bank’s settlement agent.

## **3. Trading Restrictions**

Client agrees to fully comply with and be bounded with the trading restrictions, including but not limited to any imposed by U.S. Exchanges, the Bank and its execution broker from time to time.

## **4. Corporate Actions**

- (i) Investors engaged in the trading of U.S. securities will not be able to attend meetings by proxy or in person, unlike the current practice in Hong Kong in respect of shares listed on the SEHK.
- (ii) Since the distribution proceeds received by the Bank from Settlement agent in relation to corporate action entitled by Clients are after tax deduction, unless otherwise specified, the distribution rate specified in the correspondence issued by the Bank for corporate action events is after tax deduction.
- (iii) The Bank does not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions and the Bank accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. The Bank expressly disclaims all terms and Conditions for Securities Services warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.
- (iv) Any corporate action in respect of U.S. securities will be announced by the relevant issuer through U.S. Exchanges website and the channel as officially approved by the Authority. You should note that issuers that are listed on the U.S. Exchanges may publish such corporate action documents in English only, and documents in Chinese may not be available, and the Bank has no responsibility to produce such translation for its clients.

## **5. Disclosures**

U.S. Exchanges may disclose your information (including any personal data) without the Bank’s prior approval to U.S. Exchanges’ affiliates and relevant Authorities, including but without limitation for surveillance or investigation purposes.

# **Investment Fund Services**

## **Terms & conditions**

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## Investment Fund Services terms & conditions

Important: Please read these terms and conditions carefully.

These terms and conditions set out the rights and obligations of you, the Client, and us, the Bank, in connection with your use of the Investment Fund Services. All these terms are legally binding, so please read them through carefully before you agree to be bound by them.

Please read in conjunction with "**Additional terms and conditions of U.S. taxation for investment products**".

### 1. Interpretation

1.1 In the event of any conflict or discrepancy between these terms and conditions and the terms of any other agreement subsisting from time to time between the Bank and the Client in respect of dealings in units or shares in any Collective Investment Schemes (as defined in clause 3.1 below), these terms and conditions shall prevail.

1.2 In these terms and conditions,

**“Application”** means the application form signed by the Client (including application form signed by the Client with electronic signature) in respect of the Investment Fund Services;

**“Bank”** means Standard Chartered Bank (Hong Kong) Limited and its successors and assigns;

**“Business Day”** means any day (excluding Saturday and Sunday) on which the Bank is open for the transaction of business in Hong Kong;

**“Client”** means any client signing (including through electronic signature), and named in, the Application and who has applied to the Bank to subscribe to the Investment Fund Services and in whose name the Settlement Account is maintained; where the Investment Fund Services are to be jointly subscribed by, and the Settlement Account is in the joint name of, two or more persons, then unless otherwise specified or the context otherwise requires, “Client” shall mean all of such persons collectively;

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

**“Investment Fund Account”** means the account opened and maintained by the Client with the Bank for the purposes of the Investment Fund Services, and shall include such account as may from time to time be re-designated or re-numbered;

**“Instruction”** means any instruction from the Client given to the Bank for the purposes of these terms and conditions in accordance with clause 7;

**“Settlement Account”** means the bank account or accounts established and maintained by the Client with the Bank which is designated by the Client from time to time to hold funds intended for the settlement of the subscription, purchase or sale of any Fund Investments and/or for the receipt of income, dividends and other payments (if any) in connection with any Fund Investments and/or for the payment of any fees in connection with any Fund Investments, or in the absence of any such designated account(s) subsisting at the relevant time for whatever reason, any other cash account(s) maintained by the Client with the Bank, and shall include such account as may from time to time be re-designated or re-numbered.

1.3 In these terms and conditions, unless the context otherwise requires:

(a) the word “person” includes any individual, company, firm, partnership, joint venture, association, sole proprietorship or other business entity;

(b) words denoting one gender shall include all other genders;

(c) words denoting the singular shall include the plural and vice versa;

(d) headings have been inserted for convenience of reference and shall not affect construction.

1.4 The Chinese translation of these terms and conditions is provided for convenience only and the English version shall prevail for all purposes. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.

### 2. Risk Disclosure Statements

2.1 **The prices of securities fluctuate, sometimes dramatically. The price of the units/shares of a**

**unit trust or mutual fund may move up or down and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling unit trusts or mutual funds. Past performance of any unit trust or mutual fund is no guide to its future performance. The Client should read the offering documents and latest results information carefully and is advised to seek independent financial advice before making any investment decision.**

- 2.2 Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap. 571) and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.
- 2.3 The investment in the Collective Investment Schemes may not be principal protected. The Client acknowledges and accepts the risks set out in clauses 2.1 and 2.2 and agrees to bear all consequences of dealing in units or shares of any Collective Investment Schemes.

### **3. Information on Collective Investment Schemes**

- 3.1 Unless otherwise required by law or any regulatory requirements applicable to the Bank, the Bank will use all reasonable efforts after the Client applying for the Bank's Investment Fund Services as set out in these terms and conditions and subject to the availability of Information (as defined below) for distribution by the Bank, from time to time upon request provide, or procure to be provided, to the Client recently published editions of prospectuses, explanatory memoranda, semi annual and annual reports and accounts and other up to date promotional and advertising literature, publications, materials and statistical information ("Information") issued by and/or relating to one or more mutual fund corporations or unit trusts or other collective investment schemes or individual share classes therein which in each case have been authorised by the Securities and Futures Commission in Hong Kong ("Collective Investment Schemes").
- 3.2 The Information to be provided to the Client by the Bank may comprise:
  - (a) information produced and provided to the Bank on behalf of the relevant Collective Investment Schemes by any representative, agent or adviser to such Collective Investment Schemes ("Fund Information"); and/or
  - (b) statistical information in respect of past performance of Collective Investment Schemes generated by the Bank in relation to the relevant Collective Investment Schemes ("Additional Information").
- 3.3 The Bank may decide whether to give or withhold giving approval or vote or refrain from voting on any notice or document which requires approval in writing or at a meeting of investors of any Collective Investment Schemes.
- 3.4 The client's application to subscribe for interests in the Collective Investment Schemes is made on the basis of the information set out in the Fund Information and **the Bank accepts no responsibility and shall have no liability whatsoever to the Client:**
  - (a) in respect of the accuracy, completeness or otherwise of any Information (whether Fund Information, Additional Information or otherwise) provided by the Bank pursuant to these terms and conditions where such information has been independently prepared by a third party ("Third Party Information"); and
  - (b) **for any costs, expenses, disbursements, liabilities, obligations, penalties, claims, demands, actions, proceedings, judgments, suits, losses or damages of whatsoever nature ("Losses") suffered or incurred by the Client** as a result of, or in connection with, any acquisition, holding, disposal or redemption by or for or on behalf of the Client of any units or shares in any of the Collective Investment Schemes ("Fund Investments"), or any other transaction made or omitted to be made by the Client on the basis of any Information (whether Fund Information, Additional Information, Third Party Information or otherwise) provided by the Bank pursuant to these terms and conditions or the performance of any Collective Investment Schemes.
- 3.5 It is desirable that the Client seeks independent financial advice with respect to any investment in Collective Investment Schemes.
- 3.6 If the Client wishes to raise any questions or seek further details in respect of the Information

provided the Client will address such questions to the Bank in writing and the Bank will use all reasonable endeavours to obtain a written response to such questions from the appropriate representative of the relevant Collective Investment Scheme(s).

3.6 The mere provision of marketing or promotional materials relating to any Collective Investment Schemes for general information purposes does not constitute an offer, recommendation or solicitation by the Bank to the Client.

#### 4. Acquisition, Holding, Redemption and Transfer of Fund Investments

4.1 If the Client decides to take advantage of the services provided by the Bank in order to purchase any Fund Investments in any of the Collective Investment Schemes:

- (a) the Client will instruct the Bank, in accordance with clause 7, and hereby authorises the Bank on its behalf, and as its agent, to place a purchase order (the "Purchase Order") for such Fund Investments with the appropriate representative of the relevant Collective Investment Scheme(s) as the payment amount made by the Client shall allow and give representations and/or make confirmations as any of the information may require. Any such Purchase Order shall specify that any Fund Investments allotted are to be held in the name of Standard Chartered Nominees (Western Samoa) Limited or any other wholly-owned subsidiary of the Bank as nominee for the Client ("Nominees"). The Bank does not owe the Client any fiduciary or other equitable duties in respect of any dealings in the Fund Investments above or beyond its obligations as the Client's agent;
- (b) the Bank will apply for the proposed Fund Investments as agent for and on behalf of the Client. The Client acknowledges that in placing the Purchase Order the Bank may, if it has received purchase orders from other Clients for investments in the same Collective Investment Scheme(s), aggregate the Client's Purchase Order with such other purchase orders and place an aggregated purchase order;
- (c) the Client hereby authorises the Bank, upon receipt from the Client of instructions as described in (a) above, and without further instructions from the Client, to debit the Client's Settlement Account (as referred to in clause 5) with an amount equal to the subscription moneys and other charges, costs and expenses (if any) required to be paid for or in connection with the acquisition of the Fund Investments;
- (d) the Client is aware and acknowledges that the relevant Collective Investment Scheme will be investing in the assets as described in the fund prospectuses; and
- (e) the Bank is authorised to take such actions (including execution of documents) as the Bank considers necessary or appropriate to subscribe to the Collective Investment Schemes on the Client's behalf.

For the avoidance of doubt the Client hereby expressly acknowledges and agrees that any Collective Investment Scheme which receives a Purchase Order from the Bank will not be obliged to accept such Purchase Order in whole or in part and **neither the Bank nor Nominees shall have any responsibility or liability for ensuring that the relevant Collective Investment Scheme allots the Fund Investments or for any Losses including any loss of investment opportunity which the Client may suffer or incur as a result of any refusal to accept or delay in accepting such Purchase Order by any such Collective Investment Scheme.**

4.2 If, having purchased Fund Investments by means of the services provided by the Bank, the Client decides to switch Fund Investments between Collective Investment Schemes, the Client shall instruct the Bank accordingly and the provisions of clause 4.1 shall apply as if all references therein to the "Purchase Order" and other purchase orders were references to an application to switch Fund Investments or other such applications received from other Clients of the Bank. Where switching is permitted by a Collective Investment Scheme, the Client may from time to time instruct and authorise the Bank on his behalf, and as his agent, to place a switching order and switch interests in the Collective Investment Scheme to interests in another Collective Investment Scheme provided that such other Collective Investment Scheme is distributed by the Bank and the Client has complied with all relevant requirements under the Information and the constitutional documents of the Collective Investment Scheme in relation to such switching.

4.3 The Client acknowledges and agrees that any contract notes issued in respect of Fund Investments applied for in accordance with clause 4.1 or switched in accordance with clause 4.2 will be delivered direct to Nominees and such Fund Investments will be held by Nominees, and

where relevant registered in the name of Nominees, as nominee for and on behalf of the Client. The Client agrees that, in respect of those Fund Investments where an applicant may elect to hold such Fund Investments by one or more means the Bank or Nominees shall be authorised under these terms and conditions to make such election for and on behalf of and as agent for the Client as the Bank or Nominees shall deem fit.

4.4 If the Bank has placed an aggregated purchase order in accordance with clause 4.1(b) above then the Bank will procure that Nominees will upon issue of the relevant Fund Investments allocate in what the Bank determines, in its absolute discretion, to be the most appropriate manner, the Fund Investment between the various purchasing Clients including the Client. The Client acknowledges that the aggregated purchase order with those of the Bank's or of the Bank's other Clients may operate on some occasions to the Client's advantage and other occasions to the Client's disadvantage.

4.5 By applying for the Bank's Investment Fund Services to be provided in accordance with these terms and conditions the Client agrees that the Bank may, without limiting its rights under clause 13, from time to time release or provide to Nominees (or any sub-custodian appointed by Nominees pursuant to clause 6.2) all or any information held by the Bank in respect of the Client and the Settlement Account on the basis that Nominees (or such sub-custodian), its personnel and staff, will, save to the extent that it is required to disclose the same in order to comply with any laws or regulations or the requirements of any statutory and regulatory authorities or to carry out the duties and comply with the obligations referred to in these terms and conditions, keep such information confidential and only use it for the purposes of carrying out the duties and complying with the obligations referred to in these terms and conditions.

4.6 If, at any time, the Client wishes to redeem all or any of the Fund Investments acquired pursuant to these terms and conditions, the Client shall instruct the Bank to apply or procure that an application is made to the appropriate representative of the relevant Collective Investment Scheme(s) for the redemption of the Fund Investments in accordance with the operative redemption provisions of such Collective Investment Scheme(s) and the Bank will, or will procure that Nominees will, make the necessary application.

4.7 The Client is aware and acknowledges that there may be limited liquidity to an investment in the relevant Collective Investment Schemes. The Collective Investment Schemes may suspend the redemption rights of holders. Interests in the Collective Investment Schemes may only be redeemed or transferred subject to restrictions and other requirements set out in the fund prospectuses and the constitutional documents of the Collective Investment Schemes.

4.8 Upon any redemption of Fund Investments pursuant to these terms and conditions, the Bank will, or will procure that Nominees will, credit to the Settlement Account such moneys (net of any fees, charges or expenses incurred in connection with the redemption) as may be received in consideration of the redemption of the Fund Investments. The Bank has no duty to ascertain, nor will it be responsible for, the adequacy of the consideration received.

4.9 Subject to clause 4.6 in the case of redemption, if at any time the Client wishes to transfer, or sell or otherwise dispose of any of the Fund Investments acquired pursuant to these terms and conditions the Client shall terminate its use of the Bank's Investment Fund Services in accordance with clause 9.1 and upon such termination the provisions of clause 9.3 shall apply. The Client is aware and acknowledges that all his Fund Investments shall be issued, distributed, switched and redeemed and cancelled pursuant to the provisions set out in the fund prospectuses and the constitutional documents of the Collective Investment Schemes. Save in the case of application for redemption of Fund Investments, the Bank shall not be required to transfer or sell or otherwise dispose of or procure the transfer or sale or other disposition of any Fund Investments pursuant to these terms and conditions.

4.10 The Bank will not be obliged under any circumstances to take any action at any time which occurs outside of normal banking business hours in Hong Kong and shall not be responsible for any price difference as a result of executing the Instruction in accordance with its usual practice. Subject as aforesaid, the Bank and the Client agree that:

(a) provided the Client instructs the Bank so that the Bank receives any such Instructions before the latest cut-off time specified by the Bank from time to time for the receipt by the Bank of any Purchase Order or application for switching or redemption in respect of any Collective Investment Scheme(s), the Bank will use all reasonable endeavours to deliver any Purchase Order or application for switching or redemption to the appropriate recipient

in respect of the relevant Collective Investment Scheme(s) on the same day upon which the Bank receives the relevant Instructions from the Client so as to enable the relevant Collective Investment Scheme(s) to process such Instructions on:-

- (i) where such day is a day on which dealings take place in units or shares of such Collective Investment Scheme(s) ("Dealing Day"), the same day; or
- (ii) where such day is not a Dealing Day, the immediately following Dealing Day;
- (b) if the Client instructs the Bank so that the Bank receives any such Instructions later than the cut-off time specified in (a) above, the Bank will use all reasonable endeavours to deliver any Purchaser Order or application for switching or redemption to the appropriate recipient in respect of the relevant Collective Investment Scheme(s) on the next Business Day so as to enable the relevant Collective Investment Scheme(s) to process such Instructions on:-

  - (i) where such Business Day is a Dealing Day, such Business Day; or
  - (ii) where such Business Day is not a Dealing Day, the immediately following Dealing Day; and

- (c) if the Client instructs the Bank that any Purchase Orders or application for switching or redemption in respect of any Collective Investment Scheme(s) received by the Bank from the Client shall be placed with the appropriate representative of the relevant Collective Investment Scheme(s) on a particular day designated by the Client (the "Specified Day"), the Bank will use all reasonable endeavours to deliver such Purchase Order or application for switching or redemption to the appropriate recipient in respect of the relevant Collective Investment Scheme(s) on the Specified Day so as to enable the Collective Investment Scheme(s) to process such Instruction on:-

  - (i) where the Specified Day is a Dealing Day, the Specified Day; or
  - (ii) where the Specified Day is not a Dealing Day, the immediately following Dealing Day.

**PROVIDED ALWAYS that in each case** (i) any necessary subscription or other moneys required to be paid by or on behalf of the Client in respect of the proposed transaction are available in freely available cleared funds in the Settlement Account; and (ii) **the Bank shall not be liable to the Client for any Losses which the Client may incur as a result of the Bank's failure to send or deliver any Purchase Orders or applications unless such failure results directly from the negligence or wilful default of the Bank or its servants or agents.**

For the purposes of this clause 4.10 information in respect of the specified cut-off times of the Bank for the receipt of Purchase Orders and the other applications referred to above will be provided by the Bank to the Client upon request.

- 4.11 If, at any time, for any reason representatives of any Collective Investment Scheme instruct Nominees, as registered holder of any Fund Investments, to divest itself, transfer or otherwise dispose of any such Fund Investments in accordance with the terms and conditions governing the operation of such Collective Investment Scheme, the Bank shall procure Nominees to redeem the relevant Fund Investments and credit the proceeds to the Client's Settlement Account.
- 4.12 Dividends declared by the Collective Investment Schemes will be disbursed according to the distribution policy stipulated at the prospectus of the Collective Investment Schemes. If a Collective Investment Scheme is paying:
  - (a) cash dividend, all dividends will be credited to the Client's Settlement Account provided to the Bank;
  - (b) unit dividend, all dividends will be automatically reinvested in the Collective Investment Scheme through the subscription of additional interests in the Collective Investment Scheme and the Bank will hold the same for the account of the Client as nominee for the Client.
- 4.13 In the absence of Instruction from the Client where the Client has an option to reinvest, cash dividends from Fund Investments may either be reinvested or credited to the client's Settlement Account as the Bank or its Nominees may deem fit.
- 4.14 Where the Bank provides a service which enables the Client to use an electronic trading platform ("Platform") to give electronic Instructions to perform such functions as permitted by the Bank at its sole and absolute discretion from time to time ("Online Trading Services") in addition to any other applicable terms and conditions for tele-electronic banking services

provided by the Bank:

- (a) the Client shall use a valid login identification and password issued by the Bank to access the Platform;
- (b) the Client shall be liable for and accept the consequences of all transactions transmitted by accessing the Platform, even if any such transactions are incorrect, originate from a person other than an authorised person or are mis-communicated;
- (c) after placing any order via the Platform, the Client shall check that such order has been correctly acknowledged by the Bank;
- (d) an order through the Platform would only be accepted by the Bank if all of the information required by the Bank, as notified from time to time to the Client, has been provided to the Bank, its affiliates or agents;
- (e) the Client agrees to check the details of an order before transmission and acknowledges that it may not be possible to cancel the order once transmitted;
- (f) the Platform may automatically reject an order, and the Bank shall be entitled in its sole and absolute discretion (without any liability on the part of the Bank) to reject, stop, intercede or cancel an order, for any reason whatsoever (including but not limited to any circumstances where the Bank believes, in its sole and absolute opinion, that the execution of such order would be in breach of any applicable laws and regulations or otherwise adversely affect the interests of the Bank or its affiliates);
- (g) once an order has been accepted and executed, an execution report will be sent to the Client confirming the execution. Confirmation of the execution of an order will be sent to the Client in accordance with these terms and conditions. Any delay, error, interruption or failure in the delivery of a confirmation due to the breakdown, interruption, error or failure of the Platform shall not affect the validity of an executed order.

4.15 After the Bank receives the transfer instructions from the Client, the Bank may (but will not be obliged to) act upon any further instructions from the Client relating to the interests in a Collective Investment Scheme subject to its discretion and within the timeframe permitted by the Collective Investment Scheme.

4.16 Any instruction given by the Client to the Bank to transfer interests in a Collective Investment Scheme shall be deemed to be an instruction to transfer all the Client's interests in that Collective Investment Scheme unless otherwise agreed by the Bank at its discretion.

## 5. Receipt and Disbursement of Moneys

5.1 The Settlement Account shall be used for the purposes of transactions contemplated by these terms and conditions.

5.2 The Bank shall, subject to the provisions of these terms and conditions, hold in the Settlement Account:

- (a) all cash received by it from or for the account of the Client for the purposes of acquiring Fund Investments;
- (b) all cash received by it and/or Nominees for the account of the Client from the disposal or redemption of such Fund Investments, and
- (c) all income, dividends and other payments received in respect of the Fund Investments held pursuant to these terms and conditions on behalf of the Client.

The Bank shall make arrangements for the collection and receipt of, and shall procure that Nominees remits into the Settlement Account or any other cash account(s) maintained by the Client with the Bank, all income, dividends and other payments received with respect to the Fund Investments held pursuant to these terms and conditions. If the Settlement Account or such other cash account(s) as aforesaid is in a different currency, the Bank and the Nominees are hereby authorised to convert such income, dividends and other payments so received into the same currency of the relevant Settlement Account or such other cash account(s) (as the case may be) in which case the conversion to that different currency of the Settlement Account or such other cash account(s) (as the case may be) shall be made at the rate which the Bank determines to be prevailing in the relevant foreign exchange market at the relevant time, such determination to be conclusive and binding on the Client. **The Bank shall not be liable for any losses or costs suffered or incurred by the Client as a result of the Bank and the Nominees**

**acting upon such authorisation.** The Client shall indemnify the Bank and the Nominees and hold the Bank and the Nominees harmless from any and all losses, damages and liabilities whatsoever arising, and all costs and expenses (including legal fees and costs on all indemnity basis) which are of reasonable amounts and are reasonably incurred by the Bank, directly or indirectly from the Bank and the Nominees acting upon such authorization.

5.3 Subject always to the provisions of clauses 5.4 and 17.1 the Bank shall make payments from the Settlement Account without further Instructions from the Client, and the Client hereby authorises the Bank to make such payments, only:

- (a) upon the purchase of Fund Investments for the account of the Client and for payments in connection with the registration of such Fund Investments in the name of Nominees;
- (b) for the payment by the Client, whether to the Bank, Nominees or otherwise, of all taxes, fees, disbursements, charges and expenses properly payable by the Client pursuant to these terms and conditions or in respect of the acquisition, holding or disposal of Fund Investments; and
- (c) for any payments in connection with the switching or redemption of Fund Investments held on behalf of the Client.

The Bank may make other payments from the Settlement Account in accordance with the Client's Instructions.

5.4 **The Client agrees at all times to maintain sufficient funds in the Settlement Account for the purpose of effecting any purchases of Fund Investments on the Client's Instructions and/or for paying any fees, costs or other expenses which the Client is liable to pay under these terms and conditions.** The client acknowledges and agrees that if at any time there are in the reasonable opinion of the Bank (having regard to other payments debited or due to be debited) insufficient funds in the Settlement Account for these purposes the Bank may:

- (a) decline to place a Purchase Order on the Client's behalf with any Collective Investment Scheme;
- (b) (in the Bank's sole discretion and without any obligation to do so on the part of the Bank) transfer funds as necessary from any other bank accounts maintained by the Client with the Bank without further instruction or sanction from the Client.

## 5A. Suitability

5A.1 If the Bank solicits the sale of or recommends any Financial Product (as defined in clause 5A.2 below) to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of these terms and conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause 5A.1.

5A.2 "Financial Product" in clause 5A.1 means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Cap. 571). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity (leveraged foreign exchange trading) (as defined in the Securities and Futures Ordinance (Cap. 571)).

5A.3 The Client agrees to regularly provide the Bank with information relating to the Client's risk tolerance, investment objective, investment experience or sophistication, financial situation and financial needs. The Bank uses and relies on this information to help the Client make investment decisions that meet the appropriate risk profile and to ensure, if required, any Financial Products (as defined in clause 5A.2) which the Bank solicits the sale of or recommend to the Client are reasonably suitable for the Client at the point of sale. If there are circumstances or other considerations that the Client feels are relevant, the Client should inform the Bank. The Bank's investment recommendations will be based on the information the Client provides to the Bank.

## 6. Custody of Fund Investments

6.1 The Bank shall procure that Nominees shall, record and hold in a separate account in its books all Fund Investments received and held by it from time to time for the account of the Client and shall arrange for all Fund Investments to be held in safe-custody in such manner as the Bank may in its absolute discretion determine.

6.2 The Bank shall be entitled to authorise Nominees, to appoint, without the further consent of the Client, any bank, trust company or member firm of any securities exchange to act as (a) a sub-custodian of any of the Fund Investments held by the Bank and/or Nominees pursuant to the agreement evidenced by these terms and conditions and (b) as an administrator to assist in the performance of obligations pursuant to these terms and conditions (a "Sub-Custodian") on such terms as the Bank may, in its absolute discretion, consider appropriate.

6.3 Unless and until the Bank receives an instruction to the contrary the Bank shall procure that Nominees and/or where relevant any Sub-Custodian appointed pursuant to clause 6.2 shall:

- (a) (to the extent that the Bank or Nominees has actual notice of the relevant event) present for payment the Fund Investments which are called, redeemed or retired or otherwise become payable and all coupons and other income items held pursuant to these terms and conditions for the account of the Client which call for payment upon presentation and hold the cash received upon such payment for the account of the Client;
- (b) hold for the account of the Client all stock dividends, rights and similar securities issued with respect to any Fund Investments held pursuant to these terms and conditions;
- (c) receive and collect all interest, dividends and other payments or distributions of income in respect of the Fund Investments;
- (d) exchange interim receipts or temporary securities for definitive securities;
- (e) where monies are payable in respect of any of the Fund Investments in more than one currency, collect them in such currency as may be permissible by law as the Bank and/or Nominees may in its discretion determine;
- (f) complete and deliver on behalf of the Client as beneficial owner any ownership certificates in connection with the Fund Investments as may be required by law; and
- (g) dispose of moneys, collected as aforesaid or received as proceeds of redemption of any of the Fund Investments or otherwise, in accordance with clause 5.

6.4 Notwithstanding any other provisions of these terms and conditions **if at any time it is, in the opinion of the Bank and/or Nominees, necessary in order to protect the interests of the Client, to act without Instructions the Bank may (but shall not be obliged to) do so, and may (but shall not be obliged to) procure Nominees to do so, as if it were the absolute beneficial owner of the Fund Investments and in this connection the Bank and/or Nominees may subscribe or otherwise deal with any money, securities or other rights offered in respect of the Fund Investments.**

6.5 The Bank shall procure that Nominees will not vote in relation to any of the Fund Investments held for the account of the Client except in accordance with Instructions received from the Client in accordance with clause 7. The Bank shall, if required in accordance with such Instructions, use all reasonable efforts to procure the delivery by Nominees, or the execution in blank and delivery by Nominees, to the Client of relevant notices, proxies and proxy soliciting materials in relation to the Fund Investments held pursuant to these terms and conditions.

6.6 Upon being fully indemnified to the Bank's reasonable satisfaction for costs and liabilities by the Client and upon production by the Client to the Bank of such evidence as may be requested by it, the Bank shall execute, or shall procure the execution by Nominees and/or any Sub-Custodian of, such ownership and other certificates and affidavits as may be reasonably requested by the Client for fiscal or tax purposes in connection with the Fund Investments held pursuant to these terms and conditions and shall make or procure the making of such applications and reports as may be required under the laws of any jurisdiction in order to apply for or secure any tax privileges to which the Client is or may otherwise be entitled in connection with such Fund Investments.

6.7 The Client will receive a statement of holdings indicating the number of interests in the Collective Investment Schemes issued to the Bank as nominee for the Client, periodically.

## **7. Instructions**

7.1 Upon applying for the Bank's Investment Fund Services and unless otherwise determined by the Bank, the Client shall provide to the Bank on the Bank's form of signature card the names and specimen signatures of the persons authorised to give and/or sign instructions on behalf of the Client ("Authorised Persons"). The Client shall promptly notify the Bank of any changes

that may be made from time to time to the list of its Authorised Persons. Until the Bank has received the Client's notification of such changes, the Bank is entitled to rely on the last list of Authorised Persons on record with the Bank.

7.2 Save for those Clients who are entitled to give Instructions to the Bank by such other means in addition to the methods of communication set out below as agreed between the Bank and such Clients, any Instruction from the Client shall be given:

- (a) by letter delivered by hand or sent by prepaid postage duly signed or purportedly signed by an Authorised Person; or
- (b) subject to verification of such security code and/or personal data and/or other information of the Client as the Bank may require, by telephone, internet or any other electronic means in the manner as determined from time to time by the Bank.

7.3 Subject to Clause 4.10, Instructions shall for the purposes of these terms and conditions be deemed to have been received upon receipt during normal business hours (Saturdays excepted) by the Bank's Dealing and Administration Unit or any replacement section or unit carrying out the same or similar functions from time to time.

7.4 **The Bank shall be entitled in its absolute discretion to refuse to comply with any Instructions which in the opinion of the Bank are unclear or ambiguous or which would or might cause the Bank to contravene any law or regulation (whether or not having legal and binding effect) and the Bank shall not incur any liability to the Client as a result of its refusal to act in such circumstances.**

7.5 Notwithstanding the terms of any other agreement or course of dealing between the Bank and/or Nominees and the Client, the Bank and/or Nominees is requested and authorized, but is not obliged, to rely upon and act in accordance with any Instruction, notice or other communication which may from time to time be, or purport to be, given by telephone, internet or any other electronic means by or on behalf of the Client (when applicable) without inquiry or verification on the part of the Bank and/or Nominees as to the authority or identity of the person making or giving or purporting to make or give such Instruction, notice or communication and regardless of the circumstances prevailing at the time of such Instruction, notice or communication. The Client agrees that the risks of any such Instruction, notice or communication being given by any person(s) purporting to be or act on behalf of the Client shall be borne by the Client. The Client shall be bound by all such Instructions, notice or communication which the Bank and/or Nominees in good faith believes to have been made by or on behalf of the Client notwithstanding any actual error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto. **The Bank and/or Nominees shall not be liable for any losses, damages or costs suffered or incurred by the Client as a result of the Bank and/or Nominees relying and acting upon the same in good faith.**

7.6 The Bank is authorized to record any telephone conversations between the Client and the Bank in writing and/or by tape-recording on a centralized system operated by the Bank and/or by other means, and the Bank's records shall be conclusive and binding on the Client in the absence of manifest error. The Bank may dispose of any such written or other records and erase such tapes after the expiration of such period as the Bank may determine.

7.7 Where the Client provides Instructions in relation to any Online Trading Services as agreed between the Bank and such Client, the Client acknowledges and agrees, in addition to the provisions in [Clause 4.14 relating to trading on the Platform] and [Clause 7.2(c) relating to provision of Instructions by electronic means] and any other applicable terms and conditions for tele-electronic banking services provided by the Bank, that:

- (a) only persons authorised by the Client can access the Platform and use the Online Trading Services;
- (b) the Client shall be responsible for the confidentiality and use of its login identification and password;
- (c) the Client shall be solely responsible for all Instructions entered through the Online Trading Services and any Instructions received by the Bank shall be treated as for all purposes as having been made by the Client at the time received by the Bank and in the form received;
- (d) the Client shall immediately inform the Bank if it becomes aware of any loss, theft or unauthorised use of the login identification or password;

- (e) the Bank has the right to suspend the Online Trading Services if an incorrect login identification and/or password are entered on more than 3 consecutive occasions;
- (f) the Bank reserves the right to terminate the Client's access to the Online Trading Services or any portion of them in its sole and absolute discretion, without notice and for any reason whatever, including the unauthorised use of the Client's access number(s), password(s) and/or account number(s), breach of these terms and conditions, breach of any applicable laws and regulations or otherwise;
- (g) the Bank may, in its sole and absolute discretion, provide statements, confirmations, notifications and other communications to the Client electronically;
- (h) the Bank may in its sole and absolute discretion impose restrictions on the types of orders and the range of prices for orders which can be placed through the Platform;
- (i) the Client shall log off from the Platform immediately following the completion of each session;
- (j) the Bank does not expressly or impliedly warrant the result of the use of the Online Trading Services, or that any or all failures, defects, or errors will be corrected, or that the Online Trading Services will meet the Client's requirements;
- (k) no condition, warranty or representation of any kind is or has been given by or on behalf of the Bank in respect of the merchantability, quality, accuracy, completeness, reliability, performance or fitness for a particular purpose, title, non-infringement, timeliness, currency, absences of viruses or damaging or disabling code for the use of the Online Trading Services, the Platform or any part of them, and accordingly the Client confirms that it has not, in determining whether to use the Online Trading Services, relied on any condition, warranty or representation by the Bank or any person on the Bank's behalf, express or implied, whether arising by law or otherwise in relation to the Online Trading Services, the Platform or any part of them;
- (l) the Bank shall, in the absence of negligence or willful breach of duty, not be liable or have any responsibility whatever for any delays, errors, interruptions or failure in transmission of orders caused by or arising from the Platform;
- (m) the Bank has not made any recommendation with respect to the Online Trading Services or any transactions in connection with the Online Trading Services, and the Online Trading Services are provided on an "as is" basis at the Client's sole risk; and
- (n) in case of emergency, the Bank may (without any liability on the part of the Bank) halt, suspend, or terminate the Online Trading Services and the transmission of orders via the Platform at its sole and absolute discretion, and the Bank will notify the Client of any such actions as soon as practicable afterwards.

The Client further acknowledges that the Online Trading Services, and any software comprised in it, is proprietary to the Bank. The Client warrants and undertakes that it shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter or adapt in any way, and shall not attempt to gain unauthorised access to, any part of the Online Trading Services or any of the software comprised in them. The Client agrees that the Bank shall be entitled to terminate the Online Trading Services if at any time the Client breaches, or if the Bank at any time reasonably suspects that the Client has breached, this warranty and undertaking.

7.8 The Client agrees and acknowledges that the Application can be signed by the Client with electronic signature through the internet and/or mobile application portal made available at the discretion of the Bank. Such electronic signature shall be in such digital form as determined by the Bank in its discretion. If the Application is made available to the Client under such portal, terms and conditions, fees and charges, important notes and disclosure statements (if any) applicable to such portal shall apply in addition to these terms and conditions.

## 8. Fees, Charges and Expenses

8.1 (a) **The Client shall pay fees to the Bank for the services performed by the Bank and/or Nominees pursuant to these terms and conditions in accordance with a scale which the Bank may prescribe from time to time. The Bank shall be entitled to change the scale of fees by giving reasonable notice to the Client. In relation to services which the Bank considers exceptional in nature, the Client agrees to pay to the Bank such amount as may be agreed between the Bank and the Client from time to time.**

(b) **The Client shall pay or reimburse to the Bank all costs and out-of-pocket expenses (including, without limitation, all costs and fees imposed by any relevant Collective Investment Scheme(s) and all taxes, duties or levies payable in respect of any Fund Investments acquired, held or redeemed pursuant to these terms and conditions) incurred by the Bank in the performance of its duties pursuant to these terms and conditions.**

8.2 **If the agreement set out in these terms and conditions is terminated, the Bank shall be entitled to receive a proportionate amount of its fee calculated on a daily basis up to and including the date of termination together with full reimbursement of all out-of-pocket costs and expenses incurred by the Bank up to termination including for the avoidance of doubt any levies or fees incurred in the transfer of Fund Investments pursuant to clause 9.3 below.**

8.3 The Client acknowledges and agrees that the Bank may receive a selling or placing commission (howsoever designated) from representatives of any Collective Investment Scheme(s) in respect of which it provides Information to the Client under these terms and conditions and that the Bank shall be entitled to retain such commission for its own benefit and shall have no obligation to account to the Client for all or any part of such commission.

**9. Termination**

9.1 **The agreement set out in these terms and conditions may be terminated at the Bank's sole discretion or may be cancelled by the Client in writing at any time. The Bank shall not terminate the Client's account without first giving reasonable notice.**

9.2 The agreement set out in these terms and conditions shall, if the Client is an individual, forthwith terminate upon the death or upon the legally recognised declaration of incapacity or incapability of the Client (or, in the case of more than one individual being the Client, of all such individuals), but all acts performed by the Bank and/or Nominees prior to receiving written notice of such death, incapacity, incapability, winding-up or insolvency shall be valid and binding upon the Client and the successors in title or permitted assigns of the Client.

9.3 Upon termination of the agreement set out in these terms and conditions the Bank shall be deemed to have been authorised by the Client to request the appropriate representative of the relevant Collective Investment Scheme(s) to transfer the Fund Investments to the Client (and in so doing the Bank and Nominees shall be discharged from any further responsibility therefore); provided always that the Bank shall not be liable to arrange the transfer of the Fund Investments as aforesaid until all the Client's liabilities to the Bank under these terms and conditions (including any outstanding fees and expenses payable under these terms and conditions) shall have been fully discharged by the Client.

9.4 Notwithstanding any other provisions of the banking agreement, if the Investment Fund Services, Investment Fund Account, Settlement Account and/or any other accounts (including any cash account) in respect of the Investment Fund Services (whether maintained by the Client in sole name or joint names) are terminated or to be terminated, whether by the Client or by the Bank, the Client shall withdraw or transfer the monies and other assets in the relevant accounts and close all such relevant accounts as soon as reasonably practicable and in any case within 30 calendar days after termination of the Investment Fund Services and/or such relevant accounts.

9.5 If the Client does not withdraw or transfer the monies and other assets and close the relevant accounts as required by clause 9.4, the Bank shall have the right without further notice to or consent from the Client:

- to pay the monies in the relevant accounts to the Client;
- to redeem, sell, transfer or otherwise dispose of the other assets in the relevant accounts and pay the proceeds (after deducting the expenses of reasonable amount and reasonably incurred by the Bank in the process) to the Client; and
- thereafter, to close the relevant accounts including taking such action and completing and executing such documents for and on behalf of the Client as the Bank considers appropriate for such purpose.

9.6 In exercising the right under clause 9.5, the Bank is entitled to redeem, sell, transfer or dispose of the assets at any time and price and in any way, and pay the monies and proceeds to the Client in any manner, as the Bank considers appropriate in the circumstances. In this case, the Bank has no duty to redeem, sell, transfer or dispose of the assets at a particular time or price

or in a particular way and shall not be liable for any loss which the Client may suffer as a result, unless such loss is directly caused by the Bank's negligence, wilful default or fraud.

## **10. Indemnity**

10.1 The Client hereby agrees to indemnify and hold harmless Nominees, the Bank for itself and as trustee for Nominees and its/their respective directors, officers, employees, servants, agents and correspondents from time to time ("Personnel") against all liabilities, obligations, penalties, claims, demands, action, proceedings, judgments, suits, losses and damages which may be imposed on, asserted against or suffered by the Bank, Nominees or its/their Personnel and all costs and expenses (including legal costs on an indemnity basis) which are of reasonable amount and were reasonably incurred by the Bank, Nominees or its/their Personnel arising out of, or in connection with, the agreement set out in these terms and conditions at any time or from any cause whatsoever including, without limitation, the purchase, holding, switching and redemption of Fund Investments, the operation of the Settlement Account, any reliance by the Bank, Nominees and/or its/their Personnel in good faith upon any instruction, notice or communication given, or purportedly given, by or on behalf of the Client by letter, telephone, internet or any other electronic means and the enforcement of these terms and conditions (whether by the Bank, Nominees, or its/their Personnel and/or any third party agent employed by any one or more of them for such purpose) save and except where such Losses have been incurred by the Bank, Nominees and/or its/their Personnel as a result of its/their respective negligence or willful breach of duty.

10.2 **Neither the Bank nor Nominees nor their respective Personnel shall, in the absence of negligence or willful breach of duty, be liable to the Client for any action or omission in the course of or in connection with the services rendered by them under these terms and conditions or for any loss or damage which the Client may suffer or sustain as a result or in the course of discharge by the Bank and/or Nominees and/or their respective Personnel of its/their duties under or pursuant to these terms and conditions.**

10.3 **Neither the Bank nor Nominees shall be liable to the Client for or in respect of any Losses or failing to comply or delay in complying with its/their obligations under these terms and conditions which is caused directly or indirectly by force majeure, Act of God, war, terrorism, industrial disputes, natural disaster, adverse weather conditions, failure of communication systems or any other cause, event or circumstances beyond the Bank's or Nominees' reasonable control.**

10.4 The Client further agrees to be bound by all the terms and conditions pursuant to which the Bank and/or Nominees effects each purchase, switching or redemption of any Fund Investment(s).

10.5 Neither the Bank nor Nominees shall be required to take any legal action unless fully indemnified to its/their reasonable satisfaction (as a prerequisite to taking such action) for all costs and liabilities by the Client.

10.6 Nothing in these terms and conditions or the indemnities contained in this clause shall operate so as to exclude or restrict any liability, the exclusion or restriction of which is prohibited by the laws of Hong Kong.

## **11. Non-Exclusivity**

11.1 The services to be provided by the Bank (and by Nominees on behalf of the Bank) to the Client under these terms and conditions are non-exclusive and the Bank and/or Nominees shall be permitted to perform such services for such other persons as the Bank and/or Nominees in its/their absolute discretion deem fit and neither the Bank nor Nominees shall be liable or under any obligation (unless required by the laws of Hong Kong):

- (a) to account to the Client for any benefit received by the Bank and/or Nominees for providing such services to others; or
- (b) to disclose to the Client any fact or thing which may come to the notice of the Bank and/or Nominees or any of its/their Personnel in the course of providing such services to others or in the course of its/their business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its/their duties under these terms and conditions.

## **12. Representations and Warranties of the Client**

12.1 By applying to the Bank for the provision of Investment Fund Services upon these terms and conditions:

- (a) The Client (if the Client is more than one individual, each such individual) hereby represents and certifies under penalties of perjury that:
  - (i) he will not acquire or hold the Fund Investments beneficially for any other person, or in violation of any applicable law and he will be the beneficial owner of the Investment Fund Account;
  - (ii) he is the person ultimately responsible for originating the transactions to be made on the Investment Fund Account and no other person stands to gain the commercial or economic benefit or bear the commercial or economic risk thereof;
  - (iii) he has reached the age of majority under the laws of his country of nationality or domicile; and
  - (iv) all the representations made by the Client remain true and accurate at all times.
- (b) The Client acknowledges that the offer and/or provision of the Investment Fund Services in certain jurisdictions or to certain investors may be restricted or prohibited by applicable law. The Client hereby warrants and represents that:
  - (i) he has read and understood these terms and conditions and the terms of the relevant prospectus or offering document of the funds, investment products or Collective Investment Schemes offered pursuant to the Investment Fund Services; and
  - (ii) having regard to the eligibility criteria and/or restrictions set out in each of the aforementioned documents, including without limitation the applicable restriction or prohibition in relation to the offer or provision of the Investment Fund Services to persons domiciled or resident in or a citizen of certain jurisdictions, he is eligible to apply for and participate in the Investment Fund Services.

12.2 The Client represents and/or warrants that (which representations and warranties shall be deemed repeated in relation to each Instruction in relation to the Collective Investment Schemes and on a continuous basis so long as the Client maintains an Investment Fund Account with the Bank):

- (a) he will comply with all sale and/or transfer restrictions, undertakings, representations, warranties and indemnities set out in the fund prospectus and the constitutive documents of the Collective Investment Schemes, and he agrees to be bound by the terms thereof;
- (b) he has/will have full power, authority and legal right to purchase, sell, switch, transfer or otherwise deal in an interest in the Collective Investment Schemes and such purchase, sale, switching, transfer or action does not/will not contravene any applicable laws or any Information;
- (c) the Bank may rely upon valuations from the Collective Investment Schemes and/or other third parties for the purposes of reporting to the Client the value of the Client's beneficial interest in the Collective Investment Schemes;
- (d) representations made by the Bank and/or its Nominees in relation to the Client (if any, relying on information provided by the Client) are accurate and correct and the Client shall not do any act which may as a consequence cause a breach of such representations.

### 13. Disclosure

13.1 The Client agrees that all personal data relating to the Client collected by the Bank from time to time may be used and disclosed for such purposes and to such persons (whether in or outside Hong Kong) as may be in accordance with the Bank's policies on use and disclosure of personal data set out in statements, circulars, terms and conditions or notices made available by the Bank to its clients from time to time and such data may be (a) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance), and (b) disclosed (by way of bank references or otherwise) to any financial institution with which the Client has or proposes to have dealings to enable such financial institution to conduct credit checks on the Client; and (c) disclosed by the Bank in the event that such disclosure is required by any securities exchange or regulatory or governmental body having jurisdiction over it (including without limitation The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission) whether or not the requirement has the force of law.

#### **14. Notices**

- 14.1 Any communications or notices required or permitted to be given by or on behalf of the Bank to the Client may be given in writing and sent by mail (postage prepaid) or electronic mail (where applicable) addressed to the Client at the last mailing address or e-mail address on record with the Bank.
- 14.2 All communication and documents so sent under clause 14.1 shall be deemed to have been received by the recipient:
  - (a) if sent by letter: 24 hours after posting if mailed to an address in Hong Kong, or 7 days after posting if mailed to an address elsewhere, save that in the case of legal process these periods shall be increased to 7 and 21 days respectively; and
  - (b) if sent by electronic mail: when dispatched.
- 14.3 Each of the other joint applicants (if any) irrevocably appoints the person named as "Primary Applicant" in the Application as his agent for the purpose of service by the Bank of such notices, demands or other communications as well as any legal process arising in connection with the agreement constituted by these terms and conditions or the Investment Fund Services. Any notice to the "Primary Applicant" will be deemed effective notification to all joint applicants.

#### **15. Lien and Set-off**

- 15.1 The Bank shall have a first and general lien on all Fund Investments held pursuant to these terms and conditions for any amounts properly due from the Client to the Bank in connection with the Investment Fund Services set out in these terms and conditions.
- 15.2 In addition to and without prejudice to the Bank's right of set off at law or under any other agreement from time to time subsisting between the Bank and the Client, the Bank may at any time and without prior notice to or consent of the Client, set off, appropriate and apply any credit balance in the Settlement Account or any other account in the name of the Client (or, if the Client consists of more than one person, any one or more of such persons) with the Bank or Standard Chartered Bank (and whether or not such account is maintained singly or jointly with others and whether or not matured or subject to notice) in or towards discharging any debit balance in the Settlement Account or any such other accounts.
- 15.3 The circumstances in which the Bank will exercise its right of set-off against the Client include without limitation the following:(a) any liabilities of the Client to the Bank, whether present or future, actual or contingent, and whether owed individually or jointly with any other person, becomes overdue, (b) any attachment, execution or similar process is levied against the Client, (c) an act of bankruptcy is committed by the Client or a petition in bankruptcy (or winding up) is filed by or against the Client, (d) a receiver is appointed of all or any substantial part of the assets of the Client, or (e) the Bank has reason to believe that the Client is unable to pay his debts when due.

#### **16. Governing Law and Submission to Jurisdiction**

- 16.1 These terms and conditions shall be governed by and construed in accordance with the laws of Hong Kong.
- 16.2 The Client hereby:
  - (a) irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong and of any places where the Client has assets now or in the future;
  - (b) waives any objections on the grounds of venue, forum non convenient or similar grounds; and
  - (c) consents to service of process including any writ, judgment or other notice by mail to the Client's address on the Bank's records or to such other address as may subsequently be notified in writing to, and received by, the Bank.

#### **17. Miscellaneous**

- 17.1 In circumstances where two or more persons have jointly subscribed to the Investment Fund Services :-
  - (a) the Bank may act on the instructions of either person acting singly but each such person shall be jointly and severally liable with the other person for any obligation or liability incurred

by either of them to the Bank in connection with the Investment Fund Services or the Settlement Account or otherwise under or in connection with these terms and conditions;

(b) on the death of any person, the Bank or Nominees will hold any Fund Investments and any money or other assets standing to the credit of the Investment Fund Account to the order of the survivor(s), without prejudice to any right which the Bank or Nominees may have arising out of lien, mortgage, charge, pledge, set-off, counterclaim or otherwise whatsoever or to any step which the Bank or Nominees may consider desirable to take in view of any claim by any person other than the survivor(s), subject to compliance with the Estate Duty Ordinance and all applicable laws;

(c) the Bank or Nominees may at its absolute discretion comply with any request from any governmental or regulatory authority relating to any one or more of the persons and, for such purpose, apply such Fund Investments or any money or other assets in the Client's account as may in the opinion of the Bank or Nominees be required, without seeking Instructions from or notifying the Client; and

(d) the Bank shall be at liberty to release or discharge any of such persons from the liability hereunder or to accept any composition from or make other arrangements with any of such persons without releasing or discharging the other or others or otherwise prejudicing or affecting the Bank's rights and remedies against the other or others, and none of them shall be released or discharged by the death of any one of them.

17.2 The authorised signatories for the Settlement Account shall be the authorised signatories for the Investment Fund Account with the same limitation (if any) on signing authority, and the signature(s) of the Settlement Account shall be the Client's specimen signature(s) for operating the Investment Fund Account. The Bank may also act on instructions, in relation to such Investment Fund Account and Settlement Account, confirmed by a signature that matches any specimen signature in our records about the Client, or otherwise in accordance with clause 7.

17.3 The Bank shall, and shall procure that Nominees shall, comply with the provisions of any law, regulation or order now or hereafter in force which purports to impose any duties on the Bank and/or Nominees as the holder of any Fund Investments to give any notification or to take or refrain from taking any action.

17.4 The Bank shall be under no duty to take any action other than as specified in these terms and conditions with respect to any Fund Investments or cash of the Client held by the Bank and/or Nominees under these terms and conditions. The Bank shall be entitled to receive and to act, or procure Nominees to act, upon any advice of counsel and shall be without liability for any action taken or thing done in good faith in reliance upon such advice.

17.5 The Client hereby confirms and acknowledges that the risk category/categories to which any Fund Investments is/are currently classified as may change from time to time and the risks arising from any transaction(s) of such Fund Investment (the "Transaction(s)")

(a) may not correspond to the Client's risk tolerance reflected in the Investment Profile contained in the Application which the Client completed when he applied for the Investment Fund Services, or

(b) when aggregated with those arising from other outstanding fund transactions effected on the Client's Investment Fund Account, may exceed or fall below the Client's risk tolerance level.

Notwithstanding the foregoing, the Client confirms and acknowledges that it is his decision to enter into the Transaction(s) and the Client fully understands the risks and consequences of his doing so and agrees to bear all consequences in the event that the risks arising from the Transaction(s) exceed or fall below the Client's risk tolerance level.

17.6 Any written confirmation sent out by the Bank shall (save in the case of manifest error) be conclusive and shall be deemed to have been accepted by the Client if not objected in writing by the Client within the period stipulated in the confirmation for this purpose (if any). The Client acknowledges that any statement given over the telephone or other electronic means as to the status of the Settlement Account or any particular transaction is not binding on the Bank.

17.7 **The Client shall notify the Bank forthwith of any material change in any information provided by the Client from time to time in connection with the establishment and operation of the Investment Fund Services.** The Bank shall notify the Client of any material change in the information on the Bank provided hereunder.

- 17.8 The failure of the Bank to exercise or delay in exercising a right or remedy provided by these terms and conditions or by law does not constitute a waiver of the right or remedy or prevent further exercise of the right or remedy or another right or remedy.
- 17.9 The Bank shall provide reasonable notice to the Client to amend or change any or all of these terms and conditions.
- 17.10 If any of these terms and conditions is held or deemed to be void or unenforceable, the other terms will remain in full force and effect.

## Monthly Investment Plan

1. Client terms and the applicable documents referred to in Part A of the Client terms (including the Investment Fund Services terms and Conditions ("General Conditions") and the following terms and conditions which are supplemental to the General Conditions) and any other document which form part of the banking agreement shall apply to the Monthly Investment Plan and related services provided by the Bank. Words, expressions and modes of interpretation defined and used in the banking agreement shall be adopted here, unless otherwise specified.
2. Where the price of the relevant Fund Investments (or any amount due) is denominated in a currency different from that of the Contribution Account, the Bank is hereby authorized to convert any currency into the required currency at such rate of exchange as conclusively determined by the Bank to be prevailing at the relevant time.
3. Subject to the verification of the signatures by the Bank and/or personal data and/or other information of the Client as the Bank may require, authorisation and/or instruction given herein shall have effect until further notice.
4. The monthly contribution will be debited on the 5th or 20th day of each month (the "Contribution Date"); or on the first Business Day after such Contribution Date if it is not a Business Day, or if there is no sufficient fund or available credit limit in the Contribution Account on the Contribution Date, on the 6th Business Day after the Contribution Date.
5. When retry debit fails, no contribution will be debited from the Contribution Account and subscription order will not be placed for that month.
6. **The client must ensure that there is sufficient fund or available credit limit in the Contribution Account to cover the monthly contribution. Fund Investments units will be issued within five (5) Business Days after the monthly contribution is actually received by the Bank or on the first available Dealing Date of that Fund, whichever is later. The Bank shall not be liable for any loss of potential investment opportunities.**
7. Any change to your instruction relating to the Monthly Investment Plan must be received by the Bank at least seven (7) Business Days before the Contribution Date to process and take effect on the Contribution Date. Modification is deemed to be effected only upon written confirmation by the Bank.
8. In the event that any fund in the Monthly Investment Plan is merged into another, in the absence of your instruction to the contrary, all future contribution after the date of merger for the original fund shall be deemed to be for the surviving fund.
9. All instructions given by the Client shall be deemed to be withdrawn if the debit from the Contribution Account has failed on the Contribution Date for three (3) or more consecutive months.
10. All instructions given by the Client may not be amended, rescinded or withdrawn without the consent of the Bank.
11. **In case of system disruption or failure, the Bank shall be entitled in its absolute discretion to effect the debit of the monthly contribution and investment fund order generation when the relevant system(s) is/are resume to normal from disruption and the Bank shall not be liable for any loss of potential investment opportunities.**

## **Equity Linked Investment Services**

### **Terms & conditions**

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## Equity Linked Investment Services terms & conditions

### Important: Please read these terms and conditions carefully.

These terms and conditions set out the rights and obligations of you, the Client, and us, the Bank, in connection with your use of the "Equity Linked Investment Services". All these terms are legally binding, so please read through them carefully before you agree to be bound by them.

Please read in conjunction with "**Additional terms and conditions of U.S. taxation for investment products**".

#### 1. Definitions and Interpretation

1.1 In these terms and conditions, unless specifically defined or redefined or the context otherwise requires:

**"Application"** means the application form signed by the Client in respect of the Equity Linked Investment Services;

**"Bank"** means Standard Chartered Bank (Hong Kong) Limited and its successors and assigns;

**"Business Day"** means any day (excluding Saturday and Sunday) on which the Bank is open for the transaction of business in Hong Kong;

**"Client"** means any client being an individual in his personal capacity signing, and named in, the Application and who has applied to the Bank to subscribe to the Equity Linked Investment Services and in whose name the Settlement Accounts and the Securities Account (if any) are maintained; where the Equity Linked Investment Services are to be jointly subscribed by, and the Settlement Accounts and the Securities Accounts (if any) are in the joint name of, two or more persons, then unless otherwise specified or the context otherwise requires, "Client" shall mean all of such individuals collectively;

**"Equity Linked Investments"** includes:

(a) instruments where some or all of the return or amount due (or both the return and amount due) or the method of settlement is determined by reference to one or more of: (i) changes in the value or level (or a range within the value or level) of any type of securities or index; (ii) changes in the value or level (or a range within the value or level) of a basket of more than one type of securities or index; or (iii) the occurrence or non-occurrence of an event or events specified in the instrument; or

(b) agreements the purpose or effect of which is to provide to any party a profit, income or other returns calculated by reference to changes in the value of any type, or basket, of securities or index;

**"Equity Linked Investment Account"** means the account opened and maintained by the Client for the purposes of the Equity Linked Investment Services and bearing the number specified in the Application, and shall include such account as may from time to time be re-designated or re-numbered;

**"Equity Linked Investment Services"** means the services offered by the Bank to the Client under these terms and conditions;

**"Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China;

**"Holding Company"** and **"Subsidiary"** have the meanings ascribed thereto in section 2 of the Companies Ordinance;

**"Instructions"** has the meaning set out in clause 4.1 below;

**"Nominee"** means such entity as may be appointed from time to time by the Bank to provide nominee, custodial or any other services in respect of Equity Linked Investments acquired by or received from the Client under these terms and conditions;

**"Settlement Account"**, in respect of Equity Linked Investments held or to be held by the Bank or a Nominee on account for the Client, means the bank account established and maintained by the Client with the Bank which is designated by the Client from time to time to hold funds for the settlement of the subscription, purchase or sale of those Equity Linked Investments and/or for the receipt of interest and principal (if any) and other return (if any)

in connection with those Equity Linked Investments and/or for the payment of any fees in connection with the Equity Linked Investment Services; and "Settlement Accounts" means all such accounts maintained at the Bank in the name of the Client;

"**Securities Account**", in respect of Equity Linked Investments held or to be held by the Bank or a Nominee on account for the Client, means the securities account established and maintained by the Client with the Bank which is designated by the Client from time to time for the holding and receipt of securities (other than the Equity Linked Investments), if any, in connection with those Equity Linked Investments; and "**Securities Accounts**" means all such accounts maintained at the Bank in the name of the Client;

"**Standard Chartered Bank Group Company**" means any one of the Bank, Standard Chartered Bank (including all its branches) ("SCB") and any company which is or at any time becomes (i) a holding company or subsidiary of SCB or (ii) a subsidiary of a holding company of SCB.

- 1.2 In these terms and conditions, unless the context otherwise requires:
  - (a) the word "person" includes any individual, company, firm, partnership, joint venture association, sole proprietorship or other business entity;
  - (b) words denoting one gender shall include all other genders;
  - (c) words denoting the singular shall include the plural and vice versa;
  - (d) headings have been inserted for convenience of reference and shall not affect construction.
- 1.3 In the event of any conflict or discrepancy between these terms and conditions and (a) the terms of any other agreement subsisting from time to time between the Bank and the Client or (b) the terms of any agreement between such Client and any other Standard Chartered Bank Group Company in respect of dealings in the Equity Linked Investments, these terms and conditions shall prevail.
- 1.4 The Chinese translation of these terms and conditions is provided for convenience only and the English version shall prevail for all purposes. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.

## 2. Risk Disclosure Statements

- 2.1 The price or value of the Equity Linked Investments fluctuates, sometimes dramatically. The price or value of the Equity Linked Investments may move up or down, and may even become valueless. It is as likely that losses will be incurred rather than profit made as a result of subscribing for, buying and selling the Equity Linked Investments. The Client should therefore carefully consider whether such transactions are suitable in light of the Client's financial position and investment objectives before entering into such transactions.
- 2.2 The obligation to pay the Client any interest, principal, return and other amounts payable under, or to deliver to the Client any securities or underlying assets in accordance with, the terms of the Equity Linked Investments, or any other obligations owed to the Client under the terms of the Equity Linked Investments, lie with the issuer (or any other person responsible for those obligations under the terms of those Equity Linked Investments), and is subject to various conditions and risks including, but not limited to, the risks of default and corporate failure by the issuer or such other person. Those obligations are not, except where the Bank is the issuer, owed by the Bank, and except where the Bank is the issuer, the Bank is not responsible for ensuring that those obligations are satisfied. The only obligations of the Bank in relation to the Equity Linked Investment Services are contained in these terms and conditions.
- 2.3 Unless specifically provided otherwise, an Equity Linked Investment will constitute general and unsecured contractual obligations of the relevant issuer and such obligations will rank equally with all other unsecured contractual obligations of the issuer. In the case of an insolvency of the issuer, preferred liabilities of the issuer will have priority over unsecured obligations such as the Equity Linked Investments. Any stated credit rating of the issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the issuer. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the issuer, the payment of

sums or the delivery of the underlying assets may be substantially reduced or delayed.

2.4 The Client should be prepared to hold the Equity Linked Investment until maturity as market conditions may mean that the Client is unable to liquidate or sell the Equity Linked Investment at the desired time or at the desired price, or at all. It is not possible to predict if and to what extent a secondary market may develop in any Equity Linked Investment or at what price such Equity Linked Investment will trade in the secondary market or whether such market will be liquid or illiquid. There may also be no or very limited secondary market for the Equity Linked Investments. If the Equity Linked Investments are not listed or traded on any exchange, pricing information for such Equity Linked Investments may be difficult to obtain and the liquidity of that Investment may also be adversely affected.

2.5 Where the Client's securities or assets are left in the custody of another person, the Client may be exposed to the credit risk of that person.

2.6 An investment in an Equity Linked Investment is not an investment in the underlying securities and the Client has no rights in respect of such underlying securities or their dividends. The value of the underlying securities may move up or down and past performance is not necessarily a guide to future performance. Changes in the value of the underlying securities may result in changes to the price and/or the repayment value of such Equity Linked Investment and income or return derived therefrom (if any), which may have a different result or a result of greater magnitude than the change in the value of the underlying securities. The Bank has not performed, and will not at any time perform, any investigation or review of the underlying securities, nor does it make any guarantee or express or implied warranty in respect of the performance of the underlying securities, nor the selection thereof. Investing in Equity Linked Investments involves substantial risks and is not suitable for many members of the public. The Client should therefore carefully consider whether such transactions are suitable in light of the Client's experience, financial position, investment objectives and other relevant circumstances.

2.7 Where the Equity Linked Investment is not "principal protected" or "capital protected", the principal or capital amount invested will not be assured and the Client may end up receiving either (i) amounts less than the principal or capital amount invested or (ii) assets with a value substantially below that of the principal or capital amount invested. Where the Equity Linked Investment is described as "principal protected" or "capital protected", it means that only the income or other returns on the product may fluctuate due to, for example, movements in the value of the underlying securities and that the principal or capital amount will be repayable or payable in full at maturity date. However, the principal or capital amount may be protected only to a certain extent or only upon fulfillment of certain conditions (e.g., that no early termination events has occurred), and such principal or capital protection will not apply in the event that the Equity Linked Investment is sold or redeemed by the Client before the agreed maturity date. Investors should review the terms and conditions of each Equity Linked Investment carefully to assess the extent of principal or capital protection available.

2.8 The issuer of the Equity Linked Investment may sometimes have the sole discretion to settle the Equity Linked Investment in cash or by way of delivery of the underlying securities of the Equity Linked Investment upon maturity. In such cases, neither the Bank or the Client will have a discretion to elect to receive cash instead of the underlying securities. If the Client receives the underlying securities of the Equity Linked Investment, the market value of such underlying securities may be significantly lower than the Client's original investment amount.

2.9 The Equity Linked Investment may be long-dated in which the Client's funds will be tied up until the agreed maturity date. In such a case, the Client should not invest in the Equity Linked Investment unless the Client has sufficient funds or liquidity so as to enable the Client to keep the Equity Linked Investment until the agreed maturity date. If the Client thinks it likely that he may need to withdraw the funds prior to the agreed maturity date to meet any needs, he should seek independent advice before investing in the Equity Linked Investment.

2.10 Certain Equity Linked Investments may restrict the transfer or early withdrawal, cancellation or redemption of the Equity Linked Investment prior to the agreed maturity date. In some cases, the issuer of the Equity Linked Investment will not be bound to make

**a price at which it will cancel or purchase (as the case may be) all or part of the Client's holding in an Equity Linked Investment before the agreed maturity date. Even if the Equity Linked Investment can be transferred or withdrawn, cancelled or redeemed early, the transfer, withdrawal, cancellation and redemption may be subject to payment or deduction of costs and expenses.**

**2.11 Where the terms of the Equity Linked Investment does not restrict early withdrawal or redemption prior to the maturity date, the Client may receive an offer which is less than the original amount which he has invested or may not be able to enjoy the rate of return if he re-invested in other investments or may not be able to sell the Equity Linked Investment at all. The sell back value of such Equity Linked Investment depends on many factors including the market movements, the relevant issuer's financial condition and the performance and volatility level of the underlying assets of the Equity Linked Investment.**

**2.12 The Equity Linked Investments and/or the underlying assets may comprise transactions in foreign-currency-denominated contracts. The profits or loss in such transactions (whether they are traded in Hong Kong or jurisdiction under other places) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.**

**2.13 The value and/or settlement of the Equity Linked Investments may be affected by the occurrence or existence of certain events such as (but not limited to) market disruption, tender offer, mergers and disposals, trading suspension, price source disruption, delisting, nationalization, insolvency, material change in the calculation and/or composition of indices comprising a basket of indices etc. In certain circumstances, the Client may risk losing all or a significant proportion of his investment.**

**2.14 To the extent that any of the underlying assets comprises stocks listed on The Growth Enterprise Market on the Stock Exchange of Hong Kong Limited ("GEM"), please note that GEM stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid. The Client should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM companies are usually not required to issue paid announcements in gazetted newspapers. The Client should seek independent professional advice if the Client is uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in GEM stocks.**

**2.15 The Client hereby acknowledges and understands that not all Equity Linked Investments are subject to cooling-off rights and, if such rights are offered, they can only be exercised within such time and upon such terms and conditions as set out in the relevant offering documents. It is also likely that the Client may not receive a full refund of the original investment amount. It is also possible that the Client will still be required to make full payment of the purchase or subscription price for the Equity Linked Investments which may be subject to buy back by the Issuer or its agent at a lower price, upon such terms and conditions as set out in the relevant offering documents. Handling fees may also be charged by the Issuer and the Bank. The Client should carefully read the relevant offering documents for such information.**

**2.16 The Client hereby acknowledges and accepts the above risks in utilising the Equity Linked Investment Services. The Client further acknowledges and accepts that the above risks do not purport to disclose all of the risks and all of the significant aspects of each Equity Linked Investment. The Client should carefully read the contents of the relevant offering documents and term sheets to understand the features of and the specific risks associated with the relevant Equity Linked Investments before entering into such transactions. Where in doubt, the Client should seek independent legal and/or financial advice before making any decision.**

**3. Purchase, Sale, Holding and Redemption of, and Election under, the Equity Linked Investments**

**3.1 The Client may give Instructions to the Bank from time to time. Where the Instructions**

relate to the sale or purchase of the Equity Linked Investments, the Bank may at its sole discretion accept or reject such Instructions. Acceptance by the Bank of Instructions for the subscription, sale or purchase of Equity Linked Investments constitutes a binding contract between the Bank and the Client on the terms of the Instructions.

3.2 The Client hereby authorises the Bank to buy and sell Equity Linked Investments for the account of the Client and otherwise deal with Equity Linked Investments, receivables or monies held in or for the Equity Linked Investment Account, monies held in or for the Settlement Account or securities (other than Equity Linked Investments) held in or for the Securities Account upon the Instructions of the Client as given in accordance with these terms and conditions. Unless otherwise indicated by the Bank (in the confirmation for the relevant transaction or otherwise), the Bank shall act as principal for the Client in effecting transactions pursuant to these terms and conditions and the Bank will have no liability to the Client should the Client not be able to buy or sell the Equity Linked Investments except as a result of the Bank's negligence or wilful breach of duty.

3.3 By applying for subscription or purchase of any Equity Linked Investment, the Client confirms that:

- (a) the Client has read and fully understands the terms and conditions of the relevant Equity Linked Investment and the Bank has given the Client sufficient time and opportunity to do so;
- (b) the Client's application is not in breach of the applicable terms and conditions;
- (c) the Client has been sufficiently informed and knows all the risks inherent in the Equity Linked Investment which may result in a partial or total loss of the Client's investment.

3.4 **The Client understands and agrees that the Bank, and its officers, employees, servants and agents, may receive consideration and monetary or non-monetary benefits in connection with the Client's purchase or sale of the Equity Linked Investments.**

3.5 The Client will comply with all the terms and conditions governing the Equity Linked Investments set out in the prospectuses and/or offering documents, application forms and other relevant documents in respect of such Equity Linked Investments and the Client agrees to be bound by such terms and conditions.

3.6 By applying for subscription or purchase of the Equity Linked Investments, the Client is deemed to have given to the Bank any and all representations, warranties, confirmations and undertakings that the Client is required to give (whether to the issuers, guarantors, sponsors, distributors, underwriters or placing agents of the Equity Linked Investments, the relevant stock exchange or any other relevant regulators or persons) as set out in the applicable offering documents, constitutive documents, information memoranda, prospectuses, product specifications, term sheets and other contractual terms of the Equity Linked Investments. The Client undertakes to provide to the Bank with such information and take such additional steps and make such additional representations, warranties, confirmations and undertakings as may be required by the Bank from time to time to effect the Equity Linked Investments.

3.7 The Bank may be required to give various warranties and undertakings to the issuers of the Equity Linked Investments or their agents concerning the Client's orders for the placement, allocation or subscription of the Equity Linked Investments. In such circumstances, the agreement of the Bank to subscribe or purchase such Equity Linked Investments for the Client's Equity Linked Investment Account will be subject to the Client giving appropriate warranties and indemnities to the Bank in relation to such Equity Linked Investments and such warranties and indemnities shall be deemed to apply mutatis mutandis to the Client's Instructions to subscribe to or purchase the Equity Linked Investments.

3.8 The Bank will receive allocations of the Equity Linked Investments from the relevant issuers, third parties or intermediaries, and will allocate such Equity Linked Investments to its clients at its sole and absolute discretion. The Client may not be allocated the full quantity of Equity Linked Investments subscribed for by the Client. The Bank may make pro-rata allocations from time to time by the Bank at its absolute discretion. The Bank will not accept requests to alert or waive allocations after the event.

3.9 The Client's Instructions to the Bank to subscribe or purchase the Equity Linked Investments are irrevocable and any allocation given to the Client shall be binding on the Client,

notwithstanding any change in the market conditions or any circumstances or otherwise, between the time of the Instructions and the allocation. The Client agrees to accept any amount of the Equity Linked Investments to the limit of the Client's full subscription should such Equity Linked Investments be allocated to the Bank.

3.10 Where the Client is required to make an election for the receipt of cash or securities (or any specific combination of cash and securities) under the terms and conditions of the Equity Linked Investment, the Client shall inform the Bank of his election before the prescribed time. **The Bank shall not be liable or responsible for reminding the Client of the election before the prescribed time nor for making such elections for the Client.** In the event that the Client fails to provide an election under the Equity Linked Investments before the prescribed time, the Client hereby authorises the Bank to elect full cash payment under the Equity Linked Investments, and **the Bank shall not be liable for any losses or costs suffered or incurred by the Client as a result of the Bank acting upon such authorisation.** The Client shall indemnify the Bank and hold the Bank harmless from any and all losses, damages and liabilities whatsoever arising, and all costs and expenses (including without limitation legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, directly or indirectly from the Bank acting upon such authorisation.

3.11 **The Client is responsible for all investment decisions made by him and all Instructions given by him to the Bank.**

3.12 Any sale and purchase transaction effected by the Bank under these terms and conditions shall be subject to and be executed, cleared and settled in accordance with the rules, regulations, codes, customs and practices prevailing in the market(s) on which the Equity Linked Investments are being traded or listed.

3.13 All Equity Linked Investments acquired by the Client under the Equity Linked Investment Services are to be held in the name of the Bank or a Nominee and the Bank and the Nominees offer such nominee and/or custodial services according to these terms and conditions.

3.14 The Bank may at its sole discretion accept requests from the Client to transfer any Equity Linked Investments into or out of the Equity Linked Investment Account subject to payment by the Client to the Bank upon its receipt of such requests a non-refundable handling fee determined by the Bank from time to time.

3.15 Where the Bank provides a service which enables the Client to use an electronic trading platform ("Platform") to give electronic Instructions to perform such functions as permitted by the Bank at its sole and absolute discretion from time to time ("Online Trading Services") in addition to any other applicable terms and conditions for tele-electronic banking services provided by the Bank:

- (a) the Client shall use a valid login identification and password issued by the Bank to access the Platform;
- (b) the Client shall be liable for and accept the consequences of all transactions transmitted by accessing the Platform, even if any such transactions are incorrect, originate from a person other than an authorised person or are mis-communicated;
- (c) after placing any order via the Platform, the Client shall check that such order has been correctly acknowledged by the Bank;
- (d) an order through the Platform would only be accepted by the Bank if all of the information required by the Bank, as notified from time to time to the Client, has been provided to the Bank, its affiliates or agents;
- (e) the Client agrees to check the details of an order before transmission and acknowledges that it may not be possible to cancel the order once transmitted;
- (f) the Platform may automatically reject an order, and the Bank shall be entitled in its sole and absolute discretion (without any liability on the part of the Bank) to reject, stop, intercede or cancel an order, for any reason whatsoever (including but not limited to any circumstances where the Bank believes, in its sole and absolute opinion, that the execution of such order would be in breach of any applicable laws and regulations or otherwise adversely affect the interests of the Bank or its affiliates);

(g) once an order has been accepted and executed, a notification will be sent to the Client confirming the execution. Confirmation of the execution of an order will be sent to the Client in accordance with these terms and conditions. Any delay, error, interruption or failure in the delivery of a confirmation due to the breakdown, interruption, error or failure of the Platform shall not affect the validity of an executed order.

#### 4. Instructions

4.1 The Client confirms that he is the party ultimately responsible for originating all instructions relating to the subscription, purchase, sale, cancellation or unwinding (if applicable) and/or other dealings in Equity Linked Investments as well as the withdrawal or collection of distributions from Equity Linked Investments or the exercise of any elections, rights or claims arising from or relating to Equity Linked Investments including any corporate actions ("Instructions") and no other person stands to gain the benefit or bear the risk of any transaction effected with the Bank.

4.2 The Bank reserves the right to audio record all meetings and conversations, whether conducted by telephone, video conference or in person, between the Client and the Bank's officers, employees, servants or agents. By signing the Application, the Client will be deemed to consent to the audio recording of meetings and conversations with the Client, and to the production and use of such recordings and transcripts of such recordings in any legal or other proceedings.

4.3 All Instructions received by the Bank are irrevocable. The Bank may rely on any Instruction received by it from the Client including telephone or other electronic means and **shall not be liable for any losses or costs suffered or incurred by the Client as a result of the Bank acting upon the same**. The Client shall indemnify the Bank and hold the Bank harmless from any and all losses, damages and liabilities whatsoever arising, and all costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, directly or indirectly from the Bank acting upon any Instructions.

4.4 **The Bank shall be entitled in its absolute discretion to refuse to comply with any Instructions and shall not be obliged to give any reason for any refusal or delay in handling any Instructions. The Bank shall not incur any liability to the Client as a result of its refusal or delay to act in such circumstances.**

4.5 The Bank will not be obliged under any circumstances to take any action in connection with any Instructions received after [3:30 p.m.] of a Business Day or such other time determined by the Bank from time to time.

4.6 **Where the Client is more than one person, the Bank may act on Instructions given by any of those persons acting singly but each such person shall be jointly and severally liable with the other person or persons for any liability incurred by any of them to the Bank in connection with all Instructions and dealings under these terms and conditions.**

4.7 Where the Client provides Instructions in relation to any Online Trading Services as agreed between the Bank and such Client, the Client acknowledges and agrees, in addition to the provisions in [Clause 3.15 relating to trading on the Platform] and [Clause 4.7(c) relating to provision of Instructions by electronic means] and any other applicable terms and conditions for tele-electronic banking services provided by the Bank, that:

- (a) only persons authorised by the Client can access the Platform and use the Online Trading Services;
- (b) the Client shall be responsible for the confidentiality and use of its login identification and password;
- (c) the Client shall be solely responsible for all Instructions entered through the Online Trading Services and any Instructions received by the Bank shall be treated as for all purposes as having been made by the Client at the time received by the Bank and in the form received;
- (d) the Client shall immediately inform the Bank if it becomes aware of any loss, theft or unauthorised use of the login identification or password;
- (e) the Bank has the right to suspend the Online Trading Services if an incorrect login identification and/or password are entered on more than 3 consecutive occasions;

- (f) the Bank reserves the right to terminate the Client's access to the Online Trading Services or any portion of them in its sole and absolute discretion, without notice and for any reason whatever, including the unauthorised use of the Client's access number(s), password(s) and/or account number(s), breach of these terms and conditions, breach of any applicable laws and regulations or otherwise;
- (g) the Bank may, in its sole and absolute discretion, provide statements, confirmations, notifications and other communications to the Client electronically;
- (h) the Bank may in its sole and absolute discretion impose restrictions on the types of orders and the range of prices for orders which can be placed through the Platform;
- (i) the Client shall log off from the Platform immediately following the completion of each session;
- (j) the Bank does not expressly or impliedly warrant the result of the use of the Online Trading Services, or that any or all failures, defects, or errors will be corrected, or that the Online Trading Services will meet the Client's requirements;
- (k) no condition, warranty or representation of any kind is or has been given by or on behalf of the Bank in respect of the merchantability, quality, accuracy, completeness, reliability, performance or fitness for a particular purpose, title, non-infringement, timeliness, currency, absences of viruses or damaging or disabling code for the use of the Online Trading Services, the Platform or any part of them, and accordingly the Client confirms that it has not, in determining whether to use the Online Trading Services, relied on any condition, warranty or representation by the Bank or any person on the Bank's behalf, express or implied, whether arising by law or otherwise in relation to the Online Trading Services, the Platform or any part of them;
- (l) the Bank shall, in the absence of negligence or wilful breach of duty, not be liable or have any responsibility whatever for any delays, errors, interruptions or failure in transmission of orders caused by or arising from the Platform;
- (m) the Bank has not made any recommendation with respect to the Online Trading Services or any transactions in connection with the Online Trading Services, and the Online Trading Services are provided on an "as is" basis at the Client's sole risk; and
- (n) in case of emergency, the Bank may (without any liability on the part of the Bank) halt, suspend, or terminate the Online Trading Services and the transmission of orders via the Platform at its sole and absolute discretion, and the Bank will notify the Client of any such actions as soon as practicable afterwards.

The Client further acknowledges that the Online Trading Services, and any software comprised in it, is proprietary to the Bank. The Client warrants and undertakes that it shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter or adapt in any way, and shall not attempt to gain unauthorised access to, any part of the Online Trading Services or any of the software comprised in them. The Client agrees that the Bank shall be entitled to terminate the Online Trading Services if at any time the Client breaches, or if the Bank at any time reasonably suspects that the Client has breached, this warranty and undertaking.

## **5. Confirmations and Statements**

- 5.1 The Bank shall send by post or any other method determined by the Bank from time to time to the Client a written confirmation (the "Confirmation") of the terms of each sale and purchase transaction in respect of the Equity Linked Investments and effected under these terms and conditions. The Client shall upon receipt of the Confirmation examine the same and to promptly give notice to the Bank if the Client considers that any details stated therein are incorrect in any respect. If the Bank does not receive any written objection from the Client within the period stipulated in a Confirmation for this purpose, the Client shall be deemed to have accepted all the transaction details contained as true and accurate in all respects and agreed to be bound by the terms specified therein.
- 5.2 Without prejudice to any obligations owing by the Client to the Bank, the Client acknowledges and agrees that:
  - (a) in respect of any order for the purchase or subscription of Equity Linked Investment, the Client will only be entitled to such quantity of Equity Linked Investments (if any) as

allocated to the Client and confirmed by the Bank; and

(b) **in respect of any order for the sale or redemption of Equity Linked Investment, the Client will remain liable for all of his obligations in relation to such Equity Linked Investment until the sale or redemption is settled.**

5.3 The Bank shall send to the Client monthly statements of account ("Statements") in respect of the Equity Linked Investments held by the Bank or Nominees on account for the Client. The Client shall upon receipt of a Statement examine the same. If the Bank does not receive any written objection from the Client in respect of any details stated in a Statement within the period stipulated in the Statement for this purpose, the Client shall be deemed to have accepted the same as true and accurate in all respects. Notwithstanding the previous sentence, the Client shall not have the right to object to details contained in a Statement if those details have already been previously stated in a Confirmation which have been accepted by the Client as true and accurate.

## **5A. Suitability**

5A.1 If the Bank solicits the sale of or recommends any Financial Product (as defined in clause 5A.2 below) to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of these terms and conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause 5A.1.

5A.2 "Financial Product" in clause 5A.1 means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Cap. 571). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity (leveraged foreign exchange trading) (as defined in the Securities and Futures Ordinance (Cap. 571)).

5A.3 The Client agrees to regularly provide the Bank with information relating to the Client's risk tolerance, investment objective, investment experience or sophistication, financial situation and financial needs. The Bank uses and relies on this information to help the Client make investment decisions that meet the appropriate risk profile and to ensure, if required, that Financial Products (as defined in clause 5A.2) which the Bank solicits the sale of or recommend to the Client is reasonably suitable for the Client at the point of sale. If there are circumstances or other considerations that the Client feels are relevant, the Client should inform the Bank. The Bank's investment recommendations will be based on the information the Client provides to the Bank.

## **6. Appointment of Nominees and Agents**

6.1 The Client hereby authorizes the Bank to appoint Nominees and to terminate any such arrangements with said Nominees and to appoint new or replacement Nominees.

6.2 The Client agrees that the Bank shall have full power and authority to negotiate and agree for and on behalf of the Client all arrangements with Nominees in respect of services provided by them and, in relation to any termination, new appointment or replacement appointment, to instruct such Nominees to make suitable arrangements in respect of the completion of transactions and transfer of the Equity Linked Investments held for the account of the Client into the name of a new or replacement Nominee.

## **7. Custody of the Equity Linked Investments**

7.1 The Bank shall, or where the Equity Linked Investments are held by a Nominee, shall procure that Nominee to, record and hold in a separate account on its books all Equity Linked Investments sold to the Client under the Equity Linked Investment Services or received by it from the Client from time to time for the account of the Client and shall arrange for all Equity Linked Investments to be held in safe-custody in such manner as the Bank or the relevant Nominee may in its absolute discretion determine.

7.2 Unless and until the Bank receives an Instruction to the contrary, the Bank shall and/or, where relevant, shall procure any Nominee appointed pursuant to clause 6 to:

(a) hold for the account of the Client any interest, dividends and other distributions, return and payments in respect of the Equity Linked Investments held by the Bank or a

Nominee for the account of the Client pursuant to these terms and conditions as the same is actually paid to the Bank or that Nominee;

- (b) hold for the account of the Client any securities, or right to acquire securities, granted to holders of the Equity Linked Investments held by the Bank or a Nominee for the account of the Client pursuant to these terms and conditions;
- (c) where the Client is required to make an election in respect of his rights as an investor in the Equity Linked Investment and where instructed by the Client, use reasonable endeavours to inform the issuer (or such other party as instructed by the Client) of the election made by the Client without any guarantee that the issuer or the relevant person will receive such notification before the prescribed time or at all, but the Bank or the relevant Nominee, as the case may be, will not be responsible for making such elections for the Client;
- (d) where monies are payable in respect of any of the Equity Linked Investments in more than one currency, collect them in such currency as may be permissible by law as the Bank may in its discretion determine;
- (e) where applicable, complete and deliver on behalf of the Client as beneficial owner any ownership certificates in connection with the Equity Linked Investments as may be required by law.

7.3 **Neither the Bank (except to the extent the Bank has obligations as the issuer of the Equity Linked Investments) nor any Nominee is responsible for any delay or default in respect of any obligation owed by the issuer of the Equity Linked Investments or any other person to the Client as an investor in the Equity Linked Investment.** Where there is a discrepancy between the amount of money or quantity of securities due from the issuer of the Equity Linked Investments or such other person and the amount of money or quantity of securities actually received by the Bank or the relevant Nominee in respect of the Equity Linked Investments held by it for the account of the Client, the Bank or that Nominee, as the case may be, has the sole discretion to hold or defer payment or delivery (as the case may be) to the Client until the correct amount of money or quantity of securities is received. At the request of the issuer of the Equity Linked Investments or an exchange on which the Equity Linked Investments or the underlying securities of the Equity Linked Investments are traded or a clearing system operator through which the Equity Linked Investments are cleared, the Bank may demand, and the Client agrees to pay or return, any amounts or securities previously paid or delivered to the Client in respect of Equity Linked Investments issued by that issuer, traded on that exchange, or cleared through that clearing system, and the Client authorises the Bank to debit from any Settlement Account or Securities Account or any account of the Client maintained at the Bank any such amounts.

## **8. Receipt and Disbursement of Moneys or Securities**

8.1 The Bank shall debit and make payments from the relevant Settlement Account without further Instructions from the Client, and the Client hereby authorises the Bank to debit that Settlement Account:

- (a) with an amount (including the subscription price, purchase price and all related accrued interests, fees, costs and expenses, as the case may be) required to be paid by the Client pursuant to any transaction effected under these terms and conditions; and
- (b) all taxes, fees, disbursements, charges and expenses properly payable by the Client pursuant to these terms and conditions or in respect of the subscription, purchase, sale, holding or transfer of Equity Linked Investments or for such other dealings in Equity Linked Investments including where applicable, making elections as an investor in the Equity Linked Investments.

The Bank may make other payments from any Settlement Account in accordance with the Client's Instructions.

8.2 The authorised signatories for all Settlement Accounts and Securities Accounts shall be the authorised signatories for the Equity Linked Investment Account with the same limitation (if any) on their authority, and the signature(s) of the Settlement Accounts and Securities Accounts shall be the Client's specimen signature(s) for operating the Equity Linked Investment Account. The Bank may also act on instructions, in relation to such Equity Linked

Investment Account, Settlement Account(s) and Securities Account(s), confirmed by a signature that matches any specimen signature in our records about the Client.

8.3 **It is a fundamental condition that the Client shall ensure, and the Client undertakes and warrants, that at all times there shall be available in the relevant Settlement Account funds sufficient to satisfy all payments due in relation to any subscription for or purchase of the Equity Linked Investments.** The Bank is authorised (but is not obliged to) to place a stop order at any time after receipt of any such Instruction to purchase to earmark such amount of the funds in the relevant Settlement Account required to satisfy all amounts payable in relation to such subscription or purchase.

8.4 Notwithstanding any term of any other agreement between the Bank and the Client, following the giving of any Instructions to subscribe for or purchase the Equity Linked Investments, and whether or not any earmarking of funds has been effected as aforesaid, the Client shall not be entitled to and shall not withdraw or otherwise utilise, by cheque or otherwise, and the Bank shall not be obliged to release or pay from the relevant Settlement Account, any amount if such withdrawal, use, release or payment will result in the remaining balance of that Settlement Account being insufficient to settle the transaction. Accordingly, the Bank is irrevocably authorised, notwithstanding any provision of any other agreement or arrangement between the Client and the Bank from time to time:

- (a) to refuse to honour any cheque or other payment drawn or debited against that Settlement Account and/or to delay in taking any such action, during any period between the issue of Instructions to subscribe for or purchase Equity Linked Investments and the application of funds payable in relation to such Instructions; and
- (b) to apply monies in that Settlement Account in settlement of any sums payable in relation to any such subscription or purchase in priority to any other instructions of the Client.

8.5 The Client acknowledges and agrees that if at any time there are in the reasonable opinion of the Bank (having regard to other payments debited or due to be debited) insufficient funds in the relevant Settlement Account for these purposes the Bank may (in the Bank's sole discretion and without any obligation to do so on the part of the Bank) transfer funds as necessary from another Settlement Account or any other account or accounts maintained by the Client with the Bank without further instruction or sanction from the Client.

8.6 The Bank shall credit to the relevant Settlement Account:

- (a) all cash received by it and/or a Nominee for the account of the Client from the sale or redemption of the Equity Linked Investments held on behalf of the Client pursuant to these terms and conditions, and
- (b) all interests, income, return and other payments received in respect of the Equity Linked Investments held on behalf of the Client pursuant to these terms and conditions.

8.7 The Bank shall credit to the relevant Securities Account, or if the Securities Account has been closed for whatever reason, any other securities account maintained by the Client with the Bank in accordance with the Securities Services terms and Conditions, all securities (other than Equity Linked Investments) received by it and/or a Nominee for the account of the Client under the Equity Linked Investments held on behalf of the Client pursuant to these terms and conditions. The securities so credited shall be held as part of the Securities Account or such other securities account, as the case may be, in accordance with the terms and conditions of the Securities Account or such other securities account. To the extent that the Client does not maintain any Securities Account or other securities account as aforesaid with the Bank for whatever reason, the Bank is hereby authorised to sell the securities so received and deposit the proceeds thereof to the Settlement Account or any other cash account maintained by the Client with the Bank and the Bank shall not be liable for any losses or costs suffered or incurred by the Client as a result of the Bank acting upon such authorisation. The Client shall indemnify the Bank and hold the Bank harmless from any and all losses, damages and liabilities whatsoever arising, and all costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, directly or indirectly from the Bank acting upon such authorisation.

**9. Fees**

**9.1** In consideration of the provision of the Equity Linked Investment Services by the Bank, the Client shall pay to the Bank fees and charges calculated on such basis as may be prescribed by the Bank and notified to the Client from time to time. The Bank shall be entitled to change the scale of fees and charges and/or impose charges for any services by giving reasonable notice to the Client. In relation to services which the Bank considers exceptional in nature, the Client agrees to pay to the Bank such amount as may be agreed between the Bank and the Client from time to time.

**9.2** The Client shall pay or reimburse to the Bank all costs and out-of-pocket expenses (including, without limitation, all costs and fees imposed by any relevant Equity Linked Investments and all taxes, duties or levies payable in respect of any Equity Linked Investments held on behalf of the Client pursuant to these terms and conditions) incurred by the Bank or any Nominee in the performance of their duties pursuant to these terms and conditions.

**9.3** The Bank is irrevocably authorised to debit or deduct from any Settlement Account from time to time, any fees, charges, costs and expenses payable by the Client under these terms and conditions, including those that relate to the Equity Linked Investments.

**10. Dealings with Settlement Account, Securities Account and Equity Linked Investment Account**

**10.1** The Client agrees not to, and not to purport to, assign, transfer, grant an interest over or otherwise deal in any way, nor (without the Bank's prior written consent) to create or allow to subsist in favour of any person other than the Bank or any other Standard Chartered Bank Group Company any charge, pledge or other encumbrance over, all or any part of the monies or securities from time to time standing to the credit of any of the Settlement Accounts, the Securities Accounts or the Equity Linked Investment Account other than in accordance with these terms and conditions.

**11. Set-off and Lien**

**11.1** Notwithstanding anything contained herein or in any other agreement between the Bank or any other Standard Chartered Bank Group Company on the one part and the Client on the other part, the Bank may at any time and without prior notice to or consent of the Client, set off and withhold from and apply monies, securities, assets, Equity Linked Investments and/or receivables held in or for any Settlement Account, Equity Linked Investment Account or Securities Account or any other account held for the Client (or, if the Client consists of more than one party, any one or more of such parties) with the Bank or any Standard Chartered Bank Group Company (and whether or not such monies, securities, assets, Equity Linked Investments or receivables are held for the Client individually or jointly with others, and whether or not matured or subject to notice) against and in full or partial settlement of all sums and liabilities (of whatsoever nature, whether past present or future, certain or unquantified, actual or contingent, and whether or not accrued in connection with any Settlement Account, Equity Linked Investment Account, Securities Account or the Equity Linked Investment Services) now or at any time hereafter owed by the Client to the Bank or any other Standard Chartered Bank Group Company. The rights of the Bank set out in this clause shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which the Bank or any other Standard Chartered Bank Group Company is at any time otherwise entitled (whether by operation of law, contract or in any other manner whatsoever). The Client hereby irrevocably directs the Bank and any other Standard Chartered Bank Group Company to take all necessary action and effect all necessary transfers in this respect.

**11.2** Without prejudice to the rights of the Bank under clause 11.1, the circumstances in which the Bank may exercise its right of set-off against the Client include without limitation to the following: (a) any liabilities of the Client to the Bank become overdue, (b) any attachment, execution or similar process is levied against the Client, (c) an act of bankruptcy is committed by the Client or a petition in bankruptcy is filed by or against the Client, (d) a receiver is appointed of all or any substantial part of the Client's assets, or (e) the Bank has reason to believe that the Client is unable to pay his debts when due.

## 12. Charge Over Settlement Accounts

12.1 The Client hereby charges all such monies as may from time to time be held in all Settlement Accounts as security for the payment of all monies and liabilities (of whatsoever nature, whether certain or unquantified, actual or contingent) now or at any time hereafter owed by the Client whether to the Bank or to any other Standard Chartered Bank Group Company in connection with the Client's subscription to and utilisation of the Equity Linked Investment Services, the operation of any of the Settlement Accounts or Securities Accounts or otherwise owed by the Client, and all costs, charges and expenses incurred by any Standard Chartered Bank Group Company in the exercise or enforcement of this security.

12.2 The amounts realised by the exercise or enforcement of the security contained in this clause may be applied against the liabilities of the Client in such order of priority as the Bank may in its absolute discretion determine.

12.3 The security contained in this clause is in addition to and without prejudice to any collateral or other security which any Standard Chartered Bank Group Company may now or hereafter hold from or on account of the Client and shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum or sums of money owing by the Client.

12.4 All monies realised pursuant to this clause may be placed and kept to the credit of a suspense account for so long as the Bank or the relevant Standard Chartered Bank Group Company (as the case may be) may in its absolute discretion determine without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any monies or liabilities due or incurred by the Client to any Standard Chartered Bank Group Company.

12.5 The security contained in this clause shall not be prejudiced by any amendment or variation to these terms and conditions or by the liquidation, insolvency or bankruptcy of the Client.

## 13. Dealings by the Bank

13.1 Nothing herein contained shall be deemed to inhibit the Bank from:

(a) acting in any capacity for any other person or from issuing, buying, selling, holding or dealing in any Equity Linked Investment, or otherwise acting in any capacity relating to any Equity Linked Investment, for the account of the Bank or any other Standard Chartered Bank Group Company notwithstanding that Instructions have at any time been received from the Client for the subscription, purchase, sale or holding of or other dealing in the same or similar Equity Linked Investments;

(b) subscribing for, purchasing or procuring the purchase for its own account or for the account of any other of its clients Equity Linked Investments of the same type as or a similar type to any Equity Linked Investment in respect of which Instructions have at any time been received from the Client;

(c) acting in any capacity for any other person or from buying, selling, holding or dealing in any underlying assets of the Equity Linked Investments for the account of the Bank itself or any other Standard Chartered Bank Group Company or any of its other clients notwithstanding that Instructions have at any time been received from the Client for the subscription, purchase, sale or holding of or other dealing in any Equity Linked Investment whose returns are linked to such underlying assets.

The Bank hereby discloses, and the Client hereby confirms, that the Bank may receive consideration and monetary or non-monetary benefits in the circumstances described above.

13.2 **The Bank shall not be liable to account to the Client for any emoluments, profits or any other benefits whatsoever earned by it in relation to any transactions in the Equity Linked Investments effected in pursuance of Instructions received from the Client.**

13.3 Unless required by the laws of Hong Kong, the Bank shall not be under any duty to disclose to the Client any fact or thing which comes to its knowledge or notice in the course of action in any capacity for any other person or in its own capacity.

#### **14. Liability and Indemnity**

14.1 The Client acknowledges and agrees that:

- (a) the Bank accepts no responsibility and shall have no liability whatsoever to the Client in respect of the accuracy, completeness or otherwise of any information provided by the Bank where such information has been independently prepared by a third party;
- (b) each Instruction to effect transactions in the Equity Linked Investments shall be decided upon and issued by the Client;
- (c) the Bank shall not be responsible for any failure, delays, errors or inaccuracies in the handling of Instructions due to the breakdown or failure of transmission or communication facilities or to any other cause or causes beyond its control including (without prejudice to the generality of the foregoing) government restrictions, contract market rulings or suspension of trading.

It is desirable that the Client seeks independent financial advice with respect to any investment in Equity Linked Investments.

14.2 **The Bank and the Nominees shall not be liable to the Client for or in respect of any losses (including without limitation any loss caused by a delay in payment of coupon, principal, or other payments due under any Equity Linked Investment) or failing to comply or delay in complying with its obligations under these terms and conditions which is caused directly or indirectly by force majeure, Act of God, war, terrorism, industrial disputes, natural disaster, adverse weather conditions, failure of communication systems or any other cause, event or circumstances beyond the Bank's reasonable control.**

14.3 Neither the Bank nor any Nominee shall be required to take any legal action unless fully indemnified to its reasonable satisfaction (as a prerequisite to taking such action) for all costs and liabilities by the Client. Without limitation to the foregoing, should the Client wish to take action against the issuer, the arranger and/or placing agent of any Equity Linked Investment, the Bank's role should be limited to assisting with verifying and identifying the Client's holdings in the Equity Linked Investment to the relevant party and the Bank should not in any circumstances be obliged to take action against the issuer, the arranger and/or placing agent on behalf of the Client.

14.4 The Client agrees to indemnify the Bank and reimburse the Bank on demand all claims and liabilities arising, and all costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, whether directly or indirectly, out of or connected with the performance of its duties hereunder or arising or so incurred, whether directly or indirectly, out of or in connection with any breach by the Client of his obligations to the Bank under these terms and conditions including any costs which are of reasonable amount and were reasonably incurred by the Bank in the collection (whether by it or any third party agent employed by it for such purpose) of sums owed by the Client to it or the enforcement of the Client's other obligations.

14.5 Nothing in these terms and conditions or the indemnities contained in this clause shall operate so as to exclude or restrict any liability, the exclusion or restriction of which is prohibited by the laws of Hong Kong.

#### **15. Representations and Warranties of the Client**

15.1 By applying to the Bank for the provision of Equity Linked Investment Services upon these terms and conditions, the Client (or, if the Client is more than one individual, each of such individuals) represents and warrants to the Bank that:

- (a) the Client will not acquire or hold any Equity Linked Investment beneficially by or for any other person, or in violation of any applicable law and the Client will be at all times the beneficial owner of all Equity Linked Investments held by the Bank or any Nominee on account for the Client;
- (b) the Client is the person ultimately responsible for originating all Instructions and no other person stands to gain the commercial or economic benefit or bear the commercial or economic risk thereof;
- (c) all the information provided by the Client from time to time in connection with the establishment and operation of the Equity Linked Investment Account (including without

limitation information provided in the Application and changes thereto notified by the Client) are true and accurate in every respect. The Client acknowledges that they constitute representations in reliance upon which instructions from the Client shall be accepted and shall be treated as part of the agreement constituted by these terms and conditions;

- (d) the Client fully understands and accepts the risks and returns associated with trading or dealing in the Equity Linked Investments. The Client acknowledges that the risk disclosure statements have been provided in a language of his choice and the Client has been invited to read the risk disclosure statements, to ask questions and take independent advice if he wishes;
- (e) it is the Client's decision to enter into any dealings in the Equity Linked Investments ("Transactions") and the Client fully understands the risks and consequences of his doing so and agrees to bear all consequences of the Transactions;
- (f) the Client has full power and authority to enter into these terms and conditions and to exercise the Client's rights and perform the Client's obligations hereunder; and
- (g) all the representations and warranties made by the Client remain true and accurate at all times.

## 16. Disclosure

- 16.1 The Client agrees that all personal data relating to the Client collected by the Bank from time to time may be used and disclosed for such purposes and to such persons (whether in or outside Hong Kong) as may be in accordance with the Bank's policies on use and disclosure of personal data set out in statements, circulars, terms and conditions or notices made available by the Bank to its clients from time to time and such data may be (i) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance), Cap 486 of the laws of Hong Kong and (ii) disclosed (by way of bank references or otherwise) to any financial institution with which the Client has or proposes to have dealings to enable such financial institution to conduct credit checks on the Client.
- 16.2 The Client agrees that the Bank may, without limiting its rights under clause 16.1, from time to time release or provide to any Nominee all or any information held by the Bank in respect of the Client and any Settlement Account, Equity Linked Investment Account or Securities Account on the basis that those Nominees, its personnel and staff, will, save to the extent that it is required to disclose the same in order to comply with any laws or regulations or the requirements of any statutory and regulatory authorities or to carry out the duties and comply with the obligations referred to in these terms and conditions, keep such information confidential and only use it for the purposes of carrying out the duties and complying with the obligations referred to in these terms and conditions.
- 16.3 Without limiting the generality of the foregoing, the Client further agrees that the personal data and information referred to in clause 16.1 may be disclosed by the Bank in the event that such disclosure is required by any securities exchange or regulatory or governmental body having jurisdiction over it, whether or not the requirement has the force of law.

## 17. Termination

- 17.1 **The agreement set out in these terms and conditions may be terminated at the Bank's sole discretion or may be cancelled by the Client in writing at any time. The Bank shall not terminate the Client's account without first giving reasonable notice.**
- 17.2 The agreement set out in these terms and conditions shall forthwith terminate upon the death or upon a legally recognised declaration of incapacity or incapability of the Client but all acts performed by the Bank and/or Nominees prior to receiving written notice of such death, incapacity, incapability, shall be valid and binding upon the Client and the successors in title or permitted assigns of the Client.
- 17.3 Where the Client consists of more than one person, and one of the events described under clause 17.2 occurs in respect of one of those persons (the "Affected Person"), from the time of the occurrence of such event the Client shall consist of the other persons previously constituting the Client prior to such event. The Affected Person shall remain liable as part of the Client under these terms and conditions in respect of liabilities incurred up to the occurrence of the relevant event.

17.4 Notwithstanding any other provisions of the banking agreement, if the Equity Linked Investment Services, Equity Linked Investment Account, Settlement Account, Securities Account and/or any other accounts in respect of the Equity Linked Investment Services (whether maintained by the Client in sole name or joint names) are terminated or to be terminated, whether by the Client or by the Bank, the Client shall withdraw or transfer the monies and other assets in the relevant accounts and close all such relevant accounts as soon as reasonably practicable and in any case within 30 calendar days after termination of the Equity Linked Investment Services and/or such relevant accounts.

17.5 If the Client does not withdraw or transfer the monies and other assets and close the relevant accounts as required by clause 17.4, the Bank shall have the right without further notice to or consent from the Client:

- a) to pay the monies in the relevant accounts to the Client;
- b) to redeem, sell, transfer or otherwise dispose of the other assets in the relevant accounts and pay the proceeds (after deducting the expenses of reasonable amount and reasonably incurred by the Bank in the process) to the Client; and
- c) thereafter, to close the relevant accounts including taking such action and completing and executing such documents for and on behalf of the Client as the Bank considers appropriate for such purpose.

17.6 In exercising the right under clause 17.5, the Bank is entitled to redeem, sell, transfer or dispose of the assets at any time and price and in any way, and pay the monies and proceeds to the Client in any manner, as the Bank considers appropriate in the circumstances. In this case, the Bank has no duty to redeem, sell, transfer or dispose of the assets at a particular time or price or in a particular way and shall not be liable for any loss which the Client may suffer as a result, unless such loss is directly caused by the Bank's negligence, wilful default or fraud.

## **18. Governing Law and Submission to Jurisdiction**

18.1 These terms and conditions shall be governed by and construed in accordance with the laws of Hong Kong.

18.2 The Client hereby:

- (a) irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong and of any places where the Client has assets now or in the future;
- (b) waives any objections on the grounds of venue, forum non conveniencia or similar grounds; and
- (c) consents to service of process including any writ, judgement or other notice by mail to the Client's address on the Bank's records or to such other address as may subsequently be notified in writing to, and received by, the Bank.

## **19. Further Assurance**

19.1 The Client undertakes to the Bank to do and/or execute any act, deed, document or thing which the Bank shall require the Client to do in connection with the implementation, execution and enforcement of these terms and conditions and the perfection of the Bank's security interest constituted under these terms and conditions. The Client hereby appoints the Bank as its lawful attorney (or, where the Client consists of more than one person, the lawful attorney of each such person) to do or execute all such acts, deeds, documents or things on behalf of the Client as the Bank considers necessary or desirable in connection with such implementation, execution, enforcement and perfection.

## **20. Compliance with Laws**

20.1 The Client shall not instruct the Bank to do anything in relation to the Equity Linked Investment Services, the Equity Linked Investment Account or, any Settlement Account or any Securities Account which is a breach of, or would involve or result in the Bank or any other person being in breach of, the Securities and Futures Ordinance (Cap 571 of the Law of Hong Kong) or any other laws, rules or regulations in force or applicable to the conduct of the business of dealing in securities in Hong Kong or otherwise binding on the Bank (whether or not having the force of law).

20.2 The Client acknowledges that he shall be solely responsible for compliance with all obligations of disclosure under the relevant provisions of Part XV of the Securities and Futures Ordinance, the Codes on Takeovers and Mergers and Share Repurchases, and any other applicable laws, rules or regulations relating to disclosure of interests in securities in Hong Kong or any other relevant places, each as amended from time to time. The Bank shall not be obligated to give notice of holdings to the Client in any form or by any time limit for such purpose save any notice or statement to be issued as expressly set out in these terms and conditions. **The Client acknowledges that neither the Bank nor any other Standard Chartered Bank Group Company, their respective directors, officers or employees shall be liable for any loss, cost or expense of the Client from any failure or delay by the Client or any other person to disclose in accordance with any such obligation nor any delay or default in notification to the Client as to the carrying into effect of instructions and the Client shall indemnify the Bank for any reasonable loss, cost or expense arising from any such failure.**

20.3 The Client undertakes to the Bank that the Client will not engage or attempt to engage, and that the Client has proper safeguards in place to prevent the Client from engaging, in any activity which may constitute market misconduct under the Securities and Futures Ordinance and further agrees to inform the Bank immediately if the Client becomes aware of any activity by any person that may result in the Client being involved in market misconduct.

## 21. Information

21.1 All Equity Linked Investments are subject to the applicable offering documents, constitutive documents, information memoranda, prospectuses, product specifications, term sheets and other contractual terms of the Equity Linked Investments. Upon request, the Bank shall provide to the Client product specifications and any prospectus or other offering documents of the Equity Linked Investments.

21.2 The Bank may rely on price quoting agencies or centres to ascertain the price of a particular Investment and the prices so quoted are not final and binding. The pricing information is only indicative information provided to the Client by the Bank via price quoting agencies or centres. **The Bank shall not be responsible for any losses suffered by the Client in connection with the execution of transactions in accordance with the price quotes.**

21.3 The value of the Equity Linked Investments held for the Client's Equity Linked Investment Account as indicated on the monthly statements of account may represent the nominal face value of such investments only. The proceeds which the Client may obtain on selling the Equity Linked Investments prior to their maturity date (if applicable) may be less than the amount the Client invested in such Equity Linked Investments (possibly significantly, depending on market conditions).

21.4 Except where the Bank is the issuer, the Bank has not verified the information contained in any offering document, constitutive document, information memoranda, prospectus, product specification, term sheet or other contractual terms of the Equity Linked Investments. The Client understands that the Bank does not assume any responsibility for the accuracy, completeness or timeliness of any information provided. The Bank is not responsible for any decision made by the Client, or any action or omission by the Client, as a result of any information provided by the Bank.

21.5 The mere provision of marketing or promotional materials relating to any Equity Linked Investment for general information purposes does not constitute an offer, recommendation or solicitation by the Bank to the Client.

## 22. Joint Liability

22.1 In circumstances where two or more persons have jointly subscribed to the Equity Linked Investment Services:

(a) **the Bank may act on the instructions of either person acting singly but each such person shall be jointly and severally liable with the other person for any obligation or liability incurred by either of them to the Bank in connection with the Equity Linked Investment Services or the Settlement Accounts or the Equity Linked Investment Account or the Securities Accounts or otherwise under or in connection with these**

**terms and conditions;**

- (b) upon the death of any person, any Equity Linked Investments, deeds and property of any description held in the joint names of the Client shall be held by the Bank to the order of the survivor or survivors of the Client subject to compliance with the provisions of the Estate Duty Ordinance (Cap 111 of the Laws of Hong Kong), but without prejudice to the Bank's rights in respect thereof arising out of any lien, charge, pledge, set-off, counterclaim or otherwise or to any step which the Bank may deem fit to take in view of any claim by any person other than such survivor or survivors; and
- (c) the Bank shall be at liberty to release or discharge any of such persons from the liability hereunder or to accept any composition from or make other arrangements with any of such persons without releasing or discharging the other or others or otherwise prejudicing or affecting the Bank's rights and remedies against the other or others, and none of them shall be released or discharged by the death of any one of them.

**23. Notice**

- 23.1 Any communication from the Client to the Bank shall be irrevocable and shall not be effective until actually received by the Bank at its designated address and/or in the designated manner.
- 23.2 Any communications or notices required or permitted to be given by or on behalf of the Bank to the Client may be given in writing and sent by mail (postage prepaid) to the Client at the last mailing address on record with the Bank for the Equity Linked Investment Account.
- 23.3 All communication and documents so sent by letter under clause 23.2 shall be deemed to have been received by the recipient:  
24 hours after posting if mailed to an address in Hong Kong, or 7 days after posting if mailed to an address elsewhere, save that in the case of legal process these periods shall be increased to 7 and 21 days respectively.
- 23.4 Each of the other joint applicants (if any) irrevocably appoints the person named as "Primary Applicant" or "Primary Account Holder" in the Application as his agent for the purpose of service by the Bank of such notices, demands or other communications as well as any legal process arising in connection with the agreement constituted by these terms and conditions or the Equity Linked Investment Services.

**24. Miscellaneous**

- 24.1 The Client requests the Bank to contact the Client, through any channel(s) as the Bank deems fit, in relation to any investment opportunity which the Bank considers may be of interest to the Client, but the Client acknowledges that the Bank shall not be obliged to do so.
- 24.2 If any of these terms and conditions is held or deemed to be void or unenforceable, the other terms will remain in full force and effect.
- 24.3 The Bank shall have the right to, by giving reasonable notice, amend any provision of these terms and conditions.
- 24.4 The Client represents and warrants to the Bank that all information provided by the Client from time to time in connection with the establishment and operation of the Equity Linked Investment Account (including without limitation information provided in the Application and changes thereto notified by the Client) are true and accurate in every respect. The Client acknowledges that they constitute representations in reliance upon which Instructions from the Client shall be accepted, and shall be treated as part of the agreement constituted by these term and conditions. **The Client shall notify the Bank forthwith of any material change in such information.**
- 24.5 The Bank shall notify the Client of any material change in any information in relation to the Bank and provided hereunder.
- 24.6 The failure of the Bank to exercise or delay in exercising a right or remedy provided by these terms and conditions or by law does not constitute a waiver of the right or remedy or prevent further exercise of the right or remedy or another right or remedy.

## **Debt Securities Services**

### **Terms & conditions**

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## Debt Securities Services terms & conditions

Important: Please read these terms and conditions carefully.

These terms and conditions set out the rights and obligations of you, the Client, and us, the Bank, in connection with your use of the “Debt Securities Services”. All these terms are legally binding, so please read through them carefully before you agree to be bound by them.

Please read in conjunction with **“Additional terms and conditions of U.S. taxation for investment products”**.

### 1. Definitions and Interpretation

1.1 In these terms and conditions, unless specifically defined or redefined or the context otherwise requires:

“**Application**” means the application form signed by the Client in respect of Debt Securities Services;

“**Bank**” means Standard Chartered Bank (Hong Kong) Limited and its successors and assigns;

“**Business Day**” means any day (excluding Saturday and Sunday) on which the Bank is open for the transaction of business in Hong Kong;

“**Client**” means any client being an individual in his personal capacity signing, and named in, the Application and who has applied to the Bank to subscribe to the Debt Securities Services and in whose name the Settlement Accounts and the Securities Account (if any) are maintained; where the Debt Securities Services are to be jointly subscribed by, and the Settlement Accounts and the Securities Accounts (if any) are in the joint name of, two or more persons, then unless otherwise specified or the context otherwise requires, “Client” shall mean all of such individuals collectively;

“**Debt Securities**” include, but not limited to, bonds, notes and certificates of deposit;

“**Debt Securities Account**” means the account opened and maintained by the Client for the purposes of the Debt Securities Services and bearing the number specified in the Application, and shall include such account as may from time to time be re-designated or re-numbered;

“**Debt Securities Services**” means the services offered by the Bank to the Client under these terms and conditions;

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

“**Holding Company**” and “**Subsidiary**” have the meanings ascribed thereto in section 2 of the Companies Ordinance;

“**Instructions**” has the meaning set out in clause 4.1 below;

“**Nominee**” means such entity as may be appointed from time to time by the Bank to provide nominee, custodial or any other services in respect of Debt Securities acquired by or received from the Client under these terms and conditions;

“**Settlement Account**”, in respect of Debt Securities held or to be held by the Bank or a Nominee on account for the Client, means the bank account established and maintained by the Client with the Bank which is designated by the Client from time to time to hold funds for the settlement of the subscription, purchase or sale of that Debt Securities and/or for the receipt of interest and principal (if any) in connection with that Debt Securities and/or for the payment of any fees in connection with the Debt Securities Services; and “**Settlement Accounts**” means all such accounts maintained at the Bank in the name of the Client;

“**Securities Account**”, in respect of Debt Securities held or to be held by the Bank or a Nominee on account for the Client, means the securities account established and maintained by the Client with the Bank which is designated by the Client from time to time for the holding and receipt of securities (other than Debit Securities), if any, in connection with that Debt Securities; and “**Securities Accounts**” means all such accounts maintained at the Bank in the name of the Client;

**“Standard Chartered Bank Group Company”** means any one of the Bank, Standard Chartered Bank (including all its branches) (“SCB”) and any company which is or at any time becomes (i) a holding company or subsidiary of SCB or (ii) a subsidiary of a holding company of SCB.

- 1.2 In these terms and conditions, unless the context otherwise requires:
  - (a) the word “person” includes any individual, company, firm, partnership, joint venture association, sole proprietorship or other business entity;
  - (b) words denoting one gender shall include all other genders;
  - (c) words denoting the singular shall include the plural and vice versa;
  - (d) headings have been inserted for convenience of reference and shall not affect construction.
- 1.3 In the event of any conflict or discrepancy between these terms and conditions and (a) the terms of any other agreement subsisting from time to time between the Bank and the Client or (b) the terms of any agreement between such Client and any other Standard Chartered Bank Group Company in respect of dealings in Debt Securities, these terms and conditions shall prevail.
- 1.4 The Chinese translation of these terms and conditions is provided for convenience only and the English version shall prevail for all purposes. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.

## **2. Risk Disclosure**

- 2.1 The price of Debt Securities fluctuates, sometimes dramatically. The price of Debt Securities may move up or down, and may even become valueless. It is as likely that losses will be incurred rather than profit made as a result of subscribing for, buying and selling Debt Securities. The Client should therefore carefully consider whether such transactions are suitable in light of the Client’s financial position and investment objectives before entering into such transactions.
- 2.2 The obligation to pay the Client any interest, principal and other amounts payable under, or to deliver to the Client any securities or underlying assets in accordance with, the terms of Debt Securities, or any other obligations owed to the Client under the terms of the Debt Securities, lie with the issuer (or any other person responsible for those obligations under the terms of that Debt Securities). Those obligations are not, except where the Bank is the issuer, owed by the Bank, and except where the Bank is the issuer, the Bank is not responsible for ensuring that those obligations are satisfied. The only obligations of the Bank in relation to the Debt Securities Services are contained in these terms and conditions.
- 2.3 Market conditions may mean that the Client is unable to sell Debt Securities at the desired time or at the desired price, or at all.
- 2.4 In leaving your securities in the custody of another person, you may be exposed to the credit risk of that person.
- 2.5 The return of the Debt Securities may be linked to the performance of underlying assets, which may comprise a single equity security, a basket of equity securities, or an equity or commodity or other index or a basket of any of such indices. An investment in such Debt Securities is not an investment in the underlying assets and the Client has no rights in respect of such underlying assets or their dividends. The value of the underlying assets may move up or down and past performance is not necessarily a guide to future performance. Changes in the value of the underlying assets may result in changes to the price and/or the repayment value of such Debt Securities and income derived therefrom (if any), which may have a different result or a result of greater magnitude than the change in the value of the underlying assets. The Bank has not performed, and will not at any time perform, any investigation or review of the underlying assets, nor does it make any guarantee or express or implied warranty in respect of the performance of the underlying assets, nor the selection thereof. Dealing in such Debt Securities involves substantial risks and may not be suitable for all Clients. The Client should therefore carefully consider whether such transactions are suitable in light of the Client’s experience, financial position, investment objectives and other relevant circumstances.

2.6 Where the Debt Securities is not “principal protected”, the principal amount invested will not be assured and the Client may end up receiving either (i) amounts less than the principal amount invested or (ii) assets with a value substantially below that of the principal amount invested. Where the Debt Securities is described as “principal protected”, it means that only the income or other returns on the product may fluctuate due to, for example, movements in the value of the underlying assets and that the principal amount will be repayable in full at maturity date. However, the principal amount may be protected only to a certain extent or only upon fulfillment of certain conditions (e.g., that no early termination events has occurred.) Investors should review the terms and conditions of each Debt Security carefully to assess the extent of principal protection available.

2.7 The Client hereby acknowledges and accepts the above risks in utilising the Debt Securities Services. The Client further acknowledges and accepts that the above risks do not purport to disclose all of the risks and all of the significant aspects of each Debt Security. The Client should carefully read the contents of the relevant offering documents and term sheets to understand the features of and the specific risks associated with the relevant Debt Security before entering into such transactions.

### 3. Purchase, Sale, Holding and Redemption of, and Election under, Debt Securities

3.1 The Client may give Instructions to the Bank from time to time. Where the Instructions relate to the sale or purchase of Debt Securities, the Bank may at its sole discretion accept or reject such Instructions. Acceptance by the Bank of Instructions for the subscription, sale or purchase of Debt Securities constitutes a binding contract between the Bank and the Client on the terms of the Instructions.

3.2 The Client hereby authorises the Bank to buy and sell Debt Securities for the account of the Client and otherwise deal with Debt Securities, receivables or monies held in or for the Debt Securities Account, monies held in or for the Settlement Account or securities (other than Debt Securities) held in or for the Securities Settlement Account upon the Instructions of the Client as given in accordance with these terms and conditions. Unless otherwise indicated by the Bank (in the confirmation for the relevant transaction or otherwise), the Bank shall act as principal for the Client in effecting transactions pursuant to these terms and conditions and the Bank will have no liability to the Client should the Client not be able to buy or sell the Debt Securities except as a result of the Bank's negligence or wilful breach of duty.

3.3 Where the Client is required to make an election for the receipt of cash or securities (or any specific combination of cash and securities) under the terms and conditions of the Debt Securities, the Client shall inform the Bank of his election before the prescribed time. **The Bank shall not be liable or responsible for reminding the Client of the election before the prescribed time nor for making such elections for the Client.** In the event that the Client fails to provide an election under the Debt Securities before the prescribed time, the Client hereby authorises the Bank to elect full cash payment under the Debt Securities, and **the Bank shall not be liable for any losses or costs suffered or incurred by the Client as a result of the Bank acting upon such authorisation.** The Client shall indemnify the Bank and hold the Bank harmless from any and all losses, damages and liabilities whatsoever arising, and all costs and expenses (including without limitation legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, directly or indirectly from the Bank acting upon such authorisation.

3.4 **The Client is responsible for all investment decisions made by him and all Instructions given by him to the Bank.**

3.5 Any sale and purchase transaction effected by the Bank under these terms and conditions shall be subject to and be executed, cleared and settled in accordance with the rules, regulations, codes, customs and practices prevailing in the market(s) on which the Debt Securities are being traded or listed.

3.6 All Debt Securities acquired by the Client under the Debt Securities Services are to be held in the name of the Bank or a Nominee and the Bank and the Nominees offer such nominee and/or custodial services according to these terms and conditions.

3.7 The Bank may at its sole discretion accept requests from the Client to transfer any Debt

Securities into or out of the Debt Securities Account subject to payment by the Client to the Bank upon its receipt of such requests a non-refundable handling fee determined by the Bank from time to time.

**3.8 Important notes for Bonds with U.S. sourced investment income**

Before trading in any bonds with U.S. sourced investment income through Debt Securities Services of Standard Chartered Bank (Hong Kong) Limited (the "Bank"), clients are reminded to read "**Additional terms and conditions of U.S. taxation for investment products**" carefully.

**3.9** Where the Bank provides a service which enables the Client to use an electronic trading platform ("Platform") to give electronic Instructions to perform such functions as permitted by the Bank at its sole and absolute discretion from time to time ("Online Trading Services") in addition to any other applicable terms and conditions for tele-electronic banking services provided by the Bank:

- (a) the Client shall use a valid login identification and password issued by the Bank to access the Platform;
- (b) the Client shall be liable for and accept the consequences of all transactions transmitted by accessing the Platform, even if any such transactions are incorrect, originate from a person other than an authorised person or are mis-communicated;
- (c) after placing any order via the Platform, the Client shall check that such order has been correctly acknowledged by the Bank;
- (d) an order through the Platform would only be accepted by the Bank if all of the information required by the Bank, as notified from time to time to the Client, has been provided to the Bank, its affiliates or agents;
- (e) the Client agrees to check the details of an order before transmission and acknowledges that it may not be possible to cancel the order once transmitted;
- (f) the Platform may automatically reject an order, and the Bank shall be entitled in its sole and absolute discretion (without any liability on the part of the Bank) to reject, stop, intercede or cancel an order, for any reason whatsoever (including but not limited to any circumstances where the Bank believes, in its sole and absolute opinion, that the execution of such order would be in breach of any applicable laws and regulations or otherwise adversely affect the interests of the Bank or its affiliates);
- (g) once an order has been accepted and executed, a notification will be sent to the Client confirming the execution. Confirmation of the execution of an order will be sent to the Client in accordance with these terms and conditions. Any delay, error, interruption or failure in the delivery of a confirmation due to the breakdown, interruption, error or failure of the Platform shall not affect the validity of an executed order.

**4. Instructions**

**4.1** The Client confirms that he is the party ultimately responsible for originating all instructions relating to the subscription, purchase and/or sale of or other dealings in Debt Securities as well as the withdrawal or collection of Debt Securities or distributions from Debt Securities or the exercise of any elections, rights or claims arising from or relating to Debt Securities including any corporate actions ("Instructions") and no other person stands to gain the benefit or bear the risk of any transaction effected with the Bank.

**4.2** The Bank reserves the right to record telephone conversations. By signing the Application, the Client will be deemed to consent to the recording of telephone conversations with the Client, and to the production and use of such recordings and transcripts of such recordings in any legal or other proceedings.

**4.3** All Instructions received by the Bank are irrevocable. The Bank may rely on any Instruction received by it from the Client including telephone or other electronic means and **shall not be liable for any losses or costs suffered or incurred by the Client as a result of the Bank acting upon the same. The Client shall indemnify the Bank and hold the Bank harmless from any and all losses, damages and liabilities whatsoever arising, and all costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, directly or indirectly from the Bank acting upon any Instructions.**

4.4 **The Bank shall be entitled in its absolute discretion to refuse to comply with any Instructions and shall not be obliged to give any reason for any refusal or delay in handling any Instructions. The Bank shall not incur any liability to the Client as a result of its refusal or delay to act in such circumstances.**

4.5 The Bank will not be obliged under any circumstances to take any action in connection with any Instructions received after 4:00 p.m. of a Business Day or such other time determined by the Bank from time to time.

4.6 **Where the Client is more than one person, the Bank may act on Instructions given by any of those persons acting singly but each such person shall be jointly and severally liable with the other person or persons for any liability incurred by any of them to the Bank in connection with all Debt Securities dealings under these terms and conditions.**

4.7 Where the Client provides Instructions in relation to any Online Trading Services as agreed between the Bank and such Client, the Client acknowledges and agrees, in addition to the provisions in [Clause 3.9 relating to trading on the Platform] and [Clause 4.7(c) relating to provision of Instructions by electronic means] and any other applicable terms and conditions for tele-electronic banking services provided by the Bank, that:

- (a) only persons authorised by the Client can access the Platform and use the Online Trading Services;
- (b) the Client shall be responsible for the confidentiality and use of its login identification and password;
- (c) the Client shall be solely responsible for all Instructions entered through the Online Trading Services and any Instructions received by the Bank shall be treated as for all purposes as having been made by the Client at the time received by the Bank and in the form received;
- (d) the Client shall immediately inform the Bank if it becomes aware of any loss, theft or unauthorised use of the login identification or password;
- (e) the Bank has the right to suspend the Online Trading Services if an incorrect login identification and/or password are entered on more than 3 consecutive occasions;
- (f) the Bank reserves the right to terminate the Client's access to the Online Trading Services or any portion of them in its sole and absolute discretion, without notice and for any reason whatever, including the unauthorised use of the Client's access number(s), password(s) and/or account number(s), breach of these terms and conditions, breach of any applicable laws and regulations or otherwise;
- (g) the Bank may, in its sole and absolute discretion, provide statements, confirmations, notifications and other communications to the Client electronically;
- (h) the Bank may in its sole and absolute discretion impose restrictions on the types of orders and the range of prices for orders which can be placed through the Platform;
- (i) the Client shall log off from the Platform immediately following the completion of each session;
- (j) the Bank does not expressly or impliedly warrant the result of the use of the Online Trading Services, or that any or all failures, defects, or errors will be corrected, or that the Online Trading Services will meet the Client's requirements;
- (k) no condition, warranty or representation of any kind is or has been given by or on behalf of the Bank in respect of the merchantability, quality, accuracy, completeness, reliability, performance or fitness for a particular purpose, title, non-infringement, timeliness, currency, absences of viruses or damaging or disabling code for the use of the Online Trading Services, the Platform or any part of them, and accordingly the Client confirms that it has not, in determining whether to use the Online Trading Services, relied on any condition, warranty or representation by the Bank or any person on the Bank's behalf, express or implied, whether arising by law or otherwise in relation to the Online Trading Services, the Platform or any part of them;
- (l) the Bank shall, in the absence of negligence or wilful breach of duty, not be liable or have any responsibility whatever for any delays, errors, interruptions or failure in transmission of orders caused by or arising from the Platform;

- (m) the Bank has not made any recommendation with respect to the Online Trading Services or any transactions in connection with the Online Trading Services, and the Online Trading Services are provided on an “as is” basis at the Client’s sole risk; and
- (n) in case of emergency, the Bank may (without any liability on the part of the Bank) halt, suspend, or terminate the Online Trading Services and the transmission of orders via the Platform at its sole and absolute discretion, and the Bank will notify the Client of any such actions as soon as practicable afterwards.

The Client further acknowledges that the Online Trading Services, and any software comprised in it, is proprietary to the Bank. The Client warrants and undertakes that it shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter or adapt in any way, and shall not attempt to gain unauthorised access to, any part of the Online Trading Services or any of the software comprised in them. The Client agrees that the Bank shall be entitled to terminate the Online Trading Services if at any time the Client breaches, or if the Bank at any time reasonably suspects that the Client has breached, this warranty and undertaking.

## **5. Confirmations and Statements**

- 5.1 The Bank shall send by post or any other method determined by the Bank from time to time to the Client a written confirmation (the “Confirmation”) of the terms of each sale and purchase transaction in respect of Debt Securities and effected under these terms and conditions. The Client shall upon receipt of the Confirmation examine the same and to promptly give notice to the Bank if the Client considers that any details stated therein are incorrect in any respect. If the Bank does not receive any written objection from the Client within the period stipulated in a Confirmation for this purpose, the Client shall be deemed to have accepted all the transaction details contained as true and accurate in all respects.
- 5.2 The Bank shall send to the Client monthly statements of account (“Statements”) in respect of Debt Securities held by the Bank or Nominees on account for the Client. The Client shall upon receipt of a Statement examine the same. If the Bank does not receive any written objection from the Client in respect of any details stated in a Statement within the period stipulated in the Statement for this purpose, the Client shall be deemed to have accepted the same as true and accurate in all respects. Notwithstanding the previous sentence, the Client shall not have the right to object to details contained in a Statement if those details have already been previously stated in a Confirmation which have been accepted by the Client as true and accurate.

## **5A. Suitability**

- 5A.1 If the Bank solicits the sale of or recommends any Financial Product (as defined in clause 5A.2 below) to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client’s financial situation, investment experience and investment objectives. No other provision of these terms and conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause 5A.1.
- 5A.2 “Financial Product” in clause 5A.1 means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Cap. 571). Regarding “leveraged foreign exchange contracts”, it is only applicable to those traded by persons licensed for Type 3 regulated activity (leveraged foreign exchange trading) (as defined in the Securities and Futures Ordinance (Cap. 571)).
- 5A.3 The Client agrees to regularly provide the Bank with information relating to the Client’s risk tolerance, investment objective, investment experience or sophistication, financial situation and financial needs. The Bank uses and relies on this information to help the Client make investment decisions that meet the appropriate risk profile and to ensure, if required, that Financial Products (as defined in clause 5A.2) which the Bank solicits the sale of or recommend to the Client is reasonably suitable for the Client at the point of sale. If there are circumstances or other considerations that the Client feels are relevant, the Client should inform the Bank. The Bank’s investment recommendations will be based on the information the Client provides to the Bank.

## **6. Appointment of Nominees and Agents**

- 6.1 The Client hereby authorizes the Bank to appoint Nominees and to terminate any such arrangements with said Nominees and to appoint new or replacement Nominees.
- 6.2 The Client agrees that the Bank shall have full power and authority to negotiate and agree for and on behalf of the Client all arrangements with Nominees in respect of services provided by them and, in relation to any termination, new appointment or replacement appointment, to instruct such Nominees to make suitable arrangements in respect of the completion of transactions and transfer of Debt Securities held for the account of the Client into the name of a new or replacement Nominee.

## 7. Custody of Debt Securities

- 7.1 The Bank shall, or, where Debt Securities are held by a Nominee, shall procure that Nominee to, record and hold in a separate account on its books all Debt Securities sold to the Client under the Debt Securities Services or received by it from the Client from time to time for the account of the Client and shall arrange for all Debt Securities to be held in safe-custody in such manner as the Bank or the relevant Nominee may in its absolute discretion determine.
- 7.2 Unless and until the Bank receives an instruction to the contrary, the Bank shall and/or, where relevant, any Nominee appointed pursuant to clause 6 shall:
  - (a) hold for the account of the Client any interest, dividends and other distributions and payments in respect of Debt Securities held by the Bank or a Nominee for the account of the Client pursuant to these terms and conditions as the same is actually paid to the Bank or that Nominee;
  - (b) hold for the account of the Client any securities, or right to acquire securities, granted to holders of Debt Securities held by the Bank or a Nominee for the account of the Client pursuant to these terms and conditions;
  - (c) where the Client is required to make an election in respect of his rights as a Debt Securities holder and where instructed by the Client, use reasonable endeavours to inform the issuer (or such other party as instructed by the Client) of the election made by the Client without any guarantee that the issuer or the relevant person will receive such notification before the prescribed time or at all, but the Bank or the relevant Nominee, as the case may be, will not be responsible for making such elections for the Client;
  - (d) where monies are payable in respect of any of the Debt Securities in more than one currency, collect them in such currency as may be permissible by law as the Bank may in its discretion determine;
  - (e) complete and deliver on behalf of the Client as beneficial owner any ownership certificates in connection with Debt Securities as may be required by law.
- 7.3 **Neither the Bank (except to the extent the Bank has obligations as the issuer of the Debt Securities) nor any Nominee is responsible for any delay or default in respect of any obligation owed by the Debt Securities issuer or any other person to the Client as a holder of Debt Securities.** Where there is a discrepancy between the amount of money or quantity of securities due from the Debt Securities issuer or such other person and the amount of money or quantity of securities actually received by the Bank or the relevant Nominee in respect of Debt Securities held by it for the account of the Client, the Bank or that Nominee, as the case may be, has the sole discretion to hold or defer payment or delivery (as the case may be) to the Client until the correct amount of money or quantity of securities is received. At the request of the Debt Securities issuer or an exchange on which the Debt Securities are traded or a clearing system operator through which the Debt Securities are cleared, the Bank may demand, and the Client agrees to pay or return, any amounts or securities previously paid or delivered to the Client in respect of Debt Securities issued by that Debt Securities issuer, traded on that exchange, or cleared through that clearing system, and the Client authorises the Bank to debit from any Settlement Account or Securities Account or any account of the Client maintained at the Bank any such amounts.

## 8. Receipt and Disbursement of Moneys or Securities

- 8.1 The Bank shall debit and make payments from the relevant Settlement Account without further instructions from the Client, and the Client hereby authorises the Bank to debit that Settlement Account:

- (a) with an amount (including the subscription price, purchase price and all related accrued interests, fees, costs and expenses) required to be paid by the Client pursuant to any transaction effected under these terms and conditions; and
- (b) all taxes, fees, disbursements, charges and expenses properly payable by the Client pursuant to these terms and conditions or in respect of the subscription, purchase, sale, holding or transfer of Debt Securities or for such other dealings in Debt Securities including making elections as Debt Securities holder.

The Bank may make other payments from any Settlement Account in accordance with the Client's Instructions.

8.2 The authorised signatories for all Settlement Accounts and Securities Accounts shall be the authorised signatories for the Debt Securities Account with the same limitation (if any) on their authority, and the signature(s) of the Settlement Accounts and Securities Accounts shall be the Client's specimen signature(s) for operating the Debt Securities Account. The Bank may also act on instructions, in relation to such Debt Securities Account, Settlement Account(s) and Securities Account(s), confirmed by a signature that matches any specimen signature in our records about the Client.

8.3 **It is a fundamental condition that the Client shall ensure, and the Client undertakes and warrants, that at all times there shall be available in the relevant Settlement Account funds sufficient to satisfy all payments due in relation to any subscription for or purchase of Debt Securities.** The Bank is authorised (but is not obliged to) to place a stop order at any time after receipt of any such Instruction to purchase to earmark such amount of the funds in the relevant Settlement Account required to satisfy all amounts payable in relation to such subscription or purchase.

8.4 Notwithstanding any term of any other agreement between the Bank and the Client, following the giving of any Instructions to subscribe for or purchase Debt Securities, and whether or not any earmarking of funds has been effected as aforesaid, the Client shall not be entitled to and shall not withdraw or otherwise utilise, by cheque or otherwise, and the Bank shall not be obliged to release or pay from the relevant Settlement Account, any amount if such withdrawal, use, release or payment will result in the remaining balance of that Settlement Account being insufficient to settle the transaction. Accordingly, the Bank is irrevocably authorised, notwithstanding any provision of any other agreement or arrangement between the Client and the Bank from time to time:

- (a) to refuse to honour any cheque or other payment drawn or debited against that Settlement Account and/or to delay in taking any such action, during any period between the issue of Instructions to subscribe for or purchase Debt Securities and the application of funds payable in relation to such Instructions; and
- (b) to apply monies in that Settlement Account in settlement of any sums payable in relation to any such subscription or purchase in priority to any other instructions of the Client.

8.5 The Client acknowledges and agrees that if at any time there are in the reasonable opinion of the Bank (having regard to other payments debited or due to be debited) insufficient funds in the relevant Settlement Account for these purposes the Bank may (in the Bank's sole discretion and without any obligation to do so on the part of the Bank) transfer funds as necessary from another Settlement Account or any other account or accounts maintained by the Client with the Bank without further instruction or sanction from the Client.

8.6 The Bank shall credit to the relevant Settlement Account:

- (a) all cash received by it and/or a Nominee for the account of the Client from the sale or redemption of Debt Securities held on behalf of the Client pursuant to these terms and conditions, and
- (b) all interests, income and other payments received in respect of the Debt Securities held on behalf of the Client pursuant to these terms and conditions.

8.7 The Bank shall credit to the relevant Securities Account, or if the Securities Account has been closed for whatever reason, any other securities account maintained by the Client with the Bank in accordance with the Securities Services terms and Conditions, all securities (other than Debt Securities) received by it and/or a Nominee for the account of the Client under the Debt Securities held on behalf of the Client pursuant to these terms and conditions. The

securities so credited shall be held as part of the Securities Account or such other securities account, as the case may be, in accordance with the terms and conditions of the Securities Account or such other securities account. To the extent that the Client does not maintain any Securities Account or other securities account as aforesaid with the Bank for whatever reason, the Bank is hereby authorised to sell the securities so received and deposit the proceeds thereof to the Settlement Account or any other cash account maintained by the Client with the Bank and **the Bank shall not be liable for any losses or costs suffered or incurred by the Client as a result of the Bank acting upon such authorisation. The Client shall indemnify the Bank and hold the Bank harmless from any and all losses, damages and liabilities whatsoever arising, and all costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, directly or indirectly from the Bank acting upon such authorisation.**

## 9. Fees

9.1 In consideration of the provision of the Debt Securities Services by the Bank, the Client shall pay to the Bank fees and charges calculated on such basis as may be prescribed by the Bank and notified to the Client from time to time. The Bank shall be entitled to change the scale of fees and charges and/or impose charges for any services by giving reasonable notice to the Client. In relation to services which the Bank considers exceptional in nature, the Client agrees to pay to the Bank such amount as may be agreed between the Bank and the Client from time to time.

9.2 The Client shall pay or reimburse to the Bank all costs and out-of-pocket expenses (including, without limitation, all costs and fees imposed by any relevant Debt Securities and all taxes, duties or levies payable in respect of any Debt Securities held on behalf of the Client pursuant to these terms and conditions) incurred by the Bank or any Nominee in the performance of their duties pursuant to these terms and conditions.

9.3 The Bank is irrevocably authorised to debit any Settlement Account from time to time with any fees, charges, costs and expenses payable by the Client under these terms and conditions.

## 10. Dealings with Settlement Account, Securities Account and Debt Securities Account

10.1 The Client agrees not to, and not to purport to, assign, transfer, grant an interest over or otherwise deal in any way, nor (without the Bank's prior written consent) to create or allow to subsist in favour of any person other than the Bank or any other Standard Chartered Bank Group Company any charge, pledge or other encumbrance over, all or any part of the monies or securities from time to time standing to the credit of any of the Settlement Accounts, the Securities Accounts or the Debt Securities Account other than in accordance with these terms and conditions.

## 11. Set-off and Lien

11.1 Notwithstanding anything contained herein or in any other agreement between the Bank or any other Standard Chartered Bank Group Company on the one part and the Client on the other part, the Bank may at any time and without prior notice to or consent of the Client, set off and withhold from and apply monies, securities, Debt Securities and/or receivables held in or for any Settlement Account, Securities Account or any other account held for the Client (or, if the Client consists of more than one party, any one or more of such parties) with the Bank or any Standard Chartered Bank Group Company (and whether or not such monies, securities, Debt Securities or receivables are held for the Client individually or jointly with others, and whether or not matured or subject to notice) against and in full or partial settlement of all sums and liabilities (of whatsoever nature, whether past present or future, certain or unquantified, actual or contingent, and whether or not accrued in connection with any Settlement Account, Securities Account or the Debt Securities Services) now or at any time hereafter owed by the Client to the Bank or any other Standard Chartered Bank Group Company. The rights of the Bank set out in this clause shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which the Bank or any other Standard Chartered Bank Group Company is at any time otherwise entitled (whether by operation of law, contract or in any other manner whatsoever). The Client hereby irrevocably directs the Bank and any other Standard Chartered Bank Group Company

to take all necessary action and effect all necessary transfers in this respect.

11.2 Without prejudice to the rights of the Bank under clause 11.1, the circumstances in which the Bank may exercise its right of set-off against the Client include without limitation to the following: (a) any liabilities of the Client to the Bank become overdue, (b) any attachment, execution or similar process is levied against the Client, (c) an act of bankruptcy is committed by the Client or a petition in bankruptcy is filed by or against the Client, (d) a receiver is appointed of all or any substantial part of the Client's assets, or (e) the Bank has reason to believe that the Client is unable to pay his debts when due.

## **12. Charge Over Settlement Accounts**

12.1 The Client hereby charges all such monies as may from time to time be held in all Settlement Accounts as security for the payment of all monies and liabilities (of whatsoever nature, whether certain or unquantified, actual or contingent) now or at any time hereafter owed by the Client whether to the Bank or to any other Standard Chartered Bank Group Company in connection with the Client's subscription to and utilisation of the Debt Securities Services, the operation of any of the Settlement Accounts or Securities Accounts or otherwise owed by the Client, and all costs, charges and expenses incurred by any Standard Chartered Bank Group Company in the exercise or enforcement of this security.

12.2 The amounts realised by the exercise or enforcement of the security contained in this clause may be applied against the liabilities of the Client in such order of priority as the Bank may in its absolute discretion determine.

12.3 The security contained in this clause is in addition to and without prejudice to any collateral or other security which any Standard Chartered Bank Group Company may now or hereafter hold from or on account of the Client and shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum or sums of money owing by the Client.

12.4 All monies realised pursuant to this clause may be placed and kept to the credit of a suspense account for so long as the Bank or the relevant Standard Chartered Bank Group Company (as the case may be) may in its absolute discretion determine without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any monies or liabilities due or incurred by the Client to any Standard Chartered Bank Group Company.

12.5 The security contained in this clause shall not be prejudiced by any amendment or variation to these terms and conditions or by the liquidation, insolvency or bankruptcy of the Client.

## **13. Dealings by the Bank**

13.1 Nothing herein contained shall be deemed to inhibit the Bank from:

- (a) acting in any capacity for any other person or from issuing, buying, selling, holding or dealing in any Debt Securities for the account of the Bank or any other Standard Chartered Bank Group Company notwithstanding that Instructions have at any time been received from the Client for the subscription, purchase, sale or holding of or other dealing in the same or similar Debt Securities;
- (b) subscribing for, purchasing or procuring the purchase for its own account or for the account of any other of its clients Debt Securities of the same type as or a similar type to any Debt Securities in respect of which Instructions have at any time been received from the Client.
- (c) in respect of Debt Securities whose returns are linked to the performance of underlying assets, acting in any capacity for any other person or from buying, selling, holding or dealing in any underlying assets for the account of the Bank itself or any other Standard Chartered Bank Group Company or any of its other clients notwithstanding that Instructions have at any time been received from the Client for the subscription, purchase, sale or holding of or other dealing in Debt Securities whose returns are linked to such underlying assets.

13.2 **The Bank shall not be liable to account to the Client for any emoluments, profits or any other benefits whatsoever earned by it in relation to any transactions in Debt Securities effected in pursuance of Instructions received from the Client.**

13.3 Unless required by the laws of Hong Kong, the Bank shall not be under any duty to disclose to the Client any fact or thing which comes to its knowledge or notice in the course of action in any capacity for any other person or in its own capacity.

#### **14. Liability and indemnity**

14.1 The Client acknowledges and agrees that:

- (a) the Bank accepts no responsibility and shall have no liability whatsoever to the Client in respect of the accuracy, completeness or otherwise of any information provided by the Bank where such information has been independently prepared by a third party;
- (b) each Instruction to effect transactions in Debt Securities shall be decided upon and issued by the Client;
- (c) the Bank shall not be responsible for any failure, delays, errors or inaccuracies in the handling of Instructions due to the breakdown or failure of transmission or communication facilities or to any other cause or causes beyond its control including (without prejudice to the generality of the foregoing) government restrictions, contract market rulings or suspension of trading.

It is desirable that the Client seeks independent financial advice with respect to any investment in Debt Securities.

14.2 **The Bank and the Nominees shall not be liable to the Client for or in respect of any losses (including without limitation any loss caused by a delay in payment of coupon, principal, or other payments due under any Debt Securities) or failing to comply or delay in complying with its obligations under these terms and conditions which is caused directly or indirectly by force majeure, Act of God, war, terrorism, industrial disputes, natural disaster, adverse weather conditions, failure of communication systems or any other cause, event or circumstances beyond the Bank's reasonable control.**

14.3 **Neither the Bank nor any Nominee shall be required to take any legal action unless fully indemnified to its reasonable satisfaction (as a prerequisite to taking such action) for all costs and liabilities by the Client.**

14.4 **The Client agrees to indemnify the Bank and reimburse the Bank on demand all claims and liabilities arising, and all costs and expenses (including legal fees and costs on an indemnity basis) which are of reasonable amounts and were reasonably incurred by the Bank, whether directly or indirectly, out of or connected with the performance of its duties hereunder or arising or so incurred, whether directly or indirectly, out of or in connection with any breach by the Client of his obligations to the Bank under these terms and conditions including any costs which are of reasonable amount and were reasonably incurred by the Bank in the collection (whether by it or any third party agent employed by it for such purpose) of sums owed by the Client to it or the enforcement of the Client's other obligations.**

14.5 Nothing in these terms and conditions or the indemnities contained in this clause shall operate so as to exclude or restrict any liability, the exclusion or restriction of which is prohibited by the laws of Hong Kong.

#### **15. Representations and Warranties of the Client**

15.1 By applying to the Bank for the provision of Debt Securities Services upon these terms and conditions, the Client (or, if the Client is more than one individual, each of such individuals) represents and warrants to the Bank that:

- (a) the Client will not acquire or hold any Debt Securities beneficially by or for any other person, or in violation of any applicable law and the Client will be at all times the beneficial owner of all Debt Securities held by the Bank or any Nominee on account for the Client;
- (b) the Client is the person ultimately responsible for originating all Instructions and no other person stands to gain the commercial or economic benefit or bear the commercial or economic risk thereof;
- (c) all the information provided by the Client from time to time in connection with the establishment and operation of the Debt Securities Services (including without

limitation information provided in the Application and changes thereto notified by the Client) are true and accurate in every respect. The Client acknowledges that they constitute representations in reliance upon which instructions from the Client shall be accepted and shall be treated as part of the agreement constituted by these terms and conditions;

- (d) the Client fully understands and accepts the risks and returns associated with Debt Securities trading. The Client acknowledges that the risk disclosure statements have been provided in a language of his choice and the Client has been invited to read the risk disclosure statements, to ask questions and take independent advice if he wishes;
- (e) it is the Client's decision to enter into any dealings in the Debt Securities ("Transactions") and the Client fully understands the risks and consequences of his doing so and agrees to bear all consequences of the Transactions;
- (f) the Client has full power and authority to enter into these terms and conditions and to exercise the Client's rights and perform the Client's obligations hereunder; and
- (g) all the representations and warranties made by the Client remain true and accurate at all times.

## **16. Disclosure**

- 16.1 The Client agrees that all personal data relating to the Client collected by the Bank from time to time may be used and disclosed for such purposes and to such persons (whether in or outside Hong Kong) as may be in accordance with the Bank's policies on use and disclosure of personal data set out in statements, circulars, terms and conditions or notices made available by the Bank to its clients from time to time and such data may be (i) used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance), Cap 486 of the laws of Hong Kong and (ii) disclosed (by way of bank references or otherwise) to any financial institution with which the Client has or proposes to have dealings to enable such financial institution to conduct credit checks on the Client.
- 16.2 The Client agrees that the Bank may, without limiting its rights under clause 16.1, from time to time release or provide to any Nominee all or any information held by the Bank in respect of the Client and any Settlement Account or Securities Account on the basis that those Nominees, its personnel and staff, will, save to the extent that it is required to disclose the same in order to comply with any laws or regulations or the requirements of any statutory and regulatory authorities or to carry out the duties and comply with the obligations referred to in these terms and conditions, keep such information confidential and only use it for the purposes of carrying out the duties and complying with the obligations referred to in these terms and conditions.
- 16.3 Without limiting the generality of the foregoing, the Client further agrees that the personal data and information referred to in clause 16.1 may be disclosed by the Bank in the event that such disclosure is required by any securities exchange or regulatory or governmental body having jurisdiction over it, whether or not the requirement has the force of law.

## **17. Termination**

- 17.1 **The agreement set out in these terms and conditions may be terminated at the Bank's sole discretion or may be cancelled by the Client in writing at any time. The Bank shall not terminate the Client's account without first giving reasonable notice.**
- 17.2 The agreement set out in these terms and conditions shall forthwith terminate upon the death or upon a legally recognised declaration of incapacity or incapability of the Client but all acts performed by the Bank and/or Nominees prior to receiving written notice of such death, incapacity, incapability, shall be valid and binding upon the Client and the successors in title or permitted assigns of the Client.
- 17.3 Where the Client consists of more than one person, and one of the events described under clause 17.2 occurs in respect of one of those persons (the "Affected Person"), from the time of the occurrence of such event the Client shall consist of the other persons previously constituting the Client prior to such event. The Affected Person shall remain liable as part of the Client under these terms and conditions in respect of liabilities incurred up to the occurrence of the relevant event.

17.4 Notwithstanding any other provisions of the banking agreement, if the Debt Securities Services, Debt Securities Account, Settlement Account, Securities Account and/or any other accounts in respect of the Debt Securities Services (whether maintained by the Client in sole name or joint names) are terminated or to be terminated, whether by the Client or by the Bank, the Client shall withdraw or transfer the monies and other assets in the relevant accounts and close all such relevant accounts as soon as reasonably practicable and in any case within 30 calendar days after termination of the Debt Securities Services and/or such relevant accounts.

17.5 If the Client does not withdraw or transfer the monies and other assets and close the relevant accounts as required by clause 17.4, the Bank shall have the right without further notice to or consent from the Client:

- to pay the monies in the relevant accounts to the Client;
- to redeem, sell, transfer or otherwise dispose of the other assets in the relevant accounts and pay the proceeds (after deducting the expenses of reasonable amount and reasonably incurred by the Bank in the process) to the Client; and
- thereafter, to close the relevant accounts including taking such action and completing and executing such documents for and on behalf of the Client as the Bank considers appropriate for such purpose.

17.6 In exercising the right under clause 17.5, the Bank is entitled to redeem, sell, transfer or dispose of the assets at any time and price and in any way, and pay the monies and proceeds to the Client in any manner, as the Bank considers appropriate in the circumstances. In this case, the Bank has no duty to redeem, sell, transfer or dispose of the assets at a particular time or price or in a particular way and shall not be liable for any loss which the Client may suffer as a result, unless such loss is directly caused by the Bank's negligence, wilful default or fraud.

## **18. Governing Law and Submission to Jurisdiction**

18.1 These terms and conditions shall be governed by and construed in accordance with the laws of Hong Kong.

18.2 The Client hereby:

- irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong and of any places where the Client has assets now or in the future;
- waives any objections on the grounds of venue, forum non conveniencia or similar grounds; and
- consents to service of process including any writ, judgement or other notice by mail to the Client's address on the Bank's records or to such other address as may subsequently be notified in writing to, and received by, the Bank.

## **19. Further Assurance**

19.1 The Client undertakes to the Bank to do and/or execute any act, deed, document or thing which the Bank shall require the Client to do in connection with the implementation, execution and enforcement of these terms and conditions and the perfection of the Bank's security interest constituted under these terms and conditions. The Client hereby appoints the Bank as its lawful attorney (or, where the Client consists of more than one person, the lawful attorney of each such person) to do or execute all such acts, deeds, documents or things on behalf of the Client as the Bank considers necessary or desirable in connection with such implementation, execution, enforcement and perfection.

## **20. Compliance with Laws**

20.1 The Client shall not instruct the Bank to do anything in relation to the Debt Securities Services, the Debt Securities Account or, any Settlement Account or any Securities Account which is a breach of, or would involve or result in the Bank or any other person being in breach of, the Securities and Futures Ordinance (Cap 571 of the Law of Hong Kong) or any other laws, rules or regulations in force or applicable to the conduct of the business of dealing in securities in Hong Kong or otherwise binding on the Bank (whether or not having the force of law).

20.2 The Client acknowledges that he shall be solely responsible for compliance with all obligations of disclosure under the relevant provisions of Part XV of the Securities and Futures Ordinance, the Codes on Takeovers and Mergers and Share Repurchases, and any other applicable laws, rules or regulations relating to disclosure of interests in securities in Hong Kong or any other relevant places, each as amended from time to time. The Bank shall not be obligated to give notice of holdings to the Client in any form or by any time limit for such purpose save any notice or statement to be issued as expressly set out in these terms and conditions. **The Client acknowledges that neither the Bank nor any other Standard Chartered Bank Group Company, their respective directors, officers or employees shall be liable for any loss, cost or expense of the Client from any failure or delay by the Client or any other person to disclose in accordance with any such obligation nor any delay or default in notification to the Client as to the carrying into effect of Instructions and the Client shall indemnify the Bank for any reasonable loss, cost or expense arising from any such failure.**

20.3 The Client undertakes to the Bank that the Client will not engage or attempt to engage, and that the Client has proper safeguards in place to prevent the Client from engaging, in any activity which may constitute market misconduct under the Securities and Futures Ordinance and further agrees to inform the Bank immediately if the Client becomes aware of any activity by any person that may result in the Client being involved in market misconduct.

## **21. Information**

21.1 The Bank may make available to the Client various information relating to Debt Securities and such information shall be provided for the Client's reference only. In respect of Debt Securities whose returns are linked to the performance of underlying assets, the Bank shall provide to the Client upon request product specifications and any prospectus or other offering documents covering such Debt Securities.

21.2 The Client understands that the Bank does not assume any responsibility for the accuracy, completeness or timeliness of any information provided. The Bank is not responsible for any decision made by the Client, or any action or omission by the Client, as a result of any information provided by the Bank.

21.3 The mere provision of marketing or promotional materials relating to any Debt Securities for general information purposes does not constitute an offer, recommendation or solicitation by the Bank to the Client.

## **22. Joint Liability**

22.1 In circumstances where two or more persons have jointly subscribed to the Debt Securities Services:

- (a) **the Bank may act on the instructions of either person acting singly but each such person shall be jointly and severally liable with the other person for any obligation or liability incurred by either of them to the Bank in connection with the Debt Securities Services or the Settlement Accounts or the Securities Accounts or otherwise under or in connection with these terms and conditions;**
- (b) upon the death of any person, any Debt Securities, deeds and property of any description held in the joint names of the Client shall be held by the Bank to the order of the survivor or survivors of the Client subject to compliance with the provisions of the Estate Duty Ordinance (Cap 111 of the Laws of Hong Kong), but without prejudice to the Bank's rights in respect thereof arising out of any lien, charge, pledge, set-off, counterclaim or otherwise or to any step which the Bank may deem fit to take in view of any claim by any person other than such survivor or survivors; and
- (c) the Bank shall be at liberty to release or discharge any of such persons from the liability hereunder or to accept any composition from or make other arrangements with any of such persons without releasing or discharging the other or others or otherwise prejudicing or affecting the Bank's rights and remedies against the other or others, and none of them shall be released or discharged by the death of any one of them.

### **23. Notice**

- 23.1 Any communication from the Client to the Bank shall be irrevocable and shall not be effective until actually received by the Bank at its designated address and/or in the designated manner.
- 23.2 Any communications or notices required or permitted to be given by or on behalf of the Bank to the Client may be given in writing and sent by mail (postage prepaid) addressed to the Client at the last mailing address or facsimile number on record with the Bank for the Debt Securities Account.
- 23.3 All communication and documents so sent by letter under clause 23.2 shall be deemed to have been received by the recipient:  
24 hours after posting if mailed to an address in Hong Kong, or 7 days after posting if mailed to an address elsewhere, save that in the case of legal process these periods shall be increased to 7 and 21 days respectively.
- 23.4 Each of the other joint applicants (if any) irrevocably appoints the person named as "Primary Applicant" in the Application as his agent for the purpose of service by the Bank of such notices, demands or other communications as well as any legal process arising in connection with the agreement constituted by these terms and conditions or the Debt Securities Services.

### **24. Miscellaneous**

- 24.1 The Client requests the Bank to contact the Client, through any channel(s) as the Bank deems fit, in relation to any investment opportunity which the Bank considers may be of interest to the Client, but the Client acknowledges that the Bank shall not be obliged to do so.
- 24.2 If any of these terms and conditions is held or deemed to be void or unenforceable, the other terms will remain in full force and effect.
- 24.3 The Bank shall have the right to, by giving reasonable notice, amend any provision of these terms and conditions.
- 24.4 The Client represents and warrants to the Bank that all information provided by the Client from time to time in connection with the establishment and operation of the Debt Securities Services (including without limitation information provided in the Application and changes thereto notified by the Client) are true and accurate in every respect. The Client acknowledges that they constitute representations in reliance upon which Instructions from the Client shall be accepted, and shall be treated as part of the agreement constituted by these term and conditions. **The Client shall notify the Bank forthwith of any material change in such information.**
- 24.5 The Bank shall notify the Client of any material change in any information in relation to the Bank and provided hereunder.
- 24.6 The failure of the Bank to exercise or delay in exercising a right or remedy provided by these terms and conditions or by law does not constitute a waiver of the right or remedy or prevent further exercise of the right or remedy or another right or remedy.



## **Terms and Conditions for Structured Deposits**

## Terms and Conditions for Structured Deposits

***These terms and Conditions contain important matters relevant to Structured Deposits placed with Standard Chartered Bank (Hong Kong) Limited and you should read and understand them before placing any such deposit.***

Please read in conjunction with "**Additional terms and conditions of U.S. taxation for investment products**".

### 1. Scope

Structured Deposits are deposits where the amount of interest payable or the amount of principal repayable or the total return (or any combination) is to be calculated in whole or in part by reference to changes in some specified rate, price or index or where the depositor's right to principal or interest (or both) may be satisfied by payment in a different currency or by delivery of a specified amount of a traded security or commodity.

Examples of Structured Deposits include deposits linked to a currency exchange rate, an interest rate, the market price of a commodity, a stock market or other index, or the price of a specific traded security. In these terms and Conditions the relevant rate, price or index to which the deposit is linked is referred to as the "reference value".

These terms and Conditions apply to all Structured Deposits placed with Standard Chartered Bank (Hong Kong) Limited (the "Bank") by a depositor(s) (the "Client") in addition to (a) any specific terms and conditions that apply to particular types of Structured Deposit and (b) all other terms applicable generally to deposits placed with the Bank.

### 2. Risk Disclosure

**Structured Deposits carry risks not normally associated with ordinary bank deposits and are generally not the same as and not a suitable substitute for ordinary savings or time deposits.**

The return on a Structured Deposits will be dependent, to at least some extent, on movements in the reference value. Before deciding to place a Structured Deposit, the Client should make sure that it is familiar with the relevant reference value and that it understands the effect that movements in that reference value will have on the return on the Structured Deposit.

Past performance of a reference value is not necessarily a guide to its future performance.

Where a Structured Deposit is described as "principal protected", it means that only the interest or yield on the deposit may be affected by movements in the relevant reference value and that the principal amount deposited will be repayable in full at the end of the deposit period. Subject to the next sentence, the total return on a principal protected Structured Deposit can not be negative (when measured in terms of the currency of the original deposit), but may be zero or significantly less than the return which might be obtained on a normal time deposit in the event of an adverse movement in the relevant reference value. Where a principal protected Structured Deposit is repaid prior to its scheduled maturity date, the adjustment made by reason of early repayment may result in a negative return. (See under **Early withdrawal or repayment below**).

Where a Structured Deposit is not "principal protected" the principal amount of the deposit itself will be subject to variation by reference to the relevant reference value (or, in the case of some Structured Deposits, may be repaid in a different currency or be satisfied by delivery of a traded security or commodity). The total return on a non-principal protected deposit may be negative, and, depending on the particular terms of a Structured Deposit, the combined value of the principal repayable on maturity and interest may be completely lost or may be significantly less than the value deposited.

Structured Deposits can not generally be cancelled or withdrawn prior to the agreed maturity date without the consent of the Bank. If the Bank does consent to an early withdrawal, it will be a condition of such consent that the amount of any reasonable cost or loss suffered by the Bank by reason of early withdrawal is deducted from the deposit. Such costs and losses may include the cost of unwinding a hedging position taken by the Bank to cover the deposit, and may result in a lower rate of return than might be expected, or even a negative rate of return.

### **3. Transactions**

The Bank has full discretion at all times as to the reference values available for Structured Deposits, as to whether it wishes to quote terms for a Structured Deposit, and, if so, what terms may be quoted.

If the Bank quotes terms for a Structured Deposit, whether orally or in writing, and the Client accept such terms, whether orally or in writing, such acceptance shall constitute a binding transaction, and the Client shall be bound to place, and the Bank shall be bound to accept, the deposit on the terms agreed. Such transaction will not be subject to receipt of any written confirmation and if the Client fails to place a deposit following agreement on the terms, the Client will be liable for the Bank's reasonable costs and losses, including the cost of unwinding any hedging positions taken by the Bank to cover the deposit.

### **4. Suitability**

If the Bank solicits the sale of or recommends any Financial Product (as defined below) to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of these terms and conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause.

"Financial Product" in the paragraph above means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Cap. 571). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity (leveraged foreign exchange trading) (as defined in the Securities and Futures Ordinance (Cap. 571)). The mere provision of marketing or promotional materials relating to any Structured Deposits for general information purposes does not constitute an offer, recommendation or solicitation by the Bank to the Client.

The Client agrees to regularly provide the Bank with information relating to the Client's risk tolerance, investment objective, investment experience or sophistication, financial situation and financial needs. The Bank uses and relies on this information to help the Client make investment decisions that meet the appropriate risk profile and to ensure, if required, that Financial Products (as defined in clause 5A.2) which the Bank solicits the sale of or recommend to the Client is reasonably suitable for the Client at the point of sale. If there are circumstances or other considerations that the Client feels are relevant, the Client should inform the Bank. The Bank's investment recommendations will be based on the information the Client provides to the Bank.

### **5. Confirmations**

The Bank will deliver to the Client, promptly after each Structured Deposit is agreed, a written Confirmation of the terms of such Structured Deposit. The terms specified in a written Confirmation shall be conclusive and binding in the absence of manifest error unless the Client gives notice in writing of any error within 48 hours of receipt.

The Bank will also deliver to the Client, promptly after the date on which any rate, price, index level, yield or amount is determined for the purposes of a Structured Deposit, a written confirmation of the rate, price, index level, yield or amount so determined. Any failure or delay to deliver such a confirmation shall not prejudice the validity of any such determination.

### **6. Recording of conversations**

The Bank may record electronically any conversations between the Client and the Bank. By entering into transactions with the Bank, the Client consent to such recording and to the production of such recordings, and transcripts of such recordings, as evidence in any proceedings.

### **7. Early withdrawal or repayment**

Structured Deposits may not be withdrawn or repaid prior to the agreed maturity date except with the written consent of the Bank which may be subject to such conditions as the Bank, in its

absolute discretion, deems fits. Such conditions may include compensation for any reasonable cost incurred in writing off the option portion of the Structured Deposit in the market for the remaining period of the Structured Deposit by reason of the early withdrawal. The cost will depend on a variety of factors including the prevailing price of the underlyings and the expected level of volatility of the price movement of the underlyings. Such conditions may also have the effect of reducing the expected return or reducing the amount of principal repayable, even in the case of a principal protected Structured Deposit.

If by reason of death, bankruptcy or any other reason, the repayment of a Structured Deposit prior to its scheduled maturity date is legally enforceable, and such repayment is demanded, the amount repayable shall be reduced by an amount equal to all reasonable costs, losses and damages suffered by the Bank as a result of such early repayment as determined by the Bank in good faith.

If the Bank determines at any time that, by reason of any event or circumstance it is, or may be, impossible to make a reliable determination of a reference value in respect of any Structured Deposit, the Bank may, by notice to the Client, terminate the relevant Structured Deposit, and the Bank will pay the Client, in full satisfaction of principal and interest, such amount as the Bank shall determine to be fair and reasonable in all the circumstances.

## **7A. Termination**

Notwithstanding any other provisions of the provisions in the banking agreement, if the Structured Deposits and/or any accounts in respect of the Structured Deposits (whether maintained by the Client in sole name or joint names) are terminated or to be terminated, whether by the Client or by the Bank, the Client shall withdraw or transfer the monies and other assets in the relevant accounts and close all such relevant accounts as soon as reasonably practicable and in any case within 30 calendar days after termination of the Structured Deposits and/or such relevant accounts.

If the Client does not withdraw or transfer the monies and other assets and close the relevant accounts, the Bank shall have the right without further notice to or consent from the Client:

- a) to pay the monies in the relevant accounts to the Client;
- b) to redeem, sell, transfer or otherwise dispose of the other assets in the relevant accounts and pay the proceeds (after deducting the expenses of reasonable amount and reasonably incurred by the Bank in the process) to the Client; and
- c) thereafter, to close the relevant accounts including taking such action and completing and executing such documents for and on behalf of the Client as the Bank considers appropriate for such purpose.

In exercising the right above, the Bank is entitled to redeem, sell, transfer or dispose of the assets at any time and price and in any way, and pay the monies and proceeds to the Client in any manner, as the Bank considers appropriate in the circumstances. In this case, the Bank has no duty to redeem, sell, transfer or dispose of the assets at a particular time or price or in a particular way and shall not be liable for any loss which the Client may suffer as a result, unless such loss is directly caused by the Bank's negligence, wilful default or fraud.

## **8. Determinations**

Where a rate, price or index level is to be determined by the Bank at a particular time, or during a particular period, such determination shall be made by the Bank in good faith and in accordance with generally accepted practices in the relevant market. Each such determination shall be conclusive and binding in the absence of manifest error. Where the Bank exercises discretion in making any other determination in relation to a Structured Deposit, it shall exercise such discretion in good faith and in a commercially reasonable manner.

## **9. No encumbrance**

The Client may not assign, transfer, charge, pledge or otherwise encumber any Structured Deposit except in favour of the Bank, as security for any obligation or liability the Client may owe to the

Bank.

## **10. Independent decision**

The Client shall make its own decision to enter into each Structured Deposit.

## **11. Inconsistency**

In the event of any inconsistency between these terms and Conditions and any specific terms and conditions that apply to particular types of Structured Deposit, the latter shall prevail. In the event of any inconsistency between these terms and Conditions or any specific terms and conditions that apply to particular types of Structured Deposit and the written confirmation of a particular Structured Deposit, the latter shall prevail.

## **12. Governing law**

These terms and Conditions, and each Structured Deposit shall be governed by and construed in accordance with the laws of Hong Kong. Each Structured Deposit will be payable only at the Bank's branch where the deposit is made notwithstanding that the deposit is made (or may be repaid) in a foreign currency.



## **Additional terms and Conditions for Structured Investment Series**

### **- Rate Linked**

## Additional terms and Conditions for Structured Investment Series

### - Rate Linked

These Additional terms and Conditions apply to the deposits placed by a client with Standard Chartered Bank (Hong Kong) Limited (the "Bank") under Structured Investment Series - Rate Linked.

These Additional terms and Conditions are not intended to be exhaustive and must be read together with the Bank's general terms and Conditions for Structured Deposits and all other terms generally applicable to deposits placed with the Bank. These Additional terms and Conditions, the Bank's general terms and Conditions for Structured Deposits and all such other applicable terms, as varied, supplemented or replaced from time to time and, in relation to any application, or subscription or deposit placed under a specific tranche of Structured Investment Series - Rate Linked, the term sheet and written confirmation for that tranche are together referred to as "the Applicable terms and Conditions".

You should read and understand these Additional terms and Conditions and other Applicable terms and Conditions before placing any deposit under Structured Investment Series - Rate Linked. You should also read the principal brochure (if any), leaflet and term sheet provided by the Bank before making any subscription under Structured Investment Series - Rate Linked.

#### 1. General terms

##### Structure of Structured Investment Series - Rate Linked

Structure of Structured Investment Series - Rate Linked ("SISR") is a type of structured investment product where the amount of interest payable or the amount of principal repayable or the total return (or any combination) is to be calculated in whole or in part by reference to changes in a specified interest rate or index, as specified in the relevant term sheet. In addition, certain types of SISR may be extended beyond, or terminated prior to, the maturity date, in whole or in part as specified in the relevant term sheet.

In these Additional terms and Conditions, the relevant interest rate or index to which SISR is linked is referred to as the "**Reference Rate**", and "**Business Day**" means each day on which commercial banks are open for general business in the relevant markets.

#### 2. Risk Disclosure

- (a) This structured investment product enables the Client to potentially earn a higher rate of interest than a normal deposit with the condition that on every Exercise Date, the Bank has the right but not the obligation to terminate the SISR early and return the Principal Amount. Hence, the Client will be subject to re-investment risk.
- (b) The Principal Amount is protected only if it is held to the agreed Maturity Date without being cancelled or withdrawn by the Client (and such cancellation or withdrawal is subject to the consent of the Bank) or, if the SISR is terminated early by the Bank. Where a principal protected SISR is repaid at Client's request prior to its scheduled maturity date the principal protection will not apply. The Bank may deduct any reasonable costs or expenses incurred as a result of terminating early by the Client (such as the cost of unwinding a hedging position taken by the Bank to cover the SISR) and the Client may receive less than the Principal Amount.
- (c) The SISR cannot be cancelled or withdrawn by the Client prior to the Maturity Date without the consent of the Bank. The Client's attention is drawn to the paragraph entitled "Early withdrawal or repayment" contained in the Bank's general terms and Conditions for Structured Deposits.
- (d) The SISR is a long-dated investment in which the Client's funds will be tied up until Maturity Date. The Client should not invest in the SISR unless it has sufficient funds or liquidity so as to

enable it to keep the SISR with the Bank until the Maturity Date. If the Client thinks it is likely that it may need to withdraw the funds prior to the Maturity Date to meet any needs, the Client should seek advice from a financial adviser before investing in the SISR.

- (e) Interest is only payable to the SISR which is held with the Bank at the relevant Interest Payment Date. The SISR cancelled or withdrawn (and this is subject to the consent of the Bank) prior to such date will not be entitled to such interest payment.
- (f) The Client's attention is also drawn to the Risk Disclosure Statements contained in the Bank's general terms and Conditions for Structured Deposits. However, neither these Additional terms and Conditions nor the Risk Disclosure Statements contained in the Bank's general terms and Conditions for Structured Deposits purports to disclose all of the risks and all of the significant aspects of SISR. Where in doubt, the Client should seek independent legal and financial advice before making any decision.

### **3. Transactions**

- (a) The Client may make an offer to the Bank to place a deposit in the Principal Amount with the Bank in accordance with the relevant provisions of the Applicable terms and Conditions by completing the relevant application form and agreeing to the Applicable terms and Conditions. The Bank may, in its absolute discretion, accept or reject the Client's offer.
- (b) The Bank's acceptance of any subscription for SISR is conditional upon a minimum pool amount of all subscriptions being reached, such minimum amount will be determined by the Bank. If the minimum pool amount is not reached, the Bank reserves the right to accept or reject any subscription. If the Bank decides not to accept a subscription, the Bank will release the Principal Amount to the Client whereupon the mutual obligations of the Client and the Bank under the agreement constituted by the Applicable terms and Conditions will be cancelled. The Bank reserves the right to reject the subscription in part or in full.
- (c) If the Bank quotes terms for SISR, whether orally or in writing, such a quote is an invitation to treat only and the Client's acceptance of those terms is the Client's offer to the Bank, whether orally or in writing, to place deposit(s) with the Bank under SISR and then the Client shall be bound to place the deposit(s) with the Bank under SISR on those terms, but it shall be at the absolute discretion of the Bank whether to accept that deposit(s). If the Client fails to place a deposit(s) under SISR following the Client's acceptance of the terms, the Client will be liable for the Bank's reasonable costs and losses, including but without limitation, the cost of unwinding any hedging positions taken by the Bank to cover the subscription(s) in respect of that deposit(s) under SISR.
- (d) If the Bank accepts a subscription under SISR from the Client, the Bank will notify the Client of the acceptance of the subscription after the Deposit Start Date. Until such confirmation, the Bank will place a lien on the Principal Amount and Client shall not withdraw or deal with, nor will the Bank accept any instructions to withdraw or deal with, the Principal Amount otherwise than in accordance with the Applicable terms and Conditions.
- (e) The Bank reserves the right to impose fees and/or other charges from time to time as the Bank in its absolute discretion thinks fit. The Bank will publish, post or notify the Client (as the case may be) of any fees or charges that may be imposed (and / or any changes thereto) by giving reasonable notice. The Bank is authorized at any time without prior notice to the Client (except where a charge accrues on a dormant account for the first time, in which case fourteen (14) days' prior written notice shall be given) to debit from any account maintained by the Client with the Bank any fees or charges payable by the Client. The Bank will promptly notify the Client of the nature and amount of any charges so debited from any account of the Client with the Bank.

### **4. Confirmations**

- (a) The Bank will deliver a written confirmation of the terms of any deposit under SISR which is accepted by the Bank to the Client after the Deposit Start Date of such deposit. The terms specified in a written confirmation shall be conclusive and binding in the absence of manifest error unless the Client gives notice in writing of any error within 7 days from the issue date of the written confirmation.

(b) The Bank may also deliver a written coupon payment advice to the Client as soon as practicable on or after the Interest Payment Date of a deposit under SISR. Any failure or delay to deliver such a written advice shall not prejudice the validity of any such determination. No separate written confirmation on any determination of the reference value will be provided by the Bank.

## **5. Deposit Start Date, Interest Payment Date, Valuation Date, and Maturity Date**

Each term sheet under SISR specifies a minimum **Principal Amount**, **Deposit Start Date**, one or more **Valuation Dates** (if any), one or more **Interest Payment Dates**, a **Maturity Date** and **Early Redemption** feature, if any. The **Deposit Start Date** is the date on which the Principal Amount of the deposit to be placed with the Bank in cleared funds under SISR and on which Interest starts to accrue. The **Valuation Date** is the date on which the reference value is fixed for the purposes of calculating the amount to be paid in respect of interest or to be repaid in respect of principal. The **Interest Payment Date** is the date or dates on which interest is paid and the **Maturity Date** is the date on which the principal is repaid, subject to any Early Redemption feature as specified in the term sheet and any provision for early termination or extension under the Applicable terms and Conditions. Please also refer to the section headed "Adjustments" for information on adjustments of the Deposit Start Date, Interest Payment Date, Exercise Date, Maturity Date and Valuation Date.

## **6. Exercise Date**

Certain types of deposit placed under SISR may be terminated prior to the Maturity Date, in whole or in part, at such time or manner as specified in the term sheet or other Applicable terms and Conditions, at the option of the Bank. The term sheet for cancelable deposit placed under SISR will specify the Exercise Date(s) on which such option may be exercised. The Bank may but shall not be obliged to exercise such option. If the Bank wishes to exercise such option, it shall give notice to the Client. Unless otherwise provided in the term sheet, such notice may be given orally, including by telephone.

## **7. Interest**

The term of each deposit placed under SISR is divided into one or more Interest Period(s) as determined in the manner specified in the term sheet. The term sheet for the deposit will state the interest amount and / or the Interest Rate, or how and when the Interest Rate for an Interest Period will be calculated by reference to the level of the Reference Rate. The interest for each Interest Period will be payable by the Bank to the Client on the Interest Payment Date for that Interest Period (subject to any delay to the Interest Payment Date in accordance with the Applicable terms and Conditions). The interest payable for the last Interest Period is subject to the adjustments in the case of a postponement of Maturity Date as set out below under the heading "Adjustments".

## **8. Adjustments**

In certain circumstances, the Deposit Start Date, Interest Payment Date, Exercise Date, Maturity Date or Valuation Date (if any) may be adjusted by the Bank to a previous or following day. In such cases, references to "Deposit Start Date", "Interest Payment Date", "Exercise Date", "Maturity Date" or "Valuation Date" in the Applicable terms and Conditions or in the written confirmation or term sheet will be deemed to be references to such previous or following day unless the context requires otherwise or the term sheet or the confirmation provides otherwise. The circumstances in which the Deposit Start Date, Interest Payment Date, Exercise Date, Maturity Date or the Valuation Date may be adjusted include where the date originally specified is not a Business Day, in which case that date will be either the previous day or following day that is a Business Day, depending on the convention of the relevant market or in accordance with the terms of the particular tranche of SISR.

If the Maturity Date is postponed (other than by reason of the exercise of an option to extend the deposit placed under SISR), interest will accrue on the Principal Amount (if any) at the Bank's prevailing savings rate or such other rates as determined by the Bank from time to time in the relevant currency (and not at the Interest Rate specified in the term sheet) for each day from and including the date specified in the term sheet as the Maturity Date to, but excluding, the date on which the Principal Amount is repaid.

## **9. Rebate and commission**

The Bank shall be entitled, without prior disclosure to the Client, to accept and retain for its own benefit and account any profit, rebate, brokerage, commission, fee, benefit, discount or other advantage of any nature arising out of or in connection with SISR or the provision of services by the Bank to the Client under the Applicable terms and Conditions.

The Bank shall be entitled, without prior disclosure to the Client, to deduct or debit from the Principal Amount any government charges or Taxes that relate to the Principal Amount or the SISR, including those which are introduced or become applicable after the Deposit Start Date. Where required by law, the Bank will deduct withholding tax from any Interest earned.

For the purpose of this clause, "Taxes" includes any tax, levy, impost, deduction, charge, rate, duty (including stamp duty) compulsory segment or withholding or goods and services tax which is levied or imposed by a government agency and any related interest, penalty, charge, fee or other amount.

## **10. Indemnity**

In consideration of the Bank agreeing to accept instructions from the Client by telephone or other electronic means the Client agrees to indemnify the Bank against any reasonable loss, claim, proceedings, damages, costs and expenses incurred or sustained by the Bank arising out of or in connection with any telephonic or electronic communication from, or purportedly from, the Client save such as are caused directly by reason of the negligence or default of the Bank or its officers.

## **11. Investment Opportunity**

The Customer requests the Bank to contact the Client in relation to any investment opportunity that the Bank considers may be of interest to the Customer, but the Client acknowledges that the Bank shall not be obliged to do so.

## **12. Inconsistency**

- (a) In the event of any inconsistency between the Bank's general terms and Conditions for Structured Deposits and these Additional terms and Conditions, the latter shall prevail.
- (b) In the event of any inconsistency between these Additional terms and Conditions and any other terms and conditions that apply specifically to a particular type of SISR, the latter shall prevail.
- (c) In the event of any inconsistency between these Additional terms and Conditions or any other terms and conditions that apply specifically to a particular type of SISR and the term sheet under SISR, the latter shall prevail.

## **13. Representations and Warranties of the Client**

By applying to the Bank for the provision of the SISR upon the Applicable terms and Conditions, the Client (or, if the Client is more than one person, each of such person) represents and warrants to the Bank that:

- (a) The Client has complied with all applicable laws (including, without limitation, any foreign exchange restrictions) with respect to the acquisition or holding of any SISR.
- (b) The Client will not acquire or hold any SISR beneficially for any other person, and the Client will at all times be the beneficial owner of all SISR held by the Bank on account for the Client.
- (c) The Client is the person ultimately responsible for originating all instructions and no other person stands to gain the commercial or economic benefit or bear the commercial or economic risk thereof.
- (d) All the information provided by the Client from time to time in connection with the establishment and operation of the SISR (including without limitation information provided in the application and changes thereto notified by the Client) is true and accurate in every respect. The Client acknowledges that such information constitutes representations in reliance upon which instructions from the Client shall be accepted and shall be treated as part of the agreement constituted by the Applicable terms and Conditions.
- (e) The Client fully understands and accepts the risks and returns associated with the SISR.
- (f) It is the Client's decision to enter into any subscription or placing of deposit under SISR and the Client fully understands the risks and consequences of his doing so and agrees to bear all consequences of subscription or placing of deposit under SISR.
- (g) The Client has full power and authority to enter into the Applicable terms and Conditions and to exercise the Client's rights and perform the Client's obligations.
- (h) All the representations and warranties made by the Client remain true and accurate at all times.

#### **14. Miscellaneous**

- (a) If any of the Applicable terms and Conditions is held or deemed to be void or unenforceable, the other Applicable terms and Conditions will remain in full force and effect. The Bank may, by giving reasonable notice to the Client in accordance with applicable regulatory requirements (unless such amendment or variation is required by any applicable law, regulation, rule or code or otherwise outside the Bank's control), amend any provision of the Applicable terms and Conditions, including any amendment or variation affecting fees and charges payable by, or the liabilities and obligations of, the Client.
- (b) The Bank shall notify the Client of any material change in any information in relation to the Bank and provided hereunder. The Client shall notify the Bank of any material change in the information provided to the Bank including, without limitation his name, address and other contact details.
- (c) The Bank is entitled to waive compliance with any of the Applicable terms and Conditions but such waiver shall not prejudice the Bank's right to enforce compliance with the Applicable terms and Conditions on any other occasion. The failure of the Bank to exercise or delay in exercising a right or remedy provided by these terms and Conditions or by law does not constitute a waiver of the right or remedy or prevent further exercise of the right or remedy of another right or remedy.
- (d) These Additional terms and Conditions are prepared in both English and Chinese versions, and it is intended that both versions shall have equal footing. However, in the case of any inconsistency or conflict between the English version and the Chinese version of these Additional terms and Conditions, the English version shall prevail to the extent of such inconsistency or conflict. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.

**Additional terms and Conditions for  
Structured Investment Series  
- Currency Linked**

## **Additional terms and Conditions for Structured Investment Series - Currency Linked**

These Additional terms and Conditions apply to deposits placed by a client with Standard Chartered Bank (Hong Kong) Limited (the "Bank") under Structured Investment Series - Currency Linked.

These Additional terms and Conditions are not intended to be exhaustive and must be read together with the Bank's general terms and Conditions for Structured Deposits and all other terms generally applicable to deposits placed with the Bank. These Additional terms and Conditions, the Bank's general terms and Conditions for Structured Deposits and all such other applicable terms, as varied, supplemented or replaced from time to time and, in relation to any application, or subscription or deposit placed under a specific tranche of Structured Investment Series - Currency Linked, the terms and conditions applicable to the relevant application, subscription or deposit and the term sheet and written confirmation for that tranche are together referred to as "the Applicable terms and Conditions".

You should read and understand these Additional terms and Conditions and the other Applicable terms and Conditions before placing any deposit under Structured Investment Series - Currency Linked. You should also read the principal brochure and term sheet provided by the Bank before making any subscription under Structured Investment Series - Currency Linked.

### **1. Scope**

- (a) Structured Investment Series - Currency Linked ("SISC") is a type of structured investment product where the amount of interest payable is to be calculated in whole or in part by reference to changes in a specified currency exchange rate or basket of currency exchange rates, as specified in the term sheet. In addition, certain types of SISC may be extended beyond, or terminated prior to, the maturity date, in whole or in part as specified in the term sheet.
- (b) In these Additional terms and Conditions, the relevant currency exchange rate to which the SISC is linked is referred to as the "reference value", "Currency Business Day" means any day on which commercial banks are open for business (including dealing in foreign exchange and foreign exchange deposits) in the principal center for the relevant currency. In respect of an SISC in which the relevant currency is euro, any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open shall be a Currency Business Day. "Banking Day" means any day, excluding Saturday and Sunday, on which the Bank is open for the transaction of business in Hong Kong.
- (c) These Additional terms and Conditions shall apply in addition to the Bank's general terms and Conditions for Structured Deposits and all other terms applicable generally to deposits placed with the Bank, and shall be subject to any variation or supplement to or replacement thereof which may be notified to the Client by the Bank. These Additional terms and Conditions, the Bank's general terms and Conditions for Structured Deposits and all such other applicable terms, as varied, supplemented or replaced from time to time are referred to as "the Applicable terms and Conditions". All references in the Bank's general terms and Conditions for Structured Deposits to "Structured Deposit(s)" shall be construed to mean deposit(s) placed with the Bank under SISC as contemplated by these Additional terms and Conditions.

### **2. Risk Disclosure Statements**

- (a) SISC is not conventional deposits. SISC carries risks not normally associated with ordinary bank deposits and are generally not the same as and not a suitable substitute for ordinary savings or time deposits. SISC is speculative and is not appropriate if the Client is not willing or able to accept the risk of adverse movements in the reference value.
- (b) Currency exchange rates are affected by a wide range of factors, including without limitation national and international financial and economic conditions and political and natural events. The effect of normal market forces may at times be countered by

intervention by central banks or other bodies.

- (c) Exchange controls or other monetary measures may be imposed by a government, sometimes with little or no warning. Such measures may have a significant effect on the convertibility or transferability of a currency and may have unexpected consequence for SISC.
- (d) Where SISC is described as "principal protected", it means that only the interest or yield on SISC may be affected by movements in the relevant reference value and that the principal amount invested will be repayable in full at the end of the investment period. Subject to the next sentence, the total return on SISC cannot be negative (when measured in terms of the currency of the principal amount), but may be zero or significantly less than the return which might be obtained on a normal time deposit in the event of an adverse movement in the relevant reference value. However, the principal amount is protected only if it is held to the agreed maturity date without being cancelled or withdrawn by the Client (and such cancellation or withdrawal is subject to the consent of the Bank). Where a principal protected SISC is repaid at Client's request prior to its scheduled maturity date the principal protection will not apply. The Bank may deduct any reasonable costs or expenses incurred as a result of terminating early (such as the cost of unwinding a hedging position taken by the Bank to cover SISC) and the Client may receive less than the principal amount.
- (e) SISC may be a long-dated investment in which the Client's funds will be tied up until the agreed maturity date. In such a case, the Client should not invest in SISC unless the Client has sufficient funds or liquidity so as to enable the Client to keep the investment under SISC with the Bank until the agreed maturity date. If the Client thinks it likely that it may need to withdraw the funds prior to the agreed maturity date to meet any needs, it should seek advice from a financial adviser before investing in SISC.
- (f) SISC cannot be cancelled or withdrawn by the Client prior to the agreed maturity date without the consent of the Bank. If the Bank does consent to an early cancellation or withdrawal, it will be a condition of such consent that the amount of any reasonable cost or loss suffered by the Bank by reason of early withdrawal is deducted from the deposit placed with the Bank under SISC. Such costs and losses may include the cost of unwinding a hedging position taken by the Bank to cover the deposit placed under SISC, and may result in a lower rate of return than might be expected, or even a negative rate of return. If the Bank terminates SISC prior to the agreed maturity date pursuant to the Applicable terms and Conditions, the Client may not be able to enjoy the same return as when investing in other instruments or markets.
- (g) Interest is only payable to SISC, which is held with the Bank at the relevant interest payment date. SISC cancelled or withdrawn by the Client prior to the interest payment date (which cannot be cancelled or withdrawn unless in circumstances described above) will not be entitled to such interest payment.
- (h) This Clause 2 does not purport to disclose all of the risks and all of the significant aspects of SISC. Before deciding to place a deposit under SISC, the Client should make sure that it is familiar with the relevant reference value and that it understands the effect that movements in that reference value will have on the return on SISC. Where in doubt, the Client should seek independent legal and financial advice before making any decision.

### **3. Deposit Start Date, Valuation Date, Interest Payment Date and Maturity Date**

Each term sheet under SISC specifies a minimum Principal Amount, Deposit Start Date, one or more Valuation Dates, one or more Interest Payment Dates, a Maturity Date and Early Redemption feature, if any. The Deposit Start Date is the date on which the Principal Amount of the deposit to be placed with the Bank in cleared funds under SISC and the Principal Amount's exposure to the reference value commences. The Valuation Date is the date on which the reference value is fixed for the purposes of calculating the amount to be paid in respect of interest. The Interest Payment Date is the date or dates on which interest is paid and the Maturity Date is the date on which the principal is repaid, subject to any Early Redemption feature as specified in the term sheet and any provision for early termination or extension under the Applicable terms and Conditions.

In certain circumstances the Valuation Date and / or the Maturity Date and / or Interest Payment Date under SISC may be postponed to a subsequent day. In such cases, references

to "Valuation Date" or "Maturity Date" or "Interest Payment Date" in the Applicable terms and Conditions under SISC or other relevant document or statement issued by the Bank will be deemed to be references to such subsequent day unless the context requires otherwise.

All Principal Amounts and Interest payable under the Applicable terms and Conditions are payable or repayable in Hong Kong Dollars, unless otherwise specified in the term sheet.

#### **4. Interest**

The term of each deposit placed under SISC is divided into one or more Interest Period(s) as determined in the manner specified in the term sheet. The term sheet will define how and when the Interest Rate for an Interest Period will be calculated by reference to the level of the reference value. The interest for each Interest Period will be payable by the Bank to the Client on the Interest Payment Date for that Interest Period (subject to any delay to the Interest Payment Date in accordance with the Applicable terms and Conditions).

#### **5. Adjustment of Valuation Date**

The circumstances in which the Valuation Date will be adjusted include:

- (a) Where the date originally specified is not a Currency Business Day for the relevant currencies, in which case the Valuation Date will be either the next previous day or next following day that is a Currency Business Day, depending on the convention of the relevant foreign exchange market.
- (b) Where there is market disruption (as determined by the Bank) on the Valuation Day that, in the opinion of the Bank, makes it impractical to fix the reference value for the purposes of the SISC on that date. In this case, the Valuation Date will be the next following Currency Business Day on which there is no such market disruption.

#### **6. Postponement of Maturity Date**

The circumstances in which the Maturity Date will be postponed include:

- (a) Where the Valuation Date (or final Valuation Date, if more than one) is postponed for any reason, the Maturity Date will be postponed so that it falls on such day as determined in the manner specified in the term sheet or if none is specified, two Currency Business Days after the actual Valuation Date.
- (b) Where the date originally specified as the Maturity Date is not a Banking Day, the Maturity Date will be postponed to the next following day that is a Banking Day.

#### **7. Additional Interest where the Maturity Date is Postponed**

- (a) In the case of a deposit placed under SISC for which the term sheet specifies an Interest Rate and Interest Amount, such Interest Rate applies only to the period from the Deposit Start Date to the date specified in the term sheet as the Maturity Date and the Interest Amount is for that period only.
- (b) If the Maturity Date is postponed for any reason, interest will accrue on the Principal Amount (if any) at the Bank's prevailing savings rate or such other rate determined by the Bank from time to time in the relevant currency (and not at the Interest Rate specified in the term sheet) for each day from and including the date specified in the term sheet as the Maturity Date to, but excluding, the date on which the Principal Amount is repaid.

#### **8. Rebate and commission and Taxes**

The Bank shall be entitled, without prior disclosure to the Client, to accept and retain for its own benefit and account any profit, rebate, brokerage, commission, fee, benefit, discount or other advantage of any nature arising out of or in connection with SISC or the provision of services by the Bank to the Client under the Applicable terms and Conditions.

The Bank shall be entitled, without prior disclosure to the Client, to deduct or debit from the Principal Amount any government charges or Taxes that relate to the Principal Amount or the SISC, including those which are introduced or become applicable after the Deposit Start Date. Where required by law, the Bank will deduct withholding tax from any Interest earned.

For the purpose of this clause, "Taxes" includes any tax, levy, impost, deduction, charge, rate, duty (including stamp duty), compulsory segment or withholding or goods and services tax which is levied or imposed by a government agency and any related interest, penalty, charge, fee or other amount.

## **9. Early Termination by Bank**

The Bank may at any time terminate SISC and return the Principal Amount (less any reasonable costs and expenses incurred) and accrued, unpaid Interest, prior to the scheduled Maturity Date to the Client if any of the following occur:

- (a) restrictions on convertibility and transferability are applied to the currency of SISC;
- (b) the currency of SISC ceases to be the official currency of its issuing nation;
- (c) if the Bank determines in good faith that the performance of the Bank's obligations under the Applicable terms and Conditions has or will become in circumstances beyond the Bank's reasonable control, impossible, unlawful, illegal or otherwise prohibited as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any government, administrative, legislative or judicial power or authority; or
- (d) any actual or proposed event that may reasonably, in the Bank's opinion, be expected to lead to any of the events in paragraphs (a) to (c) above occurring.

## **10. Instructions and Indemnity**

In consideration of the Bank agreeing to accept instructions from the Client by telephone or other electronic means the Client agrees to indemnify the Bank against any reasonable loss, claim, proceedings, damages, costs and expenses incurred or sustained by the Bank arising out of or in connection with any telephonic or electronic communication from, or purportedly from, the Client save such as caused directly by reason of the negligence or default of the Bank or its officers.

## **11. Investment Opportunity**

The Customer requests the Bank to contact the Client in relation to any investment opportunity that the Bank considers may be of interest to the Customer, but the Client acknowledges that the Bank shall not be obliged to do so.

## **12. Transactions**

- (a) The Client may make an offer to the Bank to place a deposit in the Principal Amount with the Bank in accordance with the relevant provisions of the Applicable terms and Conditions by completing the relevant application form and agreeing to the Applicable terms and Conditions. The Bank may, in its absolute discretion, accept or reject the Client's offer.
- (b) The Bank's acceptance of any subscription for SISC is conditional upon a minimum pool amount of all subscriptions being reached. The amount of such minimum pool will be determined by the Bank. If the minimum pool amount is not reached, the Bank reserves the right to accept or reject any subscription. If the Bank decides not to accept a subscription, the Bank will release the Principal Amount to the Client whereupon the mutual obligations of the Client and the Bank under the agreement constituted by the Applicable terms and Conditions will be cancelled. The Bank reserves the right to reject the subscription in part or in full.
- (c) If the Bank quotes terms for SISC, whether orally or in writing, such a quote is an invitation to treat only and the Client's acceptance of those terms is the Client's offer to the Bank, whether orally or in writing, to place deposit(s) with the Bank under SISC and then the Client shall be bound to place the deposit(s) with the Bank under SISC on those terms, but it shall be at the absolute discretion of the Bank whether to accept, that deposit(s). If the Client fails to place a deposit(s) under SISC following the Client's acceptance of the terms, the Client will be liable for the Bank's reasonable costs and losses, including but without limitation the cost of unwinding any hedging positions taken by the Bank to cover the subscription(s) in respect of that deposit(s) under SISC.

- (d) If the Bank accepts a subscription under SISC from the Client, the Bank will notify the Client of the acceptance of the subscription after the Deposit Start Date. Until such confirmation, the Bank will place a lien on the Principal Amount and Client shall not withdraw or deal with, nor will the Bank accept any instructions to withdraw or deal with, the Principal Amount otherwise than in accordance with the Applicable terms and Conditions.
- (e) The Bank reserves the right to impose fees and/or other charges from time to time as the Bank in its absolute discretion thinks fit. The Bank will publish, post or notify the Client (as the case may be) of any fees or charges that may be imposed (and / or any changes thereto) by giving reasonable notice. The Bank is authorized at any time without prior notice to the Client (except where a charge accrues on a dormant account for the .rst time, in which case fourteen (14) days' prior written notice shall be given) to debit from any account maintained by the Client with the Bank any fees or charges payable by the Client. The Bank will promptly notify the Client of the nature and amount of any charges so debited from any account of the Client with the Bank.

### **13. Confirmations**

- (a) The Bank will deliver a written confirmation of the terms of any deposit under SISC which is accepted by the Bank to the Client after the Deposit Start Date. The terms specified in a written confirmation shall be conclusive and binding in the absence of manifest error unless the Client gives notice in writing of any error within 7 days from the issue date of the written confirmation.
- (b) The Bank may also deliver a written coupon payment advice to the Client as soon as practicable on or after the Interest Payment Date of a deposit under SISC. Any failure or delay to deliver such a written advice shall not prejudice the validity of any such determination. No separate written confirmation on any determination of the reference value will be provided by the Bank.

### **14. Inconsistency**

- (a) In the event of any inconsistency between the Bank's general terms and Conditions for Structured Deposits and these Additional terms and Conditions, the latter shall prevail.
- (b) In the event of any inconsistency between these Additional terms and Conditions and any other terms and conditions that apply specifically to a particular type of SISC, the latter shall prevail.
- (c) In the event of any inconsistency between these Additional terms and Conditions or any other terms and conditions that apply specifically to a particular type of SISC and the term sheet under SISC, the latter shall prevail.

### **15. Representations and Warranties of the Client**

By applying to the Bank for the provision of SISC upon the Applicable terms and Conditions, the Client (or, if the Client is more than one person, each of such persons) represents and warrants to the Bank that:

- (a) The Client has complied with all applicable laws (including without limitation any foreign exchange restrictions) with respect to the acquisition or holding of SISC.
- (b) The Client will not acquire or hold SISC beneficially for any other person, and the Client will at all times be the beneficial owner of all SISC held by the Bank on account for the Client.
- (c) The Client is the person ultimately responsible for originating all instructions and no other person stands to gain the commercial or economic benefit or bear the commercial or economic risk thereof.
- (d) All the information provided by the Client from time to time in connection with the establishment and operation of SISC (including without limitation information provided in the application and changes thereto notified by the Client) is true and accurate in every respect. The Client acknowledges that such information constitutes representations in reliance upon which instructions from the Client shall be accepted and shall be treated as part of the agreement constituted by the Applicable terms and

Conditions.

- (e) The Client fully understands and accepts the risks and returns associated with SISC.
- (f) It is the Client's decision to enter into any subscription or placing of deposit under SISR and the Client fully understands the risks and consequences of his doing so and agrees to bear all consequences of subscription or placing of deposit under SISR.
- (g) The Client has full power and authority to enter into the Applicable terms and Conditions and to exercise the Client's rights and perform the Client's obligations thereunder.
- (h) All the representations and warranties made by the Client remain true and accurate at all times.

**16. Miscellaneous**

- (a) If any of the Applicable terms and Conditions is held or deemed to be void or unenforceable, the other Applicable terms and Conditions will remain in full force and effect. The Bank may, by giving reasonable notice to the Client in accordance with applicable regulatory requirements (unless such amendment or variation is required by any applicable law, regulation, rule or code or otherwise outside the Bank's control), amend any provision of the Applicable terms and Conditions, including any amendment or variation affecting fees and charges payable by, or the liabilities and obligations of, the Client.
- (b) The Bank shall notify the Client of any material change in any information in relation to the Bank and provided hereunder. The Client shall notify the Bank of any material change in the information provided to the Bank including, without limitation his name, address and other contact details.
- (c) The Bank shall, upon the Client's request, provide to the Client offering documents (if any) covering SISC.
- (d) The Bank is entitled to waive compliance with any of the Applicable terms and Conditions but such waiver shall not prejudice the Bank's right to enforce compliance with the Applicable terms and Conditions on any other occasion. The failure of the Bank to exercise or delay in exercising a right or remedy provided by these terms and Conditions or by law does not constitute a waiver of the right or remedy or prevent further exercise of the right or remedy of another right or remedy.
- (e) These Additional terms and Conditions are prepared in both English and Chinese versions, and it is intended that both versions shall have equal footing. However, in the case of any inconsistency or conflict between the English version and the Chinese version of these Additional terms and Conditions, the English version shall prevail to the extent of such inconsistency or conflict. You may call our hotline, visit any of our branches or visit our website ([www.sc.com/hk](http://www.sc.com/hk)) for the Chinese version.



# **Additional terms and Conditions for Structured Investment Series**

## **- Annex**

## **Annex**

**“Additional Disruption Event”** means any of the following events: Change in Law or Insolvency Filing or any event which the Bank in its reasonable opinion declares to be an Additional Disruption Event.

**“Change in Law”** means that, on or after the Deposit Start Date of SISE (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including, without limitation, any action taken by a taxing authority), the Bank determines in good faith that (A) it has become illegal to hold, acquire or dispose of any of the underlying shares, or (B) it will incur a materially increased cost in performing its obligations under SISE (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**“Currency Business Day”** means any day on which commercial banks are open for business (including dealing in foreign exchange and foreign exchange deposits) in the principal center for the relevant currency. In respect of SISE in which the relevant currency is euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system is open shall be a Currency Business Day.

**“Delisting”** means that the Exchange announces that pursuant to the rules of such Exchange, any of the underlying shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

**“Disrupted Day”** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred, as determined by the Bank in its sole discretion.

**“Early Closure** means the closure of any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its scheduled closing time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Schedule Closing Time on such Exchange Business Day.

**“EC Treaty”** means the Treaty establishing the European Community, as amended from time to time.

**“Exchange”** means in respect of an underlying share, each exchange or quotation system specified as such for such share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the share has temporarily relocated (provided that the Bank has determined that there is comparable liquidity relative to such share on such temporary substitute exchange or quotation system as on the original Exchange).

**“Exchange Business Day”** means any Scheduled Trading Day on which each Exchange or Related Exchange are open for trading during their respective trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its scheduled closing time.

**“Exchange Disruption”** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Bank) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the underlying shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, future or options contracts relating to the underlying shares on any relevant Related Exchange.

**“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an issuer of the underlying shares, (i) all the shares of that issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the shares of that issuer become legally prohibited from transferring them.

**“Insolvency Filing”** means that the issuer of the underlying shares institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the issuer shall not be deemed an Insolvency Filing.

**“Market Disruption Event”** means in respect of an underlying share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Bank determines is material at any time, or (iii) an Early Closure.

**“Merger Date”** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Bank.

**“Merger Event”** means, in respect of any relevant underlying shares, any (i) reclassification or change of such shares that results in a transfer of or an irrevocable commitment to transfer all of such shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the issuer with or into another entity or person, (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by an entity or person to purchase or otherwise obtain 100% of the outstanding shares of the issuer that results in a transfer of or an irrevocable commitment to transfer all such shares (other than shares owned or controlled by such other entity or person); or (iv) consolidation, amalgamation, merger or binding share exchange of the issuer or its subsidiaries with or into another entity in which the issuer is the continuing entity and which does not result in a reclassification or change of all such shares outstanding but results in the outstanding shares (other than shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding shares immediately following such event.

**“Nationalization”** means that all the shares or all or substantially all the assets of an issuer of the underlying shares are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**“Potential Adjustment Event”** means any of the following: (i) a subdivision, consolidation or reclassification of the relevant underlying shares or a free distribution or dividend of any such share to existing holders by way of bonus, capitalisation or similar issue; (ii) a distribution, issue or dividend to existing holders of the relevant underlying shares of (A) such shares, or (B) other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the issuer equally or proportionally with such payments to holders of such shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Bank; (iii) an extraordinary dividend; (iv) a call by the issuer in respect of the relevant underlying shares that are not fully paid; (v) a repurchase by the issuer or any of its subsidiaries of the relevant underlying shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; (vi) in respect of the issuer of the underlying shares, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value,

as determined by the Bank, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant underlying shares.

**“Related Exchange”** means, in respect of an underlying share, each exchange or quotation system where trading has a material effect (as determined by the Bank) on the overall market for futures or options contracts relating to such share.

**“Relevant Price”** on any day means in respect of an underlying share, the price per share determined by the Bank as of the closing time on the relevant Exchange on the relevant valuation date.

**“Scheduled Closing Time”** means, in respect of the relevant Exchange, the scheduled weekday closing time of such Exchange on each Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours of such Exchange.

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

**“Settlement Cycle”** means in respect of an underlying share or index, the period of days (on which the relevant clearance system is open for the acceptance and execution of settlement instructions) following a trade in such shares or shares underlying such index, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an index, the longest such period).

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

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

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the underlying shares on the Exchange, or (ii) in futures or options contracts relating to the underlying shares on any Related Exchange.

## **Additional terms and conditions of U.S. taxation for investment products**

## **Additional terms and conditions of U.S. taxation for investment products**

Important: Please read these terms and conditions carefully and read in conjunction with the terms and conditions of relevant investment products.

These terms and conditions set out the rights and obligations of you, the client, and us, Standard Chartered Bank (Hong Kong) Limited (the “**Bank**”), in connection with your use of the investment products. All these terms are legally binding, so please read them through carefully before you agree to be bound by them.

### **1. Definitions and Interpretation**

#### **“U.S. Person” includes**

- (a) any individual who is either (i) a U.S. (as defined below) citizen (including anyone born in the U.S. territories); or (ii) a resident individual (i.e. a person holding a “Green Card” issued by the U.S. Government or meet the Substantial Presence Test as set or defined by the U.S. authorities and/or under U.S. law).
- (b) any entity that is: (i) a corporation (including a U.S. incorporated private investment company) or a partnership which is incorporated, organised or established in the U.S. or under the laws of the U.S. or any state thereof; (ii) an U.S. trust (i.e., one or more U.S. Persons have the authority to control all substantial decisions, such as payment or investment decisions, of the trust, AND a court within the U.S. is able to exercise primary supervision over the administration of the trust); or (iii) an U.S. estate (an estate of a decedent that is a citizen or resident of the U.S.).

The “U.S.” as used in this definition refers geographically to any state of the United States of America, including the District of Columbia. The “U.S.” definition covers its territories (American Samoa, Guam, Northern Mariana Islands, U.S. Virgin Islands and Puerto Rico) as an addition to the mentioned when the U.S. Securities Act is considered and/or adopted.

A “resident individual” as used in this definition includes an individual who physically lives in the U.S.; or who declares to the Bank that he or she resides in the U.S.; or who provides the Bank with a U.S. address as his or her current permanent or residential address.

A client who falls under the above definitions continues to be a U.S. Person even if he or she holds a permanent resident status outside of the U.S.; or possesses dual or multiple citizenships; or conducts business as a sole proprietor or sole trader or other non-personal banking activities, (including the mixed use of his or her personal and business banking needs) as an individual and not through any non-individual entity or structure.

The Bank reserves the right to amend this definition of “U.S. Person” by notice to the Client as may be necessary to conform to applicable law and authoritative interpretation thereof.

### **2. Representations and warranties of the Client**

By applying to the Bank for the provision of the investment products upon these terms and conditions, the Client (or, if the Client is more than one individual, each of such individuals) hereby represents and warrants to the Bank that:

- a. he is not a U.S. Person;
- b. the gains from his subscription, buy/purchase, sale, switching, redemption or other transactions carried out in relation to the investment products are not effectively connected or related to any U.S. Person or any U.S. trade or business which the Client is engaged in or plans to engage in during the calendar year;
- c. the investment products are not being acquired or held beneficially by or for a U.S. Person, or in violation of any applicable law.

### **3. Withholding tax**

- 3.1 Interest or other income (such as dividend payments) earned by you or disposal proceeds for a product may be subject to withholding tax in accordance with applicable law.
- 3.2 If any applicable law requires us to withhold or deduct any tax from a payment due to you, you will receive the amount less the amount for the tax. If you have already received

the amount for the tax, you will promptly pay that back to us. We will pay the amount for the tax in accordance with applicable law. We reserve our rights in claiming the same against you and/or exercising our rights under our terms and conditions including but not limited to set-off.

- 3.3 If applicable law requires you to deduct any tax from a payment to us, you must increase the amount payable so that, after making the deduction, we receive the amount we would have received as if no deduction had been required. You agree to pay an additional amount for the tax to the relevant authority in accordance with applicable law and give us the original receipts.
- 3.4 You may be eligible for lower rates of withholding tax available under tax treaties applicable to you on income from cross border investments. However, at Standard Chartered Group, except for U.S. investments where tax treaty withholding tax rates are not offered, the income is generally subject to standard domestic rates of withholding tax applied by our network of appointed sub-custodians, or underlying issuers, in each market. For most countries, you or your appointed tax advisor should file tax reclams directly with the local tax authority for a refund of the tax withheld over and above the applicable treaty rate.

#### **4. U.S. Source Income and U.S. Tax**

**Warning: THIS SECTION CONTAINS A BRIEF SUMMARY OF SOME (AND NOT ALL) OF THE FEATURES AND RISK DISCLOSURES OF INVESTING AND TRADING IN INVESTMENT PRODUCTS WITH U.S. SOURCE INCOME (INCLUDING NON-U.S. SECURITIES GIVING RISE TO PAYMENTS OF U.S. SOURCE INCOME) AND IS NOT MEANT TO BE AN EXHAUSTIVE SUMMARY. IF YOU ARE IN ANY DOUBT ABOUT THE RISKS INVOLVED IN INVESTING AND TRADING IN U.S. INVESTMENT PRODUCTS WITH U.S. SOURCE INCOME, YOU ARE ADVISED TO SEEK INDEPENDENT FINANCIAL, TAX, LEGAL OR OTHER PROFESSIONAL ADVICE. THE CONTENTS OF THIS SECTION HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY.**

##### **Important notes for trading in investment products with U.S. source income**

Before trading in any investment products with U.S. source income through the Bank, clients are reminded of the following important notes:

##### **4.1 Form W-8BEN**

Clients who are non-U.S. Persons must complete a Form W-8BEN which is subject to renewal every 3 years. If you fail to complete or renew the Form W-8BEN, no trading services for any investment products with U.S. source income will be provided and you will not be allowed to submit any buy/purchase/subscription order, switching-in order, deposit instruction nor transfer-in instruction. When investing in overseas products, you must comply with the local tax systems and you may not be exempt from U.S. capital gains tax. You should also seek professional tax advice where appropriate.

##### **4.2 U.S. tax**

The U.S. tax system covers every person holding investment products deemed to be generating U.S. income and payments as defined under U.S. tax law (e.g. tradable securities, mutual funds or bonds, etc.).

The U.S. withholding agent must generally withhold on the payment of U.S. income made to non-U.S. Persons at the applicable rate depending on the classification of the income and/or security. Clients deemed to be receiving a payment subject to U.S. withholding tax per U.S. tax law shall remain liable for the U.S. tax due and will generally receive the payment less the amount for the U.S. tax. Clients agree to reimburse the Bank for any amount or liability not fully satisfied by the withholding tax applied by the Bank or another withholding agent. The Bank does not offer tax relief service, i.e. tax treaty withholding tax rates are not offered, nor the Bank represents or assists clients in applying for a waiver or exemption from withholding tax from the U.S. tax authorities or any request for a refund due to any tax being over-withheld. You should seek professional tax advice, where appropriate.

