

November 2022 Edition

The Hongkong and Shanghai Banking Corporation Limited

Standard Terms and Conditions



Global Private Banking

Standard Terms and Conditions

These Standard Terms and Conditions apply to all services and products offered by our Private Banking business (including through our branch in Singapore) and any other branches that we may decide. These Standard Terms and Conditions together with the terms in the Account Opening Booklet apply to, and govern the relationship between us and you. All services and facilities set out in these Standard Terms and Conditions are available to you at our discretion.

We are a full licensed bank under the Hong Kong Banking Ordinance (Cap. 155). We are a registered institution under the Hong Kong Securities and Futures Ordinance ("SFO") (Cap. 571) carrying the Central Entity registration number of AAA 523 at the Hong Kong Securities and Futures Commission. We are registered under section 119(1) of the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities.

Our Singapore branch has the status of a qualifying full bank licensed under the Singapore Banking Act 1970.

In Hong Kong, our business address is Private Banking Division, Levels 13 and 14, 1 Queen's Road Central, Hong Kong. In Singapore our business address is Private Banking Division, 10 Marina Boulevard, #50-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

Contents

Section I: General Terms	3
Section II: Deposit Services	26
Section III: Investment and Trading Services	28
Section IV: Credit Services	37
Section V: Conditions of Charge	45
Section VI: Discretionary Investment and Portfolio Management Services	53
Section VII: Foreign Exchange and Currency Option Margin Trading Services	58
Section VIII: OTC Master Derivatives Terms	67
Section IX: Internet Banking Services, eStatement Service and SMS Notification Service	73
Section X: Precious Metals Margin Trading Services and Precious Metals Placements and Loans	82

Section I: General Terms

1. Interpretation

- 1.1. Terms and expressions we use in this document, unless the context otherwise requires, are defined in Appendix 1.
- 1.2. If there is a conflict between the other Sections of these Standard Terms and Conditions and this Section I, then such other Sections will apply. If there is a conflict between these Standard Terms and Conditions and any Confirmation, then the Confirmation will apply for the purpose of the relevant transaction.
- 1.3. Words defined in any Relevant Document which are expressed in the singular shall, where the context allows, include the plural and vice versa. A word which suggests one gender includes the other genders.
- 1.4. In this document, we use the expression(s), "you" or "the Customer" interchangeably. "You" or the "Customer" may consist of two or more persons (for example where there is a joint account). In this context, all agreements, obligations, powers, authorities and liabilities on your/the Customer's part in connection with these Standard Terms and Conditions shall be joint and several. An obligation to notify you/the Customer arising under these Standard Terms and Conditions (if any) shall be met if we notify any one of the persons comprising the Customer/you. Without affecting our rights and remedies against any of the persons comprising the Customer or falling within the definition of "you", the Bank may compound or vary the liability of, or grant time or other indulgence to, any of the persons comprising the Customer or falling within the definition of "you".
- 1.5. References to a person (including in any Relevant Document) include a reference to that person's legal representatives, successors and permitted assigns.
- 1.6. Liability under, pursuant to or arising out of (or any analogous expression) any agreement, contract, deed or other instrument includes a reference to a contingent liability under, pursuant to or arising out of (or any analogous expression) that agreement, contract, deed or other instrument.

2. Communications and instructions

- 2.1. **General authority to accept instructions** We are entitled to accept and execute instructions of any nature that we believe to be genuine and purporting to be signed, given or issued by you or by an Authorized Agent in accordance with the authorizations in the Account Documentation. On your request, a Branch may relay communications to another Branch on your behalf and in such circumstances the Branch will only be acting as your agent in doing so. If, in our opinion there is any ambiguity or conflict in any instructions given by you or an Authorized Agent or if we become aware of any dispute in respect of the Customer Account, we may (but are not obliged to) choose not to act on such instructions until the ambiguity or conflict or dispute has been resolved to our

satisfaction. Instructions received by us outside of regular business hours (which are between 9:00 am and 4:30 pm) on Business Days will, unless expressly acknowledged by us upon receipt, be deemed to have been received, for instructions received after regular business hours, on the following Business Day and, for instructions received prior to regular business hours, at the start of regular business hours.

- 2.2. **Fax, oral and email instructions** Where you request us to accept fax instructions, oral instructions or email instructions, the following conditions shall apply:
 - A. we are entitled (but not bound) to accept as genuine and act upon any Oral Instruction or Email Instruction we believe in good faith to have been given by you or an Authorized Agent and upon any signature which appears to us to be your signature or an Authorized Agent's signature on a Fax Instruction or Email Instruction. We are not under any obligation to enquire into the genuineness of any Oral Instruction, Email Instruction and/or Fax Instruction nor into the good faith of the person giving any Oral Instruction, Email Instruction and/or Fax Instruction and such Oral Instruction, Email Instruction and/or Fax Instruction shall be binding on you;
 - B. we will not be obliged to act upon an Oral Instruction from you or an Authorized Agent, including but not limited to instructions to remit or transfer any Customer Property to a third party. We shall be entitled to require receipt of written instructions/confirmation from you or an Authorized Agent before executing any instructions contained in any Oral Instruction;
 - C. we will not be obliged to act upon any Email Instruction and/or Fax Instruction from you or an Authorized Agent. We shall be entitled to (but not obliged) call you or an Authorized Agent and/or require you or an Authorized Agent to provide a signed instruction in a form acceptable to us to verify any Email Instruction and/or Fax Instruction we receive and may refuse to execute such instruction if we are not able to obtain oral confirmation or verification from you as regards such instruction;
 - D. any Email Instruction and/or Fax Instruction shall not be effective or taken or deemed to be received by us until an acknowledgement (whether by return email, facsimile transmission, telephone or otherwise) is sent by us to you in response to that Email Instruction and/or Fax Instruction;
 - E. we will not accept Email Instructions sent to an email address which is not an email address we have stipulated to you as the email address to be used for Email Instructions from time to time, in writing;

Section I: General Terms (continued)

2. Communications and instructions (continued)

- F. we do not make any warranty that electronic communications (unsecured or otherwise) sent by or to us will be received without having been falsified or on time or that such electronic communications will reach the correctly entered addressee or that any electronic mail showing that we are the sender actually comes from us;
- G. in relation to Fax Instructions, you acknowledge that you have considered fully the risks inherent in the giving of a Fax Instruction and in particular that signatures on a facsimile may be forged or that Fax Instructions may be transmitted to a wrong number; may never reach us; and/or may thereby become known to third parties thereby losing their confidential nature;
- H. in relation to Email Instructions, you acknowledge that electronic communications can involve substantial risks including but not limited to potential loss of client confidentiality and the sending of communication to a person not authorised to receive the same, interception and/or hacking of a communication, the manipulation of contents and/or sender's address, the non-original signatures in any electronic communication may be forged and the loss of data or damage to hardware may be caused by computer viruses, bugs and/or other harmful or malicious script or software; and
- I. you are fully responsible for all loss or damage sustained or incurred in connection with the operation of any Customer Account by means of Oral Instruction, Email Instruction and/or Fax Instruction in lieu of the receipt by us of original signed documents and/or instructions given in person.
- 2.3. **Instructions of Authorized Agents** You may request that we accept the instructions of Authorized Agents (but we are not obliged to do so) and in such case you shall complete and execute such form of authorization as required by us. We are not obliged to ascertain or to enquire into the purpose for which any of the powers granted to the Authorized Agent is exercised. We may, but are not obliged to, accept your request to accept the instructions of an Authorized Agent whose authority to operate the Customer Account is limited.
- 2.4. **Use of stamp (chop)** Where you request that we accept the authorized impression of your stamp or the stamp of any Authorized Agent in lieu of your signature or the signature of such Authorized Agent, the following conditions shall apply:
- A. without prejudice to your right to change the signatory or signatories to the Customer Account from time to time, the authorized impression of the your or your Authorized Agent's stamp shall by itself and in lieu of your signature or of the signature of the Authorized Agent be sufficient authority to us for the operation of the Customer Account generally (including any instruction as to any change of Authorized Agent). Any document bearing what purports to be the impression of the stamp and any instructions contained therein, shall be binding on you notwithstanding the capacity or good faith of the person who affixed the same;
- B. we are not obliged to enquire into the authenticity of the impression of the stamp, nor the good faith of the person who affixed the same, nor make any comparison of any such purported impression with the specimen impression provided to us by you; and
- C. you acknowledge that you have considered fully the risks inherent in the use of a stamp, assumes full responsibility for all losses occasioned by the operation of the Customer Account in such manner and agrees that we are not liable for any loss or damage whatsoever arising directly or indirectly from its acceptance or refusal of any document or instructions bearing or purporting to bear an impression of the stamp for the operation of the Customer Account.
- 2.5. **Recording** You irrevocably consent to the taping or other means of recording, by or on our behalf, of oral and telephone conversations between our representatives and you or an Authorized Agent including in connection with any Relevant Document or any potential transaction thereunder. Such recordings or transcripts thereof may be used by us as evidence in any dispute that may arise.
- 2.6. **Undated correspondence** If any document you send to us, including any instruction, confirmation, contract or transaction, is for any reason undated, the time and date as shown on our time stamp or acknowledgement of receipt by an officer of ours as imprinted on such document at the time of its receipt shall be conclusive evidence of the time and date of such document.
- 2.7. **Indemnity** You will indemnify, hold us harmless and keep us indemnified from and against all actions, claims, liabilities, costs, expenses, demands, damages and losses of any nature (including legal costs) brought or threatened against us or incurred or sustained by us, arising out of any action or omission taken or made by us in reliance upon or in connection with any communication, where you have requested that we accept communication made by that method except, subject to the remainder of this clause 2, for direct and reasonably foreseeable loss or damage resulting from our fraud, gross negligence or wilful default or of our employees acting in the ordinary course of their employment.

Section I: General Terms (continued)

2. Communications and instructions (continued)

2.8. **Lack of Mental Capacity** Where you, in our reasonable judgment, lack mental capacity or are of unsound mind under any applicable Law, we shall be entitled (but not bound) to:

- A. accept and execute instructions of any nature we believe to be genuine and purporting to be signed, given or issued by a donee of an enduring or lasting power of attorney granted by you or such other person who is appointed by an order of a court of competent jurisdiction to administer your affairs; and/or
- B. without prejudice to any other right granted to us in any Relevant Document, suspend, freeze, terminate or close the Customer Account(s) or the use or availability of any or all of the products, services or other privileges provided under the Customer Account (including any Facilities granted to you), as the case may be.

For joint accounts, we shall be entitled (but not bound) to exercise the rights set out in this clause 2.8 where any one of the joint account holders in our reasonable judgment, lacks mental capacity or is of unsound mind under any applicable Law.

2.9. **Electronic Signatures** This clause 2.9 applies where Relevant Documents are signed electronically. In this clause:

“**eSignature**” means the Bank’s electronic signing service;

“**eSignature Platform**” means the platform provided by the eSignature Platform Provider which is used to collect and link signatures of the User to the documents in electronic form as part of the Bank’s eSignature service;

“**eSignature Platform Provider**” means the third party service provider who provides the eSignature Platform;

“**Electronic Documents**” means the documents signed electronically, whether using the eSignature Platform or otherwise, together with the collected and linked signatures;

“**Electronic Records**” means the contents of any Electronic Document or any evidence in the form of activity or transaction logs, computer or electronic records, computer printouts or any other form of computer or electronic data or information storage or system; and

“**User**” means each individual who signs documents electronically.

- A. Where a Relevant Document is signed electronically using the eSignature service:
 - I. You authorize and provide consent for us to collect and link signatures of the User to the documents in electronic form using the

eSignature Platform. Before authorizing any User to sign documents using the eSignature Platform, you shall procure the User’s agreement to and acceptance of the terms in this clause 2.9;

- II. we use the services of the eSignature Platform Provider to collect and link signatures to the Electronic Documents. When redirected to the eSignature Platform, the User will be able to access the documents which are available for signing electronically. By accessing the eSignature Platform the User (for itself and on your behalf) agrees directly with the eSignature Platform Provider to its terms and conditions applicable to the use of the eSignature platform. Neither we nor any Group Office is responsible for the operation of the eSignature Platform or its services and functionalities. The use of the eSignature Platform shall be at the User’s and your own risk; neither we nor any Group Office shall be responsible or liable for any damages or in any other way in connection with the access and use of the eSignature Platform;
 - III. no endorsement, approval or responsibility on our part or any Group Office for the appropriateness of eSignature Platform Provider or its advice, opinions, information, products or services is expressed or implied by any information on our Internet Site (as defined in Section IX) or by the fact that the User will be redirected to the eSignature Platform;
 - IV. all Electronic Documents are considered to be executed by the User only at the time when the User clicks on the final ‘Click To Sign’ button (or similar button) which appears at the end of all the Electronic Documents; and
- B. In all cases where a Relevant Document is signed electronically (whether using the eSignature service or otherwise):
- I. the User will read the Electronic Document in full prior to signing and the signature on each Electronic Document is attached by the User confirming the User’s intention to be bound by the Electronic Document. The User will not permit any other person to assist the User in attaching the User’s signature to any Electronic Document;
 - II. the User’s signature on each Electronic Document shall be reflected clearly and accurately on the Electronic Document and the User’s signature collected, received and/

Section I: General Terms (continued)

2. Communications and instructions (continued)

- or stored in such electronic form shall be deemed to be equivalent to the User's signature in hard copy for all purposes subject to our verification that such signature complies with our internal requirements;
- III. the Electronic Documents maintained by us or on our behalf to which signatures in electronic form have been attached shall be deemed to be valid, accurate and authentic, and shall be given the same effect as though such Electronic Documents were written and had been signed by the User in hard copy;
 - IV. unless otherwise required by law, we are entitled to rely on each User's signature collected in any Electronic Document as valid and enforceable;
 - V. the User and you will not dispute the validity, accuracy or authenticity of the Electronic Records, and other than in the case of our manifest or clerical error, such Electronic Records shall be final and conclusive of the information and the User's and/or your instructions, consents, acknowledgments and agreements in respect of any matter set out in the Electronic Documents and the Electronic Records can be used as evidence in any court proceedings as proof of their contents; and
 - VI. the execution of the Electronic Documents by the User does not mean that such instructions are accepted by us. The Electronic Documents will still have to be verified and approved by us and the Electronic Documents shall be effective only after we have approved them.

3. Statements of Accounts, Confirmations

- 3.1. **Statements of Account** You agree to check each statement of account received from us to see if there are any errors, discrepancies, unauthorized debits or other transactions or entries arising from whatever cause, including, but without limitation, forgery, forged signature, fraud, lack of authority or negligence of yours or any other person (the "Errors"). You also agree that the statement of account shall, as between us and you, be conclusive evidence as to the balance shown in it and that the statement of account shall be binding on you, and you shall be deemed to have agreed to waive any rights to raise objections or pursue any remedies against us in respect thereof unless you notify us in writing of any such Error within 90 days (or such other period as specified in the statement of account) of deemed receipt of such statement.

- 3.2. **Confirmations** Transactions with us will be evidenced by written Confirmations although the terms of such transactions shall be legally binding from the moment they are agreed to between you and us (whether orally or otherwise). All Confirmations constitute a supplement to, and form part of, the Account Documentation and will be read and construed as and constitute a single agreement. If there is any inconsistency between the provisions of any Confirmation and these Standard Terms and Conditions, the Confirmation will prevail for the purposes of the relevant transaction. Written Confirmation of contracts, instructions and requests and/or the execution thereof issued by us pursuant to any communication shall be deemed conclusive and accepted by you as correct unless you dispute its correctness to us within 10 calendar days (or such other period as specified in the written Confirmation) after the date of its deemed receipt by you.
- 3.3. **Obligations under Confirmations** You and us shall make each payment or delivery specified in each Confirmation to be made. Payments must be made on the due date for value on that date in the place of the account specified in the relevant Confirmation and where settlement is by delivery (as opposed to by payment) such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation.
- 3.4. **Reversals and Corrections** Without prejudice to anything in this clause 3, we may at any time at our discretion and without prior notice to you, acting in good faith, reverse entries in or make any corrections to any statement, Customer Account or Confirmation (i) in connection with or in relation to instruments which are returned to us unpaid, (ii) in connection with or in relation to the non-delivery of any Securities by any issuer or agent or the failure by any party or person to deliver any Trading Asset or (iii) which are required by reason of an operational error or erroneous payment or to correct an obvious error in the relevant document or Customer Account.

4. Holdmail

- 4.1. **Retention of correspondence** Where you request to use our hold mail service and we agree to provide such a service to you, we are entitled to impose such conditions as we may determine from time to time. Such conditions shall include (without limitation) the subscription to Internet Services (as defined in Section IX) by you. Where we agree to provide a hold mail service, our correspondence will not be mailed to you in accordance with our practice as stipulated by us from time to time and subject to clause 4.6, will be retained by us for safe-keeping until collected by you.

Notwithstanding the foregoing, we shall be entitled in our sole discretion to forward to any of your addresses

Section I: General Terms (continued)

4. Holdmail (continued)

- in our records, such notices or communications which we consider necessary or appropriate or pursuant to the prevailing conditions of our hold mail service or to terminate the hold mail service at any time on the giving of reasonable notice to you.
- 4.2. **Deemed delivery** Notwithstanding anything contained in this clause, all correspondence subject to hold mail arrangements are deemed to have been duly delivered on and, in the absence of a special notation, the date of receipt by you is deemed to be, the date shown on the respective correspondence. You are deemed to have accepted the contents of all correspondence subject to hold mail arrangements where you have requested that we retain the correspondence pending collection, which shall be binding on you accordingly.
- 4.3. **Review of documents** You undertake, and will procure the Authorized Internet User(s) (as defined in these Standard Terms and Conditions), to review and examine from time to time documents posted on the internet in respect of the Customer Account(s). These documents include without limitation statements of account, Confirmations, transaction advices and contract notes.
- 4.4. **Disposal instructions for hold mail** You shall collect or give written instructions as to the disposal of all correspondence subject to hold mail arrangements at least once every 12 months.
- 4.5. **Collection by You or your Agent** Where you appoint and authorize an agent(s) to collect correspondence from us, you shall provide us with the names and specimen signature(s) of each such agent. We are entitled to require the presentation by you or your agent, of such identification document(s) satisfactory to us upon collection of the correspondence and may in our absolute discretion refuse to release the correspondence if we are not satisfied with the documents produced. Subject to applicable Laws, you may from time to time authorize any of our officers (who shall not be obliged) to deliver correspondence personally to you.
- 4.6. **Delivery** We are entitled, in our discretion, to mail to you at your address indicated in our records any correspondence subject to hold mail arrangements which remains uncollected or in respect of which you fail to give disposal instructions within 12 months after its date of issue.
- 4.7. **Acknowledgement of risk** You expressly acknowledge that:
- A. we are not under any obligation to open any correspondence subject to hold mail arrangements (including without limitation any notice or demand served under the Credit Documentation) or to communicate the content thereof to you; and
 - B. without limiting the generality of clause 4.1 above, in exercising our rights or preserving our interests, we may (but are not obliged to) mail to you at your latest address provided to us any correspondence subject to hold mail arrangements which in our sole opinion requires immediate attention or action by you.
- You are fully responsible for any consequences, loss and damage that may occur from or arise out of hold mail arrangements or the action or inaction described in paragraphs (A) and (B) of this clause and we are not liable for any such consequences, loss or damage.

5. Account opening services

- 5.1. **Power of Attorney, Authorization** Where you request that we open and establish an account with any of our other Branches or with any Group Office on your behalf, you may be required to grant a power of attorney or to provide a letter of authorization (in such form and substance as we may require) in our favour and to execute such other documents as we may require for such purpose.
- 5.2. **Authorization to operate Group Account** Unless you instruct us or any Group Office otherwise, the person(s) authorized to operate the Group Account or to give instructions to the relevant Group Office shall be the same person(s) authorized to operate the Customer Account with us, with the same authority, and you authorize us to provide to the Group Office, upon establishment of the Group Account, copies of a full set of documents signed by you containing the then updated list of name(s) and specimen signature(s) of such authorized person(s). You are solely responsible for informing the Group Office directly of any changes to the person(s) authorized to operate the Group Account after the establishment of the Group Account.
- 5.3. **Bank acting as Agent** Except as otherwise provided in the Account Documentation, we are only acting as your agent for the limited purpose of opening and establishing the Group Account and relaying instructions on your behalf in respect of such Group Account. You are fully responsible and remain solely liable for all acts, deeds or things done by us acting in our capacity as your agent in this respect. We have no liability or responsibility whatsoever in relation to the Group Account.
- 5.4. **Account conditions** The operation of the Group Account shall be governed by the terms and conditions, applicable to that Group Account and you shall be deemed to have accepted such terms and conditions.

Section I: General Terms (continued)

6. Service fees and charges

- 6.1. We are entitled to levy commissions, fees and charges for our Services (including without limitation deposit charges on the credit balance of any account) in accordance with our prevailing rates notified to you from time to time and which may be varied from time to time, or as otherwise agreed with you. We are authorized to debit any Customer Account for any service charges for any service provided to you.
- 6.2. Unless otherwise agreed by us in writing, you shall pay all fees, costs, charges and expenses incurred by us in connection with the purchase or sale of any Trading Asset or any Relevant Document including without limitation in respect of valuation reports or legal opinions or in respect of the perfection or protection of any security granted by you or a Security Provider in favour of us.

7. Our Liability

- 7.1. **Exclusion of liability** So far as the law permits, we shall not have any liability in respect of:
- A. any diminution in the value of any Customer Property due to taxes, deductions, withholdings, imposts, duties or depreciation;
 - B. any failure to take or delay in taking any action required to be taken under any Relevant Document in the event of and to the extent that the taking of such action is prevented or delayed by a Force Majeure Event;
 - C. any act, omission, default, bankruptcy or insolvency of any agent or counterparty of ours;
 - D. your refusal or failure to provide complete, accurate and up-to-date information (including but not limited to your Customer Financial Information referred to in Section III (Investment and Trading Services) requested by us in discharging our legal or regulatory duties; and
 - E. save only for direct and reasonably foreseeable losses resulting from our fraud, gross negligence or wilful default or of our employees acting in the ordinary course of their employment:
 1. any loss, theft, accident, destruction or damage to or of any Customer Property, Customer Information or documents relating thereto but so that in such event our liability shall be limited to the market value of the Customer Property at the date of discovery of the loss; or
 2. any matter arising by virtue of our acting as agent or custodian or our agreement to do so.
- 7.2. **Place and time of performance of obligations** Unless otherwise expressly agreed by us in writing, our obligations under the Relevant Documents or any

services provided thereunder shall only be performed by us and/or our Branch in the place in which the Customer Account is opened and held and no other Group Office shall be so obliged. We shall not be responsible for the obligations of, or any services to be performed by, any other Group Office.

If any payment or calculation to be made or other action to be taken hereunder by us would otherwise fall on or by reference to a day which is not a Business Day, unless otherwise stipulated by us, it shall be postponed until (or, as appropriate, by reference to) the first following day that is a Business Day.

8. Collection, Processing and Sharing of Customer Information

- 8.1. Customer Information will not be disclosed to anyone (including other Group Offices), other than where we are legally required or permitted to disclose, we have a public duty to disclose, our legitimate business purposes require disclosure, the disclosure is made with your consent whether in writing or otherwise or it is disclosed as permitted or authorised in this clause 8.
- 8.2. We, other Group Offices and/or Group's authorised service providers may collect, use and share Customer Information for the Purposes. Customer Information may be requested by us or on our behalf, or on behalf of any Group Offices, from you (or a person acting on your behalf), from other sources (including from publicly available information), generated or combined with other information available to us or any Group Office.
- 8.3. We and/or Group Offices and/or our or their authorized service providers, will process, transfer and disclose Customer Information in connection with the Purposes to the following recipients and any recipients as notified to you wherever located (who may also process, transfer and disclose such Customer Information for the Purposes):
- A. any Group Office;
 - B. any sub-contractors, agents, service providers, or associates of the Group (including but not limited to mailing houses, telecommunication companies, and data processing companies) (including their employees, directors and officers);
 - C. in response to any requests from any Authorities;
 - D. anyone acting on your behalf, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market and central counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us for you);

Section I: General Terms (continued)

8. Collection, Processing and Sharing of Customer Information (continued)

- E. any party acquiring an interest in or assuming risk in or in connection with the Services (including without limitation insurers and credit protection counterparties);
- F. any person to whom our or a third party's legitimate business purposes require disclosure;
- G. other financial institutions or credit bureaux;
- H. any third party fund manager who provides asset management services to you;
- I. any introducing broker to whom we provide introductions or referrals;
- J. any prospective transferee in connection with any Group business transfer, disposal, merger or acquisition;
- K. our auditors and legal or other professional advisers;
- L. any other person with your consent; and
- M. any person in connection with any of the Purposes.
- 8.4. You agree to (a) inform us promptly, and in any event, within 30 days, in writing if there are any changes to Customer Information given to us or a Group Office from time to time and (b) promptly give to us or a Group Office such further information as may be necessary or desirable in connection with the Purposes.
- 8.5. You confirm and warrant that every Connected Person whose information (including Personal Data or Tax Information) you have provided or will provide to us or a Group Office has or will at the relevant time been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Standard Terms and Conditions. You shall advise such Connected Persons that they have rights of access to, and correction (including, where permitted by applicable law and regulations, the erasure) of, their Personal Data. You consent and shall take such steps as are required from time to time for the purposes of any applicable data protection law or secrecy law to permit us to use, store, disclose, process and transfer all Customer Information in the way described in these Standard Terms and Conditions. You agree to inform us promptly in writing if you are not able to or you fail to comply with the obligations set out in this Clause 8.5 in any respect.
- 8.6. Where:
- A. you or any Connected Person fails to provide promptly any Customer Information that we reasonably requests, or
- B. you or any Connected Person withholds or withdraws any consents which we may need to process, transfer or disclose Customer Information for the Purposes (except for the purposes connected with marketing or promoting products and services to your), or
- C. we, or a member of the Group has suspicions regarding Financial Crime or associated risk, we may:
- I. be unable to provide new, or continue to provide all or part of the, Services to you and reserve the right to terminate our business relationship with you;
- II. take actions necessary for us or a Group Office to meet the Compliance Obligations; and/or
- III. block, transfer, suspend or close all or any Customer Account(s).
- 8.7. In addition, your failure to supply your, or your Connected Person's, Tax Information and accompanying statements, waivers and consents, may result in us making our own decision with respect to your status or the status of a Connected Person, including whether to report you or your Connected Person to a Tax Authority, and may require us or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to any Tax Authority.
- Data protection, access and correction**
- 8.8. Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all Group Offices, their staff and third parties are subject to.
- 8.9. Your attention is drawn to the fact that laws relating to banking secrecy or data protection may not have extra-territorial effect. Our service providers may be required by law to disclose Customer Information to third parties.
- 8.10. Subject to payment of the prescribed charge, you have the right to make a data access, correction or erasure request concerning Customer's Personal Data in accordance with and subject to our, or a Group Office's general policy on the collection, use and disclosure of Customer Information under applicable data protection laws as set out in statements, circulars, notices (including any notice issued pursuant to any applicable data protection law or regulation), data protection policies or special or other terms and conditions made available by us to you from time to time.
- Financial Crime Risk Management Activity**
- 8.11. We, and Group Offices are required to and may engage in Financial Crime Risk Management Activity. To the extent permissible by Law, neither we nor any Group Office shall be liable to you or any third party in respect of any Loss whether incurred by you or a third

Section I: General Terms (continued)

8. Collection, Processing and Sharing of Customer Information (continued)

party in connection with the delaying, blocking, suspending or refusing of any payment or the provision of all or part of the Services or otherwise as a result of Financial Crime Risk Management Activity.

- 8.12. In the event of any conflict or inconsistency between any of this clause 8 and those in any other service, product, business relationship, account or agreement between you and us, this clause 8 shall prevail. Any consents, authorizations or our requested waivers and permissions that already exist from you in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local Law.
- 8.13. If all or any part of the provisions of this clause 8 become illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of this clause 8 in that jurisdiction.
- 8.14. To the extent permissible by applicable Laws of the jurisdiction where the Customer Account is opened, this clause 8 shall continue to apply notwithstanding any termination by us or a Group Office of the provision of any Services to you or the closure of any Customer Account.

9. Counterparties, Brokers and Agents

- 9.1. **Use of Brokers and Agents** We may effect trades or transactions or provide any services hereunder for you with counterparties or through brokers or agents (including but not limited to Custodians, Sub-Custodians, depository agents, clearing houses) of our choice (including without limitation to the foregoing, any Group Office) upon such terms and conditions as we may deem fit and you shall be bound by the same. We shall not be responsible for any act or omission of any of such counterparties, brokers or agents, save for our gross negligence or wilful default in the selection and appointment of such counterparties, brokers or agents. In particular but without limitation, you shall bear the risk of the bankruptcy or insolvency of any counterparty, broker or agent with whom a transaction on any Customer Account is effected or through whom any service is provided.
- 9.2. **Receipt of fees, commissions, rebates** Subject to applicable Laws, we may pay to, or receive and retain from, any counterparty, broker, agent or from another company within the Group (including, and without limitation, such person who introduced you to us) charges, commissions, fees, rebates or other payments or non-cash benefits (as the case may be) in any form (including without limitation research and advisory services, economic and political analysis, and market analysis, data and quotation services) or enter into commission sharing arrangements with such parties in respect of (a) any trades or transactions effected for or

with you or (b) any hedges effected by us in connection with such trades or transactions or (c) services provided for you in your capacity as principal or agent, and without being liable to account to you for any such profit derived by us provided that (i) any goods or services in consideration of directing transaction business on your behalf to such counterparty, broker, agent or from another company within the Group are only received if (x) the goods or services are of demonstrable benefit to our clients; and (y) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary full-service brokerage rates and (ii) any cash or money rebates in relation to client transactions may only be received and retained if (x) brokerage rates are not in excess of customary full-service brokerage rates; and (y) disclosure of the rebates and their approximate value is made to you.

- 9.3. **Our role as Principal or Trustee or Agent** We shall be entitled at our discretion to deal as principal on our own account or as bare trustee or agent for you in relation to any transaction and without being liable to account for or disclose to you of any profit derived by us in such capacity (whether in the form of commission, rebate or otherwise). If required by applicable Laws, we shall before entering into any transaction of sale or purchase of securities as principal disclose such capacity and any such profit derived by us in such capacity (whether in the form of commission, rebate or otherwise) to you.
- 9.4. **Conflicts** You should be aware that even though we, acting through our Private Banking division, do not invest on a proprietary basis in the same Investments as our customers, there is a possibility that other business lines of the Bank may do so, and on a contrary basis. This may give rise to an actual, perceived or potential conflict of interest. However, we have in place information barriers that prevent information about positions taken by various business lines in investments from being available to or shared with other business lines, and as such any such conflict is mitigated. Conflicts of interest may arise which Customers and the Bank may not become aware of. Separate elements within the HSBC Group may be aware of an interest or relationship which may give rise to a conflict of interest. By receipt of our services and these Standard Terms and Conditions, you acknowledge and accept that the HSBC Group (including the Bank) may have interests or duties which conflict with your interests and which would or might otherwise conflict with the duties we owe to you. Furthermore, you accept that our agreement to provide services to you does not require any other member of the HSBC Group or any division of the Bank to restrict its activities in any way nor to provide you with any information whatsoever about, or derived from, those activities nor does it create any obligation to advise you of any conflict of interest which exists or may arise.

Section I: General Terms (continued)

10. Your representations and warranties

You represent and warrant to and for our benefit as of the date of execution of any Relevant Document entered into by you and as of the date of each transaction entered into under the same, the representations and warranties specified in clause 10.1 to 10.3 below:

10.1. General representations and warranties

- A. all of your records and information furnished to us by you or on your behalf are true, accurate and complete in every material respect;
- B. if you are a company, you are duly organised and validly existing under the Laws of the jurisdiction of your organisation or incorporation and, if relevant under such laws, you are in good standing;
- C. if you are an individual, you are of sound mind and have full capacity to enter into each Relevant Document and each transaction;
- D. if you are acting as a partner or trustee,(a) by executing each Relevant Document and entering into each transaction, you are not in breach of any of your express or implied duties under the relevant agreement, deed, instrument or other document in respect of the relevant partnership or trust (as applicable) and you are acting in accordance with the terms, express or implied, and conditions and purpose of the partnership or trust (as applicable) with full, absolute and irrevocable power and authority; and (b) during the life of any Relevant Document, you will remain a partner or trustee (as applicable) of the partnership or trust (as applicable);
- E. you have the power to execute each Relevant Document to which you are a party, to deliver each Relevant Document that you are required by that Relevant Document to deliver and to perform your obligations under each Relevant Document and you have taken all necessary action to authorise such execution, delivery and performance;
- F. the execution and delivery of each Relevant Document and performance of obligations under each Relevant Document by you will not violate or conflict with any Laws applicable to you, (if you are a company) any provision of your constitutional documents, (if you are a trustee or partner) any provision of any deed, instrument or other agreement relating to the terms of the trust or the partnership (as applicable), any order or judgment of any court or other agency of government applicable to you or any of your assets or any restriction binding on or affecting you or any of your assets;

- G. all governmental and other consents that are required to have been obtained by you with respect to each Relevant Document have been obtained and are in full force and effect and all conditions of any such consents have been complied with;
- H. your obligations under the Relevant Documents constitute your legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in proceedings in equity or at law));
- I. no Event of Default or Potential Event of Default with respect to you has occurred and is continuing and no such event or circumstance would occur as a result of you entering into or performing your obligations under the Relevant Documents;
- J. there is not pending nor, to your knowledge, threatened against you any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against you of the Relevant Documents or your ability to perform your obligations under the Relevant Documents; and
- K. you confirm that you and, if applicable, your Connected Persons and Controlling Persons, complies with all of their disclosure and reporting obligations as a result of any Laws with respect to each transaction.

10.2. Investment representations and warranties

- A. except where expressly agreed otherwise, you act as principal for your own account and not as agent of any person in entering into each Relevant Document and any transaction (as the case may be) and exercising your rights and carrying out your obligations in regard to each and every transaction. You agree and understand that neither we nor any of our Affiliates or agents are acting as a fiduciary for you in respect of any Relevant Document or any transaction;
- B. no acquisition of any Trading Assets requested by you will be made directly or indirectly on behalf of any individual, corporation, partnership, or any other entity in or resident in any jurisdiction in violation of the Laws of that jurisdiction or of any other applicable Laws and you shall be solely responsible to ensure that you have read the relevant prospectus or other offering information

Section I: General Terms (continued)

10. Your representations and warranties (continued)

and that you satisfy the legal requirements or contractual stipulations (if any) which pertain to any dealing in Trading Assets under the Account Documentation;

- C. [this paragraph is intentionally left blank]
- D. where you are required to settle a transaction by physical delivery, such delivery will operate as a representation that (i) you are the legal and beneficial owner of the property to be delivered free from all liens, charges, equities, rights of pre-emption or other security interests or encumbrances whatsoever and (ii) you have the right to transfer such property on the terms of each Relevant Document.

10.3. Tax representations and warranties

You represent and warrant to and for our benefit that:

- A. you are solely responsible for fulfilling any obligation that you may have with respect to the filing of returns or other required documentation in respect of and the payment of all relevant taxes, including, without limitation, all income, capital gains, wealth and estate taxes;
- B. you understand that the creation and continued operation of a Customer Account and/or the acquisition, holding or disposal of any Customer Property, as well as any income, distributions or losses realized in relation to the operation of that Customer Account may expose you to tax consequences depending on a number of factors including, but not limited to, your tax domicile, your place of residence, your citizenship or place of incorporation or the type of assets you hold and that, in this respect, some jurisdictions may have tax legislation with extra-territorial effect impacting you regardless of your place of domicile, residence, citizenship or incorporation;
- C. unless notified otherwise to us in writing, no deduction or withholding (whether on account of taxes or otherwise) will be required to be made under any applicable Laws from any payment to be made by or to you under the Relevant Documents or under any transaction; and
- D. you have filed all tax returns which are required to be filed by you, made all necessary and appropriate disclosures to all relevant Tax Authorities (whether in connection with the Customer Property or any Customer Account or otherwise) and have paid all taxes and assessments which have become due and payable by you, other than those not yet delinquent.

10.4. Tax declaration

You declare and undertake, for your own account and for and on behalf of all Connected

Persons that you and all Connected Persons are in compliance with and will fully comply with all tax obligations applicable to and/or binding upon you. You acknowledge that we do not provide any legal or tax advice and we have no responsibility in this respect and confirm that you have had an opportunity to seek and obtain independent legal and/or tax advice from a professional adviser of your choice about your tax position and obligations and of your Connected Persons.

- 10.5. **Tax compliance** We reserve the right to request documents or other evidence from you that demonstrates compliance with your or any of your Connected Person's tax obligations or otherwise in connection with your or any of your Connected Person's tax status. Notwithstanding any provision in these Standard Terms and Conditions to the contrary, if you fail to provide such information within the timeframe stipulated by us or if the information provided by you is considered unsatisfactory by us, we reserve the right to terminate our business relationship with you and to close all or any of the Customer Account(s) with immediate effect under clause 24.1.

11. Performance of obligations

- 11.1. **Payments** All sums payable by you to us must be made in the currency specified by us, in freely transferable and immediately available funds and in the manner customary for payments in the required currency unless we specify otherwise.
- 11.2. **Tax Gross-Up** All payments must be made to us without any set-off, counter-claim, withholding, deduction or condition of any kind unless any such withholding or deduction is required by any applicable Law, as modified by the practice of any relevant governmental revenue authority, then in effect. If any amount is so required to be deducted or withheld, the amount payable to us will be increased so that the net amount actually received by us will equal the full amount we would have received had no such withholding or deduction been required.
- 11.3. **Liability to repay on demand** Unless otherwise agreed, all Indebtedness is repayable on demand.
- 11.4. **Overdraft and extension of credit**
 - A. You shall ensure that the Customer Account does not become overdrawn or exceed any overdraft limit specified by the Bank.
 - B. Without prejudice to sub-clause A. above and our right to refuse any overdraft, if any instruction given or any investment or transaction undertaken by you or any right of the Bank to debit the Customer Account results or may result in the Customer Account becoming overdrawn or exceeding any overdraft limit specified by us, we

Section I: General Terms (continued)

11. Performance of obligations (continued)

- may take such action as we deem fit, and you authorise such action, including:
- I permitting the Customer Account to be overdrawn; and/or
 - II terminating any outstanding investment or transaction.
- C. We may, at our discretion agree to grant to you an extension of credit in respect of any overdue amounts:
- I Interest and bank charges shall be calculated on such overdrawn/drawn amount at such rate and on such basis as we may in our absolute discretion determine;
 - II the overdrawn/drawn amount and all accrued charges and interest shall be repayable by you to us on demand;
 - III we may transfer such amounts as may be necessary from any of your other Customer Accounts to restore your Customer Account to credit; and
 - IV we are authorised to deduct any outstanding amount from the Customer Account.
- 11.5. **Amount of Indebtedness** A certificate from us as to the amount of any Indebtedness or of any credit balance on any Customer Account or as to any Customer Property at any time will, in the absence of manifest error, be binding and conclusive evidence.
- 11.6. **Right to hold** In respect of the purchase of any Trading Assets or any instruction or agreement with us, you shall maintain with us at all times sufficient property and/or cash to enable us to settle any outstanding transactions or liability. We have the right (but are not obliged) to in our discretion retain sufficient property and/or cash in any Customer Account to settle any such outstanding transactions or liability. Where we exercise this right, you will not be entitled to withdraw or deal with any part of such property or cash or any part thereof (or use any available credit facility in this amount). If there is insufficient property and/or cash to enable us to settle any such outstanding transaction or liability, we are entitled but are not obliged to, in our discretion settle and/or decline to settle any outstanding transaction and/or to cancel unexecuted transactions.
- 11.7. **Declining a payment request** We may decline to make a payment (and will not be responsible for any loss):
- A. if any condition stipulated by us for effecting the payment is not complied with in full within the time we have requested;
 - B. if any information required by us for effecting the payment is not provided within the time we have requested;
 - C. if there are insufficient freely transferable and immediately available funds in the Customer Account to effect the payment;
 - D. if we are not able to send the payment by one of the payment methods we use;
 - E. for fraud prevention purposes or if we are not otherwise reasonably satisfied that the transaction or payment instruction is lawful or if we consider that the Customer Account has been or is likely to be misused;
 - F. upon the occurrence of an Event of Default.
- 11.8. **Incorrect payment details** If incorrect payment details have been provided, a payment requested by you may be delayed or credited to a wrong account and we will not be liable for any loss incurred by any person and/or for any delay to the payment being made.
- 11.9. To the extent permissible by applicable Laws of the jurisdiction where the Customer Account is opened, this clause 11 shall continue to apply notwithstanding any termination by us or a Group Office of the provision of any Services to you or the closure of the Customer Account.

12. Interest

- 12.1. **Interest on Indebtedness** Unless otherwise agreed in writing by us, all Indebtedness will bear such rate of interest as we determine and such interest will be payable before as well as after any demand or judgment.
- 12.2. **Interest on default** We will charge and you shall be obliged to pay a late payment interest charge which will accrue and be calculated on the basis of daily compounding and the actual number of days elapsed at (I) the rate of 3 per cent. above the best lending rate quoted by us for the relevant currency or (II) such other rate as we inform you from time to time, on all Indebtedness which is not paid on the relevant due date in the same currency as such Indebtedness, for the period from (and including) the original due date up to (but excluding) the date of actual receipt by us.
- 12.3. **Interest on Customer Accounts** Interest payable in relation to Customer Property may be of a positive or negative value. If the interest is of a positive value it will be payable by us to you. If the interest is of a negative value it will be payable by you to us. We are entitled to deduct such amounts payable from any Customer Account.

Section I: General Terms (continued)

13. Dishonoured receipts, erroneous payments, repayments etc.

If any item credited to a Customer Account is dishonoured or erroneously paid, or if we are called upon for any reason to pay/repay to any person any amount credited to or owing from a Customer Account, we may debit such Customer Account with the amount of such uncleared item or of such payment/repayment (as the case may be). You shall also immediately pay to us the amount of any drawings which we have permitted you to make against such uncleared item or the amount of such payment/repayment by us to the extent that any Customer Account thereby goes into debit or that the amount credited to any Customer Account and subsequently debited represented an amount which you were for any reason obliged to pay to us. You acknowledge that credits appearing in statements of account do not necessarily represent cleared funds or actual receipt of funds.

14. Continuing and other rights

14.1. Continuing and cumulative rights Our rights under the Relevant Documents or with respect to the transactions contemplated under them are cumulative and not exclusive and may be exercised by us from time to time and as often as we determine in our discretion to be necessary. These rights shall not be considered as satisfied by any intermediate repayment or satisfaction of the whole or any part of the Indebtedness but are continuing rights and extend to cover any sums of money which, for the time being, constitute the balance due or accruing due or which may become due from you to us on any account or for any matter or thing or in respect of any liability.

14.2. Other rights Our rights under the Relevant Documents are in addition to and do not prejudice or adversely affect and are not in any way prejudiced or adversely affected by any collateral or other security or rights now or hereafter held or any judgment or order obtained by us for all or any part of the Indebtedness nor shall such collateral or other security or rights or any judgment or order or any lien to which we may be otherwise entitled (including any security, charge or lien prior to the date hereof or the liability of any person or persons not parties hereto for all or any part of the Indebtedness) be in any way prejudiced or adversely affected by the rights herein contained. In particular we will not be required to resort or seek to enforce any security or personal guarantee or liability of any other person and we shall have full power in our absolute discretion to give time for payment or grant any other indulgence to or make any other arrangement with any person or persons without prejudice to your liability under the Relevant Documents.

15. Foreign currency

15.1. Foreign exchange overdrawings If you request any transfer or withdrawal to be made in any currency and there is not for the time being a sufficient credit balance on any of your account(s) designated in that currency, we may (but are not obliged to) convert such amount to be transferred or withdrawn into the currency or any of the currencies (selected at our discretion acting in good faith) in which any Customer Account which is in credit is then designated.

15.2. Conversion Any conversion of any amount from one currency to another shall be made by us at our spot exchange rate for the purchase with the first currency of the second.

15.3. Currency indemnity The relevant currency specified in a Confirmation for a payment shall be the sole currency of account for such payment. Any sum received or recovered other than in the contracted currency for payment (whether as a result of, or of the enforcement of, a judgment or order of any court or in the bankruptcy liquidation or dissolution of you or otherwise) shall only constitute a discharge to the extent of the amount of the contracted currency for payment which we are able to purchase with such sum on the date of that receipt or recovery or as soon as practicable thereafter. If the amount is less than the due amount of the contracted currency for payment, you shall indemnify us against any loss sustained. It shall be sufficient for us to demonstrate that we would have suffered a loss if an actual exchange or purchase had been made.

16. Customer Property

16.1. Minimum value of Customer Property stipulated by law Where the value of any Customer Property falls below the minimum stipulated by Laws or as required by us or any Group Office or any regulatory authorities, you will deposit such further investments as we or the Group Office so requires, failing which we are entitled to transfer (or procure the transfer) from your account(s) with us or with such Group Office to another Group Office part or all of the Customer Property for such period as we or the relevant Group Office considers necessary at any time to avoid infringement of any such Laws or as required by us or the relevant Group Office or such regulatory authorities and any costs and funding losses arising from the transfer shall be for your account.

16.2. Unlawful to maintain Customer Property If we determine that as a result of any Laws, regulation or official directive or any change in the interpretation or application thereof, it is unlawful to maintain any Customer Property with us or any Group Office, we are entitled to transfer or procure the transfer of such Customer Property to an account with another Group Office.

Section I: General Terms (continued)

17. Discharge of our obligations in connection with Tax

- 17.1. All transactions between us and you and any sum that may be payable by us to you shall be subject to Tax.
- 17.2. You hereby:
- A. agree and acknowledge that we may (where we reasonably determine that any Tax may be required) withhold, retain and/or deposit any monies payable to you into such account as we may, in our sole discretion, see fit pending determination of the applicability of such Tax;
 - B. instruct and authorize us to pay any Tax to the relevant Tax Authorities where we reasonably determine that any such payment may be required under Laws;
 - C. agree and acknowledge that we shall not be liable for any Losses that may be incurred by reason of any Tax or payment in respect thereof; and
 - D. agree that we shall be fully discharged from any payment obligations owed by us to you upon receipt by you of any sum net of Tax.
- 17.3. If at any time, we are required to remit Tax with respect to any transaction, you shall, upon notice by us, pay us the amount so required to be remitted (or a reasonable estimate of such amount as stipulated by us) within 3 Business Days before the date on which the remittance of the Tax is required to be made. We shall, in determining the amount payable by you under this Clause 17.3, exclude (1) any amount that we have deducted on account of such Tax from any amount paid to you; or (2) any amount that we have paid from any Customer Property with respect to Tax required to be remitted. A failure by you to make any payment under this Clause 17.3 shall be an Event of Default.
- 17.4. Whenever we are required to calculate any amount relevant to this Clause 17 or act or exercise judgment or a discretion, we will do so in good faith and in a commercially reasonable manner, and our determinations and calculations will be binding in the absence of manifest error.
- 17.5. Upon your reasonable request, we shall supply to you computations setting forth in reasonable detail computations of the amount of Tax payable by you to us pursuant to this Clause.
- 17.6. To the extent permissible by applicable Laws of the jurisdiction where the Customer Account is opened, this clause 17 shall continue to apply notwithstanding any termination by us or a Group Office of the provision of any Services to you or the closure of the Customer Account.

18. Set-off, lien and general authority to debit

- 18.1. **Consolidation and set-off** In addition to any general lien, right of set-off, offset, combination of accounts, right of retention or withholding or other similar rights to which we may be entitled by Law or otherwise, we have the right (but are not obliged) at any time (whether upon the occurrence of an Event of Default or otherwise) and without prior notice to you, or any other person, to:
- A. combine or consolidate all or any Customer Account with all liabilities owed to us;
 - B. set-off or apply any Indebtedness against any of our obligation owed to you;
 - C. transfer any sum(s) standing to the credit of any one or more Customer Accounts in or towards satisfaction of any of the Indebtedness or debit any Customer Account for any of the Indebtedness; and/or
 - D. for the purpose of exercising any rights under (A) and/or (B) above, sell or otherwise dispose of any Customer Property on such terms and in such manner as we may determine regardless of the currency, place of payment of any Customer Account or booking office of any Indebtedness. We shall be under no obligation to make payment of any sum or sums standing to the credit of any Customer Account (and no such sum(s) shall become due and payable) until the earlier of: (I) your liabilities to us and/or any other Branch becoming due and payable and (II) your liabilities to us and/or any other Branch being discharged in full. Where any set-off, combination or consolidation requires the conversion of one currency into another, we are entitled to convert either the currency for which you are liable or for which we are liable, at the applicable market exchange rate selected by us on the relevant date. Where any Indebtedness is unascertained or unliquidated, we may in good faith estimate the Indebtedness and set-off in respect of the estimate, subject to the relevant party accounting to the other when the Indebtedness is ascertained or liquidated.
- 18.2. **Lien** Without prejudice to any of our other rights to recover sums due from you, until payment in full of all Indebtedness, we shall have a lien, right of retention and sale on all Customer Property.
- 18.3. **Notice** We shall, as soon as practicable, give notice to you of any set-off effected under this clause 18.
- 18.4. **No security interest** Other than to the extent permitted by Laws, this clause 18 shall not constitute or create a charge or other security interest.

Section I: General Terms (continued)

19. Netting

If on any date there are any amounts which would otherwise be payable hereunder in the same currency by us to you and you to us, if we so determine and direct on such date, each party's obligation to make payment of any such amount will be satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay the other party the excess of the larger aggregate amount over the smaller aggregate amount.

20. Events of Default

You shall be in default of your obligations under the Relevant Documents and an Event of Default shall therefore arise should any of the following occur:

- A. you or any Security Provider fails to pay any Indebtedness when due or perform any obligations under any Relevant Document or any other contract between you or any Security Provider and us or with a third party entered into by us on your behalf or on the behalf of any Security Provider, on the due date therefor;
- B. any representation made or repeated or deemed to have been made or repeated by you or any Security Provider to us in or in connection with any Relevant Document shall prove to have been false, incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;
- C. you or any Security Provider dies or in our reasonable judgment becomes of unsound mind or lacks mental capacity under any applicable Law or a protection order is made against you or Security Provider;
- D. you or any Security Provider becomes insolvent or fails or is unable or admits in writing inability generally to pay your/their respective debts as they become due, or institutes or has instituted against you or such Security Provider a proceeding seeking a judgment of insolvency or bankruptcy or judicial management or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition or application is presented or threatened for winding-up or liquidation or placing under judicial management of you or, any Security Provider, or a declaration of bankruptcy is made with respect to you or any Security Provider or a resolution is passed for you or any Security Provider to be wound up or liquidated or a judicial management order is made in respect of you or any Security Provider;
- E. you or any Security Provider make/s a general assignment, arrangement or composition with or for the benefit of your or the Security Provider's creditors;
- F. an attachment, sequestration, distress, execution or other legal process is levied, enforced or instituted against any property of yours or any Security Provider, or an administrator, a liquidator, a receiver, trustee-in-bankruptcy, judicial manager, custodian or other similar official has been appointed (or a petition for the appointment of any such person has been presented) in respect of you or any Security Provider or any of your or any Security Provider's assets; or
- G. you or any Security Provider consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of your/its assets to, another entity and at that time:
 - I. the resulting, surviving or transferee entity fails to assume all of your obligations or all of the obligations of the Security Provider (as the case may be) under the Account Documentation or any Credit Documentation to which you/the Security Provider or your/the Security Provider's predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to us; or
 - II. the benefits of any Relevant Document fail to extend (without our consent) to the performance by such resulting, surviving or transferee entity of your/the Security Provider's obligations under that Relevant Document; or
 - III. the credit-worthiness of the resulting, surviving or transferee entity is, in our opinion, materially weaker than your credit-worthiness or the creditworthiness of any Security Provider immediately prior to that action;
- H. any Indebtedness or other financial liability of, or monies borrowed by, you or any Security Provider becomes due or capable of being declared due and payable before its stated maturity by reason of any event of default (howsoever described) or you or any Security Provider fails to make payment in respect of any indebtedness for borrowed money or other financial liability on maturity or early redemption (after giving effect to any applicable grace period) or any security given by you or any Security Provider for any indebtedness for borrowed money or other financial liability becomes enforceable or any guarantee, indemnity or similar obligation provided by you or Security Provider is not discharged at maturity or when called or you or

Section I: General Terms (continued)

20. Events of Default (continued)

- Security Provider goes into default under, or commits a breach of, any instrument or agreement including but not limited to any Relevant Document;
- I. any event or series of events or circumstances (including but without limitation any adverse change in your assets or financial condition or the assets or financial condition of any Security Provider) arise(s) whether related or not which, in our opinion may or would be likely to have a material adverse effect on you or Security Provider or your/their respective ability to perform or comply with any of your/their respective obligations under any Relevant Document;
- J. any provision or security granted hereunder or under any Relevant Document becomes for any reason invalid or unenforceable or in our opinion materially imperilled or you or any Security Provider at any time fail to maintain the minimum security cover or margin required or exceeds the maximum utilization limit or any other limits imposed by us;
- K. any event of default occurs under any agreement relating to any Indebtedness or other financial liability of yours or any Security Provider including without limitation under any Relevant Document;
- L. the expiration or termination of any Credit Documentation or the failing or ceasing of such Credit Documentation to be in full force and effect (in either case other than in accordance with its terms) prior to the satisfaction of all of your obligations and/or obligations of the Security Provider in respect of which such Credit Documentation relates;
- M. you or any Security Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of any Credit Documentation;
- N. if, due to the adoption of, or any change in, any applicable law after the date on which a transaction is entered into, or 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 after such date, or due to any Force Majeure Event or act of state, it becomes unlawful for or results in any delay by you or any Security Provider to:
- I. perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of any transaction or to comply with any other material provision of any Relevant Document or any document or agreement relating to the transaction, including any Transactions as defined in Section VIII (OTC Master Derivatives Terms); or
- II. perform any contingent or other obligation which you or a Security Provider has under any Relevant Document relating to such transaction;
- O. we determine in our discretion acting in good faith that your creditworthiness or the creditworthiness of any Security Provider has become materially weaker as a result of you or Security Provider transferring or being required to transfer a substantial part of your/its assets or estate to a third party in return for no consideration or consideration of less value than the assets transferred;
- P. circumstances arise or continue which in our opinion place or may be liable to place our position in jeopardy;
- Q. at any time we, in good faith consider that the continued existence and operation of any Customer Account under the Account Documentation would not be consistent with prudent banking practice;
- R. if you are a partnership or a partner or group of partners acting for a partnership: (i) there occurs any event or circumstance in relation to the partnership or any partner thereof which, in our reasonable judgment, may cause or allow you to be dissolved, wound up, or terminated by operation of law or by any action of any person, including, without limitation, by application to any court; (ii) any amendment is made to or there is any breach of any partnership agreement if in our opinion such amendment or breach may adversely affect your ability to perform your obligations under any Relevant Document (iii) any partner of the partnership is convicted of any criminal offence in any jurisdiction whatsoever; or (iv) the death of any partner of the partnership who is a natural person or, in our reasonable judgment, any partner of the partnership who is a natural person becomes incapable in law of managing his or her affairs (whether by reason of mental incapacity or for any other reason whatsoever);
- S. if you are acting as trustee, (i) you cease to act in your capacity as trustee for any reason; or (ii) any amendment is made to or there is any breach of the relevant trust deed or other document forming or constituting the relevant trust, if in our opinion such amendment or breach may adversely affect your ability to perform your obligations under any Relevant Document;
- T. you fail to co-operate with us in respect of any request or demand by us to you arising out of or

Section I: General Terms (continued)

in connection with any Compliance Obligation and policy requirements in connection with Financial Crime Risk Management Activity; or

- U. the transaction in or provision of any product, Securities or Service by us with or to you or the continued maintenance or operation of the Customer Account is not or may not be, in our opinion, compliant with any Laws including any Laws in relation to the prevention of Financial Crime.

21. Right of recourse

21.1. **Recourse** On the occurrence of an Event of Default we may, at any time or times with or without notice do all or any one or more of the following:

- A. close all or any Customer Account(s);
- B. open any new account in your name with us, or any third party, including any Group Office;
- C. allocate to any new account opened any part or parts of any deposit margin or other assets for the time being held by us, to be held as security for any losses and to hold the same until such time as we may determine that the same is no longer required as security for such losses, or at our discretion to apply the same in settlement of any losses;
- D. cease to comply with all or any instructions or requests from you;
- E. cease to make any further payment and/or delivery under any unperformed contract between you and us and we will cease to be obliged to make such payments (whether or not any such obligation has matured prior to the occurrence of the Event of Default);
- F. do all such acts and things at such time or times as we think necessary or appropriate to cancel, settle, redeem or terminate any unperformed and/or outstanding contract (or any part or parts of it) between you and us or with any third party entered into by us as your agent notwithstanding that the date fixed for performance of such contract may not have arrived or that the Indebtedness may be increased by such action including covering any short position or liquidating any long position;
- G. exercise our rights of set off, sell (by way of public or private sale), realize, assign, transfer or otherwise dispose of or exercise any right we may have in respect of, any Customer Property or any security held by us in such manner as we may think fit without any judicial proceedings whatsoever. We may apply the net proceeds of any sale, realization, assignment, transfer or other disposal (after deduction of any expenses incurred in connection therewith) in or towards

satisfaction of your Indebtedness (if any) in such manner as we may determine.

Nothing in clause 20 and this clause 21 shall affect or prejudice any other rights and remedies which we may have (including without limitation our rights to require repayment of all Indebtedness on demand and to exercise our right of set-off and consolidation under clause 18 at any time and without prior notice).

Notwithstanding and without prejudice to the above, we shall be deemed to have opened a new account in your name with us and all payments made by or on your or any Security Provider's behalf to us shall be treated as having been credited to the new account and shall not operate to reduce any amount(s) due and to be recovered from you or any Security Provider under the Relevant Documents.

21.2. **Appointment of Agent** You hereby irrevocably appoint any of our officers or executives or any person duly authorized by us as your agent and in your name and on your behalf and authorise such person (s) to make any such contract as may be required to give effect to the provisions of this clause 21.

21.3. **Discretion as to dealings** Any purchase, sale or contract entered into or other action taken by us pursuant to this clause 21 shall be at such price, at such time, in such manner, with such person and at such place as determined by us, without notice or tender to you.

21.4. **Consolidation of trading positions** If an Event of Default shall have occurred, then without prejudice to any other rights which we may have under the Relevant Documents, we may (but shall not be obliged to) consolidate all outstanding dealings of whatever nature in regard to Trading Assets (including, without limitation, dealings in different products on different Exchanges and/or with different maturities or base currencies) and all such dealings and all profits or losses arising in respect thereof shall thereafter be converted into a single currency at our prevailing exchange rate(s) and be deemed to constitute a single consolidated transaction and shall be accounted for accordingly.

22. Indemnity and Costs

22.1. You shall indemnify immediately upon demand and keep us fully indemnified from and against:

- A. all liabilities, costs and expenses (including but not limited to taxes, duties, imposts, levies and charges) reasonably incurred by us in relation to the Relevant Documents, including without limitation, the preservation of its rights thereunder;

Section I: General Terms (continued)

22. Indemnity and Costs (continued)

- B. all actions, proceedings, claims, costs, demands, expenses and liabilities of whatsoever nature made threatened or brought against us or our agents or incurred or sustained by us or our agents or arising in connection with you, including indemnifying us for and against all costs, charges, fees, liabilities, out-of-pocket expenses, including legal fees and any stamp, stamp duty reserve, registration or documentary tax, incurred or suffered directly or indirectly by us resulting or arising from our acting hereunder or by reason of the operation or termination of all or any Customer Account provided that all costs, charges, fees and out-of-pocket expenses relating to debt recovery are reasonably incurred and of reasonable amount;
- C. any losses or costs arising in connection with any action taken pursuant to clause 21, including any loss of bargain, cost of funding or loss or cost incurred as a result of terminating, liquidating, obtaining or re-establishing any hedge or related trading position and hereby authorizes us to debit such sums from the Customer Account at any time without prior notice to you; and
- D. to the extent permitted by applicable Laws, any shortfall in a payment by you to us under the Relevant Documents or any transaction, if for any reason the amount in the relevant currency so received by us (as determined by us acting in a commercially reasonable manner and in good faith) falls short of the amount in the relevant currency payable to us.
- 22.2. In any proceedings for the enforcement of our rights or the rights of any Group Office or otherwise in connection with the Customer Account or any Credit Documentation, you shall pay our costs or the cost of any Group Office (including but not limited to legal fees and other costs) on an indemnity basis.

23. Notices

- 23.1. **Deemed receipt** Any demand notice or other communication by us may be delivered personally to you or sent to you by post or facsimile at your address as stated in the Account Opening Booklet or such other address as notified in writing to us or may be delivered in such other mode of communication as may be agreed by you and us or as we may reasonably determine, and will be deemed to have been received by you, where sent by prepaid post 24 hours after despatch and, in all other cases, where successfully sent or delivered, whether or not it is actually received.
- 23.2. **Waiver of notice** Where you have requested that no correspondence be despatched to you, you waive any requirement for us to give to you any notices or to make demand to you.

- 23.3. **Notice by you** Any notice from you to us may be delivered personally or by prepaid registered post sent to us at the address as set out below:

Hong Kong
The Hongkong and Shanghai Banking Corporation Limited, Private Banking Division
Levels 13 and 14
1 Queen's Road Central Hong Kong
Attention: Regional Head of Business Services

Singapore
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Private Banking Division
10 Marina Boulevard, #50-01
Marina Bay Financial Centre Tower 2,
Singapore 018983
Attention: Head of Business Admin & Operation Services

24. Termination and Suspension

- 24.1. We may at any time suspend or terminate the use or availability of any one or more of the products, services or other privileges provided hereunder or the agreement contained in any Relevant Document and/or close all or any of the Customer Account(s) on the giving of reasonable notice in writing to you except under exceptional circumstances or where required by any Laws or in relation to Financial Crime Management Activity (including but not limited to fraud prevention) when suspension or termination may be made without notice. Any such action taken by us is without prejudice to any right which we or you may have against the other prior to such suspension or termination or in respect of any open positions in respect of any Trading Assets and the provisions contained in the Relevant Documents shall continue to apply to any transaction entered into prior to the date of the suspension or termination.
- 24.2. Without prejudice to the generality of the foregoing, we may suspend and/or freeze dealings in any Customer Account(s) where required to do so under any Laws. We may take such action as we may in good faith consider appropriate or necessary as regards any such suspended or frozen Customer Account.
- 24.3. Upon termination or closure of the Customer Account(s), we shall be entitled to discharge our liability to you with respect to the Customer Account by posting to you at your last address notified to us in writing, a draft or cheque in the currency of the Customer Account payable to your order in the amount of the closing credit balance in that Customer Account. Notwithstanding any provision in these Standard Terms and Conditions to the contrary, if you fail to provide instructions concerning the liquidation or other disposal of any Customer Property within the timeframe stipulated by us or if the instructions concerning such liquidation or other disposal provided by you are considered unsatisfactory by us, we may, without

Section I: General Terms (continued)

24. Termination and Suspension (continued)

prejudice to any other claim or right whatsoever of ours, exercise such rights we are entitled to as if an Event of Default had occurred.

25. Waiver

Any indulgence or concession granted by us or any failure or delay on our part in exercising any right, power or privilege under the Relevant Documents shall not, nor be presumed to, operate as a waiver thereof or of any other right, power or privilege of ours, and any single or partial exercise of any right, power or privilege of ours shall not, nor be presumed to, preclude any subsequent or further exercise thereof or the exercise of any other right, power or privilege of ours. Our rights and remedies are cumulative and not exclusive of any rights or remedies which we may have.

26. Illegality or unenforceability of conditions

If any of the provisions contained in the Relevant Documents shall be invalid, illegal or unenforceable in any respect under any Laws, the validity, legality and enforceability of the remaining provisions contained therein shall not in any way be affected or impaired thereby.

27. Agreement to Account Documentation

By executing the Account Opening Booklet you irrevocably agree to be bound by the conditions set out in the Account Documentation. We shall not be obliged to provide any services prior to completion of all documentation required by us and receipt of such documents by us and our completion of all necessary internal procedures.

28. New products, derivative products

28.1. We may from time to time originate new products and services for the benefit of our customers generally. In the event that you wish to utilize such services we may request that you sign or acknowledge receipt of additional product documentation in relation thereto. Terms and conditions relating to any such service contained in any product documentation shall be deemed to be incorporated herein by express reference with effect from the date on which they are signed or, acknowledgement of receipt received by us or the date of the first transaction to which they relate (whichever is earlier) and in the event of any conflict between their terms and these Standard Terms and Conditions, the former shall prevail.

28.2. Upon your request, we will provide to you, product specifications and any prospectus or other offering documents relating to derivative products and an explanation of margin procedures (where relevant).

28.3. Where we have entered into an agreement to deliver Securities or other Trading Assets to you, we shall be entitled to arrange for such delivery obligation to be

fulfilled in any manner that we deem fit. We may deliver or procure a third party to deliver the relevant Securities or other Trading Assets to you. Where such Securities or other Trading Assets are delivered to you, you shall have no other claim against us with respect to the delivery of such Securities or other Trading Assets pursuant to such agreement with us.

28.4. You acknowledge that in respect of any trades or transactions effected with you, we may (but need not) enter into funding, hedging and/or other supporting arrangements. Where you have not performed any of your obligations under any trades or transactions, you agree to reimburse us for any loss or cost we reasonably incur (which shall be determined by us in good faith) in varying and/or terminating such arrangements.

29. Assignment and Third Parties

29.1. Every contract between you and us shall be personal to you and shall not be assignable by you (whether by way of charge or otherwise) without our express written consent.

29.2. We may assign or transfer all or any part of the agreement comprising the Relevant Documents to any Group Office or pursuant to a consolidation or amalgamation with or merger with or into or transfer of all or substantially all of our assets obligations and/or liabilities to another entity.

29.3. Any purported transfer that is not in compliance with this clause 29 shall be void.

29.4. Unless otherwise agreed in writing, no person other than us or, where relevant, any Group Office and you will have any right to enforce or enjoy the benefit of any of the provisions of the Relevant Documents or any transaction made pursuant to those terms.

30. Amendment

30.1. We may amend vary or supplement the terms of the Relevant Documents from time to time and at any time upon giving prior reasonable notice to you in writing (including without limitation posting the amendments on our website, email communications, and in such other manner as we think fit) and such amendment, variation or supplement shall be binding on you if you continue to maintain the Customer Account, utilise the relevant Facility and/or use the relevant service(s) on or after the effective date of amendment or variation.

30.2. We will notify you of any material change to the information provided to you relating to us in the Account Documentation or to our business which may affect the services provided by us pursuant to the Account Documentation.

Section I: General Terms (continued)

31. Applicable law and jurisdiction

- 31.1. **Governing law and jurisdiction** Subject to specific provision to the contrary, the Relevant Documents shall be governed by and construed in all respects in accordance with the Laws of the place in which the Customer Account is held by us ("applicable jurisdiction"). Any legal action or proceedings in connection with the Relevant Documents or any dispute arising thereunder may be brought in the courts of the applicable jurisdiction and you irrevocably submit to the exclusive jurisdiction of such courts.
- 31.2. **Waiver of lack of jurisdiction** The submission by you to the applicable jurisdiction referred to in clause 31.1 above shall not limit our rights to take proceedings against you in any other jurisdiction as we deem fit, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not. You waive any objection which you may have at any time to the laying of venue of any legal action or proceedings brought in any court, waives any claim that such legal action or proceedings have been brought in an inappropriate forum and further waive the right to object that such court does not have jurisdiction over such legal action or proceedings.

32. Governing version

The English version of the Relevant Documents shall prevail wherever there is a discrepancy between the English version and a version which is in any other language.

33. Bearer Shares

Where you are an issued bearer share company or a company capable of issuing bearer shares, you undertake to immediately inform us in writing in the event of a change of ownership of the company or if any initial or new bearer shares are issued and to provide promptly to us any appropriate information you may require unless restricted by applicable Laws.

34. Joint accounts

Except in the case of trust accounts, all joint account holders are deemed to be joint beneficial owners of their account(s). Accordingly, in the event of the death of any one joint account holder, subject to our or any third party's rights, we may transfer the cash and assets held in a joint Customer Account into the name(s) of the surviving person(s) who shall become the sole owner(s) of those cash and assets. In the event of a dispute between any joint account holder in respect of a Customer Account, we may decline to effect transactions on the Customer Account(s) and/or suspend the operation of the Customer Account(s) unless we have the authority of all the joint account holders. In the event of the death of a joint account holder after we have been informed of a dispute, we

may, notwithstanding anything in this clause, decline to effect transactions on the Customer Account(s) and/or suspend the operation of the Customer Account(s) until we receive joint instructions from their personal representatives and the surviving account holders or until the situation has been resolved to our reasonable satisfaction.

35. Entire Agreement

The Account Documentation and the Credit Documentation together constitute the entire agreement and understanding of the parties with respect to the subject matter thereof. Each of you and us acknowledge that in entering into the Account Documentation and the Credit Documentation it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in the Account Documentation and the Credit Documentation) and waives all rights and remedies which might otherwise be available to it in respect thereof.

36. Recognition of Hong Kong Stay Powers

If any Relevant Document (including any Confirmation) is or becomes a "covered contract" (within the meaning of the Stay Rules) you and we agree that, despite any other term or condition of such Relevant Document or any other agreement, arrangement or understanding, you and we will be bound by a suspension of a "termination right" (within the meaning of the Stay Rules) in relation to such Relevant Document imposed by the Resolution Authority under section 90(2) of the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong.

Appendix 1

Interpretation – Definitions

Unless the context requires otherwise, in the Relevant Documents the following words and expressions shall have the following meanings:

“Account Documentation” these Standard Terms and Conditions, Account Opening Booklet, as amended or supplemented from time to time, contract notes and Confirmations and such other documentation as we may from time to time require for the opening and/or operation of any Customer Account or the provision of any services or products to you.

“Account Opening Booklet” the account opening booklet signed by you containing the mandate to us in relation to any Customer Account.

“Affiliates” any Group Office or any person or entity authorized by any Group Office to act on its behalf.

“Authorities” any judicial, administrative or regulatory body, any government, or public or government agency, instrumentality or authority, any Tax Authority, securities or futures exchange, self-regulatory organisation, trade repositories, central counterparties, court, central bank or law enforcement body or any agents thereof, having jurisdiction over any part of the Group.

“Authorized Agent” any person or entity authorized by you, in the Account Documentation, to operate your Customer Account.

“Bank” The Hongkong and Shanghai Banking Corporation Limited, its successors and assigns.

“Branch” any branch of the Bank wherever situated.

“Business Day” a day (other than a Saturday or a Sunday) on which banks are open for general business in Hong Kong or Singapore, as the case may be, and foreign exchange markets and Exchanges settle payments either (a) in the financial centre(s) specified in the relevant Confirmation, or if none is specified, in the principal financial centre(s) for the currency in which such payment is required to be made, (b) in relation to any other payment, in the place where the relevant account is located, and if different, in the principal financial centre, if any, of the currency of such payment and (c) in relation to any notice or other communication, in the city specified in the address for notice provided by the recipient.

“Communication” any communication or record thereof by facsimile, computer modem or telephone purporting and believed by us to come from or be authorized by you whether or not in fact coming from or authorized by you and whether or not followed by written confirmation.

“Compliance Obligations” obligations of any Group Office to comply with: (a) Laws or international guidance and internal policies or procedures, or (b) any demand

from Authorities or reporting, regulatory trade reporting, disclosure or other obligations under Laws, and (c) Laws requiring the Bank to verify the identity of its Customers.

“Confirmation” a document or other evidence issued by us to you confirming the terms and conditions of a transaction.

“Connected Person” a person or entity whose information (including Personal Data or Tax Information) is provided by, or on behalf of, the Customer to any Group Office or otherwise received by any Group Office in connection with the provision of the Services. In relation to the Customer, a Connected Person may include, but is not limited to, any guarantor of the Customer, a director or officer of the Customer, partners or members of a partnership, any “substantial owner”, “controlling person”, or beneficial owner, trustee, settlor or protector of a trust, account holder of a designated account, payee of a designated payment, representative, agent or nominee of the Customer, or any other persons or entities having a relationship to the Customer that is relevant to its banking relationship with the Group.

“controlling persons” individuals who are the beneficial owners or ultimate beneficial owners of and/or who exercise control over an entity (for a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and any other individual who exercises ultimate effective control over the trust, and in the case of a legal entity other than a trust, such term means persons in equivalent or similar positions of control).

“Credit Documentation” any and all facility letters and security documentation entered into or to be entered into by you and/or Security Provider and/or credit application forms applied for by you and approved by us in relation to the provision by us of any Facility(ies).

“Customer” the person or persons in whose name or names the Customer Account is opened and/or who is/are the holder(s) of the Customer Account, whether solely or jointly and any references to “Customer” shall include former Customers, persons who have applied for Services, persons who have provided information to the Bank as security provider or in support of Services provided to a Customer and each of the foregoing persons’ personal representatives, successors and assigns.

“Customer Account” any and all accounts whatsoever held by the Customer with the Bank, whether solely or jointly with any other person or persons.

“Customer Information” Personal Data, confidential information, and/or Tax Information of either the Customer or a Connected Person (including accompanying statements, waivers and consents).

Appendix 1 (continued)

“Customer Financial Information” the Customer’s financial situation, investment experience and investment objectives and any other related information provided in connection with any Relevant Document.

“Customer Property” all property or documents whatsoever, including without limitation all Trading Assets, documents of title (whether to goods or real property), deposits and credits, Precious Metals, cash and other items of value and all rights, benefits and claims attaching or accruing to the aforementioned property, now or at any time hereafter received by, deposited with, held by or transferred to the Bank or any Group Office, its nominees or custodians, by or on behalf of or to the order of the Customer (whether as security or under lien or for safe custody, collection, pledge, transmission or any other purpose whatsoever), and whether held singly or jointly with others.

“Custodian” any entity with which we have deposited or lodged Customer Property.

“Email Instruction” any Communication given by the Customer or an Authorized Agent by electronic mail and conveyed to us.

“Event(s) of Default” any event or circumstance specified as such in clause 20.

“Exchange” any recognized exchange or market or other trading forum whether in Hong Kong or Singapore or in any other part of the world dealing in any Trading Asset.

“Facility” any loan, advances, facilities, credits, guarantees, indemnities, counter-indemnities, undertakings, letters of credit, trading facilities, margin trading facilities or other financial accommodation extended to you or other persons, in the case of the latter, at your request.

“Facility Letter” any letter of offer from us in respect of any Facility (including, without limitation, the Secured Standby Facility referred to in Section IV of these Standard Terms and Conditions). In the event of any conflict between these Standard Terms and Conditions and any Facility Letter or other Credit Documentation, the Facility Letter and other Credit Documentation shall prevail.

“Fax Instruction” any Communication given by facsimile.

“Fiduciary Deposit” deposits placed by us on your behalf with banks or other financial institutions including but not limited to other Group Offices.

“Financial Crime” money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or violations, or attempts to circumvent or violate any Laws or regulations relating to these matters.

“Financial Crime Risk Management Activity” any action considered appropriate by the Bank or a Group Office to meet Compliance Obligations in connection with the detection, investigation and prevention of Financial Crime including but not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by the Customer, or on its behalf, (b) investigating the source of or intended recipient of funds (c) combining Customer Information with other related information in the possession of the Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming a Customer’s identity and status.

“Financial Product” any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO and any investment programme offered under Section VI (Discretionary Investment and Portfolio Management Services). For the purpose of this definition, “Leveraged Foreign Exchange Contracts” mean those traded by persons licensed for Type 3 regulated activity under the relevant regulations in Hong Kong.

“Force Majeure Event” war (whether declared or not and including existing wars), revolution, insurrection, fire, explosion, stoppage of labour, strikes or other disputes with employees, laws, regulations, orders or other acts of any governmental authority, or any other cause whatsoever beyond its reasonable control, including (but not limited to) any disruption to, or suspension of, trading in any relevant markets or any unusual market conditions, failure or breakdown of any dealing, clearing, settlement or other systems, lead times or price availability due to market liquidity or time zone differences, failure or malfunction of transmission or communications facilities or computers.

“Group” HSBC Holdings plc and its subsidiaries, related and associated companies and affiliates wherever situated and “Group Office” means any one of them.

“Group Account” any and all accounts whatsoever held by the Customer with any Group Office, whether solely or jointly with any other person or persons.

“HIBOR” the offer rate determined by the Bank at which deposits in Hong Kong dollars are quoted to prime banks in the Hong Kong interbank market known as the HKAB HKD Interest Settlement Rate provided that if the Bank’s cost of funding is in excess of HIBOR, the Bank shall specify HIBOR taking into consideration such cost of funding.

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

“Indebtedness” (a) all sums, in whatever currency (including, interest, commission, charges, legal and other expenses incurred by the Bank) regardless of the place of

Appendix 1 (continued)

payment or booking office and all liabilities present or future, absolute or contingent (including liabilities as surety or guarantor) for which the Customer is now or may at any time and from time to time be indebted to the Bank on any account including those under any Facility and any credit or advances made to any person or entity at the request of the Customer or in any manner whatsoever anywhere and whether alone or jointly with any other person and (b) all obligations to be performed by the Customer in respect of any contract or transaction entered or to be entered into with the Bank.

"Laws" any applicable local or foreign statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, guidelines, administrative requirements, sanctions regime, court order, agreement between any Group Office and an Authority, or agreement or treaty between Authorities and applicable to the Bank or a Group Office.

"Loss" any claim, charge, cost (including, but not limited to, any legal or other professional cost), damages, debt, expense, tax, liability, obligation, allegation, suit, action, demand, cause of action, proceeding or judgment, however calculated or caused, and whether direct or indirect, consequential or incidental (including, without limitation, loss of profit or loss of opportunity).

"Oral Instruction" any Communication given orally by telephone, video conference, in person or by any other mode of transmission.

"Person" includes an individual, firm, company, corporation and an unincorporated body of persons.

"Personal Data" any data relating to an individual, whether true or not, from which the individual can be identified, whether with other data or other information the Bank is likely to have access to or otherwise, including, without limitation, sensitive personal data, name(s), residential address(es), contact information, age, date of birth, place of birth, nationality, citizenship, personal and marital status.

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Precious Metal(s)" gold, silver, platinum, palladium or any other metals which the Bank may from time to time decide to include as a Precious Metal.

"Purposes" (a) providing Services and for any transactions requested or authorised by the Customer, (b) meeting Compliance Obligations, (c) conducting Financial Crime Risk Management Activity, (d) collecting any amounts due from the Customer, (e) conducting credit checks and obtaining or providing credit references, (f) enforcing or defending the Bank's or Group Office's rights, (g) for internal operational requirements of the Bank or the Group (including, without limitation, credit, market, operational and technology risk management, system or product

development and planning, insurance, audit and administrative purposes), (h) maintaining the Bank's overall relationship with the Customer, and/or i) any other purpose as may be in accordance with the Bank's, or a Group Office's general policy on the collection, use and disclosure of Customer Information under local data protection laws as set out in statements, circulars, data protection policies, notices (including any notice issued pursuant to any applicable data protection law or regulation) or special or other terms and conditions made available by the Bank to the Customer from time to time.

"Relevant Documents" means Account Documentation, Credit Documentation and any other document relating to the Account Documentation or Credit Documentation.

"Resolution Authority" means the resolution authority in relation to a Hong Kong banking sector entity from time to time, which is currently the Hong Kong Monetary Authority.

"Security Provider" any person or entity who may from time to time provide any security and/or assume the obligations of a surety, guarantor or indemnifier for the Customer's Indebtedness and includes any person described as such in any Facility Letter.

"Securities" any assets of whatever nature of a type commonly referred to as securities, including without limitation stocks, shares and other equity instruments, notes, bonds and other debt instruments, options and warrants, unit trusts and mutual funds or other collective investment schemes, rights and obligations over any of the same and any analogous instruments or rights or derivative products related thereto, together with all interest, dividends, bonuses and other rights and benefits arising therefrom or attaching thereto.

"Secured Assets" all cash, deposits, Trading Assets and other property held in the Customer Account at any time and from time to time of and up to an amount equal to the Secured Assets Value. Where the aggregate value of all cash, deposits, Trading Assets and other property in the Customer Account at any time exceeds the Secured Assets Value, "Secured Assets" shall mean a portion of such cash, deposits, Trading Assets and other property of and up to the Secured Assets Value at that time with the following order of priority: (1) cash and deposits; and (2) Trading Assets and other property;

"Secured Assets Value" the value determined by the Bank to be appropriate to secure the Indebtedness from time to time based on the collateral value determined by the Bank in accordance with Section IV (Credit Services);

"Services" without limitation (a) the opening, maintaining and closing of the Customer Accounts, (b) the provision of credit facilities and other banking products and services to the Customer (including, for example insurance, securities dealing, investment advisory, broker, agency, custodian, clearing or

Appendix 1 (continued)

technology procuring services), processing applications, ancillary credit assessment and product eligibility assessment, and (c) the maintenance of the Bank's overall relationship with the Customer, including marketing services or products to the Customer, market research, insurance, audit and administrative purposes.

"SIBOR" the offer rate determined by the Bank at which deposits in Singapore dollars are quoted to prime banks in the Singapore interbank market provided that if the Bank's cost of funding is in excess of SIBOR, the Bank shall specify SIBOR taking into consideration such cost of funding.

"Singapore" means the Republic of Singapore.

"Standard Terms and Conditions" means the terms and conditions contained herein and includes, where applicable, the OTC Definitions Module.

"Stay Rules" means the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights—Banking Sector) Rules (Cap. 628C) of Hong Kong.

"Sub-Custodian" has the meaning given to it in Clause 2.1 of Section III (Investment and Trading Services) of these Standard Terms and Conditions.

"Substantial owners" any individuals entitled to more than 10 per cent. of the profits of or with an interest of more than 10 per cent. in an entity either directly or indirectly.

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any Taxing Authority under any Laws other than a stamp, registration, documentation or similar tax.

"Tax Authorities" domestic or foreign tax, revenue, fiscal or monetary authorities or agencies.

"Tax Information" any documentation or information (and accompanying statements, waivers and consents) relating, directly or indirectly, to the tax status of a Customer (regardless of whether that Customer is an individual or a business, non-profit or other corporate entity) and any owner, "controlling person", "substantial owner" or beneficial owner of a Customer, that the Bank considers, acting reasonably, is needed to comply (or demonstrate compliance, or avoid non-compliance) with any Group Office's obligations to any Tax Authority and includes, but is not limited to, information about: tax residence and/or place of organisation (as applicable), tax domicile, tax identification number, Tax Certification Forms, certain Personal Data including name(s), residential address(es), age, date of birth, place of birth, nationality, citizenship.

"Tax Certification Forms" any forms or other documentation as may be issued or required by a Tax Authority or by the Bank from time to time to confirm the tax status of an account holder or the Connected Person of an entity.

"Trading Asset" any Securities, stock index options or futures or forward contracts, interest rate futures and swaps, currency futures, foreign exchange contracts and options, contracts for the purchase or sale of Precious Metals or other commodities of any nature, and options on any of them or in respect of any indices relating to them, or in relation to any other contracts or financial instruments of any nature for the time being offered, traded or dealt in by the Bank on behalf of its Customers or on any Exchange.

"Us", "our", "we" or words to that or a similar effect means the Bank.

"USD" means the lawful currency of the United States of America.

"USD LIBOR" means the US dollar wholesale funding rate known as U.S. Dollar LIBOR (London Interbank Offered Rate) administered by ICE Benchmark Administration Limited or a successor administrator).

"You", "your" or words to that or a similar effect means the Customer.

Section II: Deposit Services

1. Deposits

- 1.1. **Authorization** We are authorized (but are not obliged) to accept all remittances of funds or other property from any person, including any cheques or drafts payable to a third party and endorsed either in favour of you or by you in our favour, for the credit of any Customer Account. All items deposited in any accounts are received by us as agent for you.
- 1.2. **Risk** Delivery of cheques, drafts and other items to us for deposit to the Customer Account is at your sole risk. We are not responsible for taking or maintaining copies of any cheques, drafts and other items whatsoever delivered to us for deposit or collection.
- 1.3. **Interest on accounts** Interest on any of your interest bearing accounts shall be paid by us at the rate applicable to such account. However, where due to market conditions, the interest rate applicable for a currency is less than zero, you agree that interest will be payable by you and debited from the principal held in that currency at maturity or at the expiry of an interest period.
 - 1.3.1. **Calculation of interest** Interest will be calculated from the first day of an interest period up to, but not including, the last day of that interest period and is calculated on the actual number of days elapsed over a 360 or 365 day year (as determined by market convention).
- 1.4. **Inward remittances** An inward remittance in whatever currency to any Customer Account may not be credited to such account on the same day if the related payment advice is not received by us before the relevant cut-off times set by us from time to time, which are available to you upon request. No interest will accrue on any inward remittance before the funds are actually credited into an interest bearing Customer Account. Unless you direct us otherwise, and subject to market conditions, we will place all inward remittances and any other cash balance standing to your credit into the Customer Account pending receipt of your further instructions.
- 1.5. **Time and call deposits** Time and call deposit(s) will be accepted by us in such currencies for such minimum amounts and for such periods of time as we may decide from time to time.
- 1.6. **Renewal of deposits** In the absence of instructions from you to the contrary, we are authorized (but not obliged) to renew at maturity thereof a deposit in your name or any Fiduciary Deposit on the same terms and conditions and for the same tenor applicable thereto immediately prior to such renewal or on such other terms and conditions and for such tenor as we may in our absolute discretion consider appropriate in the circumstances.
- 1.7. **Place of repayment** Funds deposited with any Branch or Group Office will be repayable in the jurisdiction in which that Branch or Group Office is located and repayment of such deposit will be enforceable only in the courts in that jurisdiction and we are not liable to repay any deposit through any other Branch or Group Office.
- 1.8. **Unlawful deposits** If, as a result of any Laws or regulation or official directive or any change in the interpretation thereof, it is unlawful to maintain any deposit with us, you authorize us to transfer or procure the transfer of such deposit to another Group Office, wherever situate.
- 1.9. **Restrictions on Cash Deposits and Withdrawals** You agree that we may impose restrictions on cash deposits or withdrawals into or from Customer Account(s) to comply with global regulatory measures, industry-wide risk management practices and safeguards designed to minimize the risks of money laundering and fraud. This may mean, for example, that when we receive instructions to withdraw funds or assets from a Customer Account, we may elect, in our discretion, to execute those instructions in all or any of the following ways: (i) by paying in cash; (ii) by way of bank cheque or cashier's order; or (iii) by electronic funds transfer to the account of another bank which you agree to identify to us.

2. Fiduciary Deposits

- 2.1. **Bank as Agent** Upon your request and as your agent, we may place funds on deposit in the name of one of its nominees with such banks or other financial institutions including but not limited to other Group Offices, approved by us from time to time in our discretion. In providing Fiduciary Deposit services, neither we nor our nominee are acting as a trustee nor are either of them obliged to take any measures if any third party financial institution with whom a Fiduciary Deposit has been placed fails for whatever reason to carry out its obligations, or any part thereof, in respect of such Fiduciary Deposit placed with such third party financial institution. In any such case, our sole obligation is to assign or procure the assignment of the rights and claims which we or our nominee may hold on your behalf against the third party financial institution to you.
- 2.2. **Liability and risk** Fiduciary Deposits are placed at your sole risk and neither we nor our nominee have any liability for losses incurred or sustained by you by reason of any default, act or omission of the third party financial institution with whom the Fiduciary Deposit is placed or inability to obtain payment of funds due to restrictions on convertibility, involuntary transfers or distrains of any kind. We are only liable to credit funds actually received by us from a third party financial

Section II: Deposit Services (continued)

2. Fiduciary Deposits (continued)

institution in respect of a Fiduciary Deposit net of any deductions, commissions, fees, taxes or set-off required to be made. Save as aforesaid, we are not liable to repay any Fiduciary Deposit or any amount otherwise accruing thereto to you. The Fiduciary Deposits shall be subject to such local legislation and other regulatory or exchange control, if any, in the jurisdiction in which the Fiduciary Deposit is placed.

- 2.3. **Third party financial institution terms** The Fiduciary Deposit and repayment of the same is subject to the terms and conditions of the third party financial institution with whom such Fiduciary Deposit is placed and such terms and conditions may be changed without our or your prior notice or our or your approval.
- 2.4. **Termination** The Fiduciary Deposit services may be terminated by you or us upon giving not less than 3 Business Days' notice in writing to the other, in each case to expire on the maturity of the Fiduciary Deposit which is last to mature or on such other date as may be agreed by us.

Section III: Investment and Trading Services

1. General

1.1. **Agency of the Bank** Without prejudice to our right to contract as counterparty on our own behalf in any such transaction, we shall act as your agent for all purposes in connection with the buying and/or selling of Securities and other Trading Assets unless otherwise notified to you in writing and has full power to delegate our authority under these Standard Terms and Conditions and other Account Documentation in whole or in part to any Group Office as we may deem fit.

1.2. Investment Services

A. The following provisions apply where you enter into a transaction for the purchase and/or sale of a product through a Customer Account booked in Hong Kong or in circumstances where we, in Hong Kong, have solicited or recommended such product:

1. In relation to the purchase and/or sale of any product, we may solicit the sale of or recommend an investment product to you and/or you may enter into the transaction without any solicitation or recommendation from us.
2. If we solicit the sale of or recommend any Financial Product to you, the Financial Product must be reasonably suitable for you having regard to the Customer Financial Information. No other provision of these Standard Terms and Conditions or any other document we may ask you to sign and no statement that we may ask you to make derogates from this Clause. Except to the extent provided for in any Relevant Document, we do not assume any advisory duty of care or obligation in the solicitation of the sale or recommendation of any product other than to ensure reasonable suitability as set out in this Clause or as required by Laws or as contractually agreed herein.
3. Other than as provided by applicable Laws, where we solicit the sale of or recommend any product or service not being a Financial Product to you, we may (but are not obliged to) assess whether the product or service is reasonably suitable for you.
4. If you enter into a transaction with us to buy and/or sell a product without any solicitation or recommendation from us, we shall provide an execution only service in respect of that transaction and will not have an obligation or duty to assess whether or ensure that the product is suitable for you.

You acknowledge and agree that it is your sole responsibility to assess and to satisfy yourself that the transaction is suitable for you. Any limitation of our obligation or duty in this Clause is subject to compliance with any and all Laws.

5. Except as set out in Clause 7.1 of Section I (General Terms), we are not liable for any loss (including indirect or consequential loss), cost or damage of any kind incurred or suffered by you or any other person with respect to or arising out of any transaction done under Clause 1.2(A)(3) or Clause 1.2(A)(4) other than as required by any applicable Laws.
6. By entering into a transaction with us to buy and/or sell a product, you make the following confirmations upon which we will rely including where we assess suitability that:
 - I. any information that you provide to us (including the Customer Financial Information) is complete, accurate and up-to-date; and
 - II. prior to entering into any such transaction, you will have read and understood all relevant product documentation (including any indicative termsheets), the nature, risks of and the terms and conditions governing the transaction and any associated margin requirements.
7. Before you enter into a transaction with us to buy and/or sell a product, you should note that:
 - I. except to the extent provided for in any Relevant Document, we have no ongoing responsibility to ensure that a product we have solicited the sale of or recommended to you remains suitable for you; and
 - II. if circumstances relating to you, the product or its issuer change or if market conditions change, that product may no longer be suitable for you.
8. The provision by us to you of any advertisement, marketing or promotional material, research report, market information or other factual information relating to a product or service shall not, by itself, constitute solicitation of the sale or recommendation of any product or service.

Section III: Investment and Trading Services (continued)

1. General (continued)

9. Unless otherwise specified in these terms or in any Relevant Document in relation to any product, where we solicit the sale of or recommends any Financial Product to you, we will, in ensuring reasonable suitability as set out in Clause 1.2(A)(2), take into account available alternatives among products which we distribute or offer to our customers and, if specifically requested by you, we may (but are not obliged to) advise you of any alternatives to any product we may solicit the sale of or recommend.
- B. The following provisions apply where you enter into a transaction for the purchase and/or sale of a product through a Customer Account booked in Singapore in circumstances where we have not solicited or recommended such transaction in Hong Kong:
1. Whilst we may from time to time make recommendations in respect of your investments, communicate recommendations received from third parties or may discuss investment policies or opportunities with you, you are responsible for assessing and satisfying yourself that any investment or other dealing to be entered into is in your best interest and is suitable for you. Unless such recommendations are provided to you pursuant to any investment advisory service set out in any Relevant Document, you are not relying upon any such recommendation (whether written or oral) of ours as investment advice to enter into any transaction.
 2. By entering into a transaction for the purchase and/or sale of a product, you represent and warrant to us that you have sufficient knowledge and experience as to be able to evaluate the merits and risks of entering into each transaction contemplated under each Relevant Document and have made your own decision to enter into each such transaction and as to whether that transaction is appropriate or proper for you based upon your own judgment or upon professional advice (including, where relevant, as to the correct tax and accounting treatment of each transaction) received independently (unless said product is recommended to you by us pursuant to any investment advisory service set out in any Relevant Document) of us.
 3. Except as set out in Clause 7.1 of Section I (General Terms), we are not liable for any loss (including indirect or consequential loss), cost or damage of any kind incurred or suffered by you or any other person with respect to or arising out of any transaction.
- C. The following provisions apply where you enter into a transaction for the purchase and/or sale of a product through any Customer Account whether booked in Singapore or in Hong Kong:
1. By entering into a transaction for the purchase and/or sale of a product, you represent and warrant to us that you:
 - I. have considered your own circumstances and have read and understood all relevant product documentation (including any indicative termsheets), the nature, risks of and the terms and conditions governing the transaction and any associated margin requirements, and that you may contact us if you have any questions on the product and any associated margin requirements;
 - II. accept the risks of each transaction and is capable of assuming and assumes such risks; and
 - III. understand that we do not provide legal, tax or accounting advice on your investments, and you should therefore consider obtaining independent professional advice (including legal, tax and accounting advice) about your investments where necessary.
 2. Except to the extent provided for in any Relevant Document, we are not able to monitor or inform you of each change in circumstance surrounding any Trading Asset or Customer Property (including without limitation, market movements, credit rating changes and/or adverse events) and do not guarantee communication to you of such changes. You acknowledge that you are responsible for keeping yourself fully apprised of such matters including market prices and conditions and the effect of the same on any Trading Assets and margin position held by you.

Section III: Investment and Trading Services (continued)

1. General (continued)

3. No communication (written or oral) received from us or any of our Affiliates or agents will be deemed to be an assurance or guarantee as to the expected results of a transaction for the purchase and/or sale of a product.
- 1.3. **Exchanges and market practice** Each dealing of whatever nature in Trading Assets will be subject to the terms of the Account Documentation, and all orders and transactions will be executed in accordance with and subject to the constitution, bye-laws, rules, regulations, statutes, customs, usages and conditions for the time being applicable to the appropriate Exchange and/or relevant clearing house or market practice in respect of which they are executed, and we are expressly authorized to do such things or refrain from taking any action as we may in our absolute discretion deem necessary to comply therewith.
- 1.4. **Volatility and constraints** Because of constraints and restrictions inherent in trading on Exchanges and the rapid changes in securities and commodities prices or exchange rates which frequently take place, there may, on occasion, be a delay in making prices or in dealing. We may not always be able to trade at the prices or rates quoted at any specific time and in any event you shall be obliged to accept and be bound by the outcome when you give any discretion whatsoever (whether express or implied) to us to execute orders. We are not liable in any way for any loss thereby occasioned.
- 1.5. **Foreign currency transactions** Where we accept any order to enter into any contract on an Exchange on which transactions are effected in a foreign currency, we will be entitled to convert funds in any Customer Account into and from such foreign currency at a rate of exchange determined by us in our discretion on the basis of the then prevailing market rates.
- 1.6. **Right to refuse instructions** We are entitled at any time and for any reason to decline your instructions in regard to any dealing in Trading Assets. Where we refuse your instructions, we are not obliged to tell you our reason(s) for such refusal.
- 1.7. **Instruction to execute** We will not act on any instruction from you to purchase or execute a contract for any Trading Asset unless there are sufficient monies standing to the credit of the Customer Account or we have agreed to advance funds to you for the purpose of the purchase or execution. An order by you to buy or sell a specific number or amount of a particular Security will and/or will be deemed to remain effective (i) during any validity period stipulated by us; (ii) until the order is fulfilled; (iii) until the order lapses in accordance with the practice of the market on which it is executed; or (iv) until you cancel the order, whichever occurs first. We shall be entitled to stipulate limitations and/or conditions (including periodic confirmations to be provided by you to us) for the continued validity of an order.
- A. **Charge** In consideration of us agreeing to act on your instructions in regard to any dealing in Trading Assets, you as beneficial owner hereby charges, pledges and assigns the Secured Assets to us acting solely as your broker and/or dealer and not as custodian, as a continuing security for the due payment and satisfaction by you to us on demand of all amounts ("settlement amount") which may be or become due and owing by you in connection with any such instruction or any transaction contemplated by such an instruction and you agree that the settlement amount shall constitute an Indebtedness repayable on demand. Without prejudice to the foregoing, we may from time to time and at any time require you to (a) provide security and/or collateral in such form and at such time as we may in our discretion require in respect of any settlement amount and (b) maintain such margin(s) including any pre-settlement margin(s) and to deposit with us such amount of money or other assets or property, or additional security as we may specify in order to maintain such margin as we may in our discretion consider appropriate as security for all or any of the settlement amount. We may assign a collateral value (which may be zero) to each item of collateral furnished as a percentage of its market value from time to time at our discretion.
- B. **Further assurance** For the purposes of Clauses 1.7(A), where required by us, you will execute or furnish such security documents as we may from time to time specify, at your own expense and execute and do, or procure the same be done, all such assurances, acts and things as we may reasonably require for perfecting or protecting any security granted by you or such person in our favour. Unless with our prior written consent, you are not entitled to withdraw any security, collateral or margin or to sell, pledge, transfer, charge, dispose of or otherwise deal with the same until all the settlement amount is paid and satisfied in full.
- C. **Ancillary rights and undertakings** In connection with our rights under Clauses 1.7, 1.7(A) and 1.7(B), we have all the powers of sale and other powers as if a Charge (as defined in Section V (Conditions of Charge))

Section III: Investment and Trading Services (continued)

1. General (continued)

had been granted by you to us. You further undertake not to charge, pledge, assign or otherwise encumber or grant or suffer to arise any third party rights over or against any deposits or assets held in the Customer Account unless with our prior written consent. To the extent that the security created or intended to be created by this Clause 1 may be a floating charge, (a) we may convert the floating charge into a fixed charge at any time by notice in writing to you and (b) it shall automatically crystallize and operate as a fixed charge immediately without notice from us if you act in breach of any term in the Account Documentation or if any person levies or attempts to levy any form of process against any deposits or assets held in the Customer Account or any part thereof.

- D. Bank acting as custodian** Notwithstanding any other provision of these Standard Terms and Conditions, we, in connection with the provision of custodial services, shall not exercise any right of set-off over or in respect of, or any other discretionary right to deal in or exercise rights attached to, any Customer Property that constitutes Securities, or equity derivatives in respect of Securities, listed on The Stock Exchange of Hong Kong Limited.
- 1.8. Application of proceeds of sale/redemption** Unless you direct us otherwise, we will place all monies received from the sale or redemption of any Trading Asset into the Customer Account pending receipt of your further instructions.
- 1.9. Confirmations or acknowledgements** We will provide you in due course with Confirmation(s) or acknowledgement(s) of instructions in respect of any Trading Assets made, sold, purchased or acquired on your behalf. Confirmation(s) and/or acknowledgement(s) of instructions represent evidence of the transaction(s) only and are neither transferable nor negotiable. Unless otherwise authorized by you, we shall mail the Confirmation(s) and/or acknowledgement(s) of instructions to your mailing address as indicated in the Account Documentation.
- 1.10. Payment/delivery obligations** We and you shall be obliged to make each payment or delivery specified in each Confirmation subject to the provisions set out in these Standard Terms and Conditions. Payments must be made on the due date for value on that date and in the required currency, as specified in the relevant Confirmation. Where settlement is by delivery (that is, other than by payment) such delivery must be made for receipt on the due date in the manner customary for the relevant delivery obligation, unless otherwise specified in the relevant Confirmation.
- 1.11. Conflict of interest** In providing the services under this Section III, we may enter into transactions for or with you in which we or any Group Office may have a material interest or a potential conflict of interest with our duty to you. We shall ensure that such transactions are undertaken on terms no less favourable as those generally available in the market.
- 1.12. Reversal of entries** If we credit a Customer Account with the receipt of any Trading Asset before its actual receipt, we may reverse such credit at any time before actual receipt and charge you such amounts by way of interest or otherwise to put us in the position we would have been in had the credit not been made. We may debit a Customer Account with Trading Assets on or before the date they are due to be transferred to any other person even though actual settlement has not yet occurred and we may reverse such debit at any time before actual settlement. You accept that you may not rely on any such debit or credit referred to in this clause until actual settlement and that the procedures described in this clause above are of an administrative nature and do not amount to an agreement by us to extend any credit or transfer any Trading Asset or other investment to you.
- 1.13. Compliance with Laws** You will observe and comply with all relevant approvals, permissions and authorizations (including, but without limitation, any exchange control consents) and will promptly obtain any further approvals, permissions and authorizations which may become necessary to obtain from any government, administrative authority or organization to enable you to comply with any of the provisions of the Account Documentation. We may do such things as we may in our discretion deem necessary to comply with any Laws or with the applicable rules and regulations of any Exchange or clearing house or prevailing market practice.
- 1.14. Penalties** There may be circumstances under which a depository may impose penalties on a counterparty that fails to execute a transaction within normal market settlement cycles and such penalties may be rewarded to the impacted party. We reserve the right to pass on such penalties to you where such penalties are imposed on us (or our nominee) when acting on your behalf.

2. Custody

- 2.1. Custody service** You consent to us providing, as we deem fit, custodial services for Customer Property delivered to or collected by us on your behalf and by opening any account or sub-account (whether in your name or on your behalf) deposit or lodge Customer Property with any branch or division of the Bank, any banking or financial institution,

Section III: Investment and Trading Services (continued)

2. Custody (continued)

securities or clearing institution, depository or depository agent, custodian, sub-custodian, or other entity wherever situated (the “**Sub-Custodian**”) as we may in our absolute discretion select, upon their customary terms and conditions or such other terms and conditions as may be approved by us. We will use our reasonable endeavours to collect and disburse the income thereof including dividends and other entitlements accruing to you as you may lawfully direct, and to receive and remit funds and/or the Customer Property in accordance with your instructions from time to time. To the extent any Customer Property becomes subject to a negative interest rate, we will be entitled to pay to the recipient of such interest any amounts due in relation to such Customer Property and to debit such amounts from the Customer Account. We shall be under no duty to administer or supervise the assets held under custody for you. The provision of custodial services by the Bank to you shall be at your risk and does not constitute the Bank a trustee and the Bank shall have no trust or other obligations in respect of the Customer Property other than those expressly provided in the Account Documentation. We shall not be responsible for making claims for refunds of withholding tax or any other tax on your behalf.

2.2. Co-mingling of Customer Property We are authorized to the extent permitted by Law, to co-mingle any Customer Property deposited with the Bank with other assets and properties owned by the Bank’s other customers whether in omnibus accounts or otherwise. The Bank shall maintain records of your interest in respect of Customer Property co-mingled with assets belonging to other customers of the Bank.

A. Appointment of Sub-Custodian We shall not be liable or responsible for any liability which occurs as a result of:

- (a) an act or failure to act by the Bank, or any Sub-Custodian which is an Affiliate of the Bank, that may arise directly or indirectly in connection with the Account Documentation, other than any liability to you which is caused directly by the gross negligence, fraud or wilful default of the Bank or such Sub-Custodian;
- (b) an act or failure to act by any other Sub-Custodian which is not an Affiliate of the Bank, in connection with the Account Documentation, other than any liability to you which is caused directly by the failure of the Bank to comply with its duties under the Account Documentation;

- (c) an act or failure to act by any clearing system, investment exchange, broker, issuer, transfer agent, registrar or other third party or any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Bank by any third party service provider; and
- (d) any failure by the Bank or any Sub-Custodian to perform any of its obligations if such performance would in the reasonable opinion of the Bank or such Sub-Custodian result in the Bank being in breach of any rules and/or Laws which are applicable to it.

B. Security Interest of a Sub-Custodian Where the Bank appoints a Sub-Custodian to provide custodial services in respect of the Customer Property, the Sub-Custodian may have a security interest or lien over, or a right of set-off in relation to the Customer Property. You consent to the Bank holding the Customer Property with such Sub-Custodian even though such Sub-Custodian may have a security interest or lien over, or right of set-off in relation to the Customer Property.

2.3. Termination of custody services Without prejudice to any other right of the Bank under the Account Documentation in regard to the closing of a Customer Account, either the Bank or you may terminate any custody services by giving to the other not less than 30 days’ prior written notice.

2.4. Registration and deposit of Securities The Bank may (but shall not be obliged to) register Securities held as part of any Customer Property in the name of the Bank or its nominee or any Securities depository in which such Securities may be held. The Bank is appointed as your agent for the purpose of entering into agreements and executing any necessary documents for or on your behalf to cause any Securities subject thereto to be registered as appropriate, in the name of any Custodian, Sub-Custodian, or its nominee

2.5. Fractional shares, subscription rights Any fractional shares will be rounded down to the nearest whole number of shares and no compensation will be made in respect of that portion which has been rounded down. In the absence of instructions from you, neither the Bank nor any Custodian or Sub-Custodian is obliged to exercise any right, entitlement, benefit, offer or option relating to any Customer Property. Unless otherwise instructed by you from time to time, the Bank may sell such shares or other rights at market rates and credit the Customer Account. The Bank is not liable for any loss or diminution of profit occasioned by the timing of any such sale.

Section III: Investment and Trading Services (continued)

2. Custody (continued)

- 2.6. **Debt instruments, maturity instructions** Unless you instruct otherwise, the Bank will present bonds and any other financial debt instruments for payment when due, without obtaining further instructions from you.
- 2.7. **Communications** The Bank will use its reasonable endeavours to forward shareholder or other communications to you (subject to any hold mail arrangement), and to respond in accordance with your instructions. The Bank is not responsible for monitoring or acting upon any shareholder or other communications or offers made in respect of any Securities or other Customer Property, and the Bank is not liable for any loss arising directly or indirectly in consequence of any delayed transmission of communications to or from you or for any failure to forward any such communications. Without limiting the generality of the above,
- A. the Bank will endeavour to notify you whenever there is any corporate or other action which requires instructions from you and where you are required to elect either cash or other form of entitlements or benefits, the Bank shall, absent any instruction from you, elect cash entitlements or any other default option provided by the relevant issuer (including in respect of any vote, participation or election on a course of action taken or proposed to be taken in relation to or in connection with the relevant Securities or other Customer Property) on your behalf; and
- B. the Bank (either directly or acting via any Custodian, Sub-Custodian, depository agent or nominee) may at its discretion (i) decline to act on any instructions to requisition any meeting of or propose or second any resolution at any meeting of any issuer of Securities or other Customer Property (if applicable); or (ii) take any other action as registered or nominee holder of such Securities or Customer Property provided that the Bank shall inform you of its decision to decline so to act or take such other action and, in the case of (i), as soon as practicable after receipt of the relevant instructions or notice of the relevant meeting. In the exercise of its discretion under this sub-clause (B), the Bank shall act reasonably and in good faith.
- 2.8. **Bank as depository agent** The operations of any sub-account(s) opened with the Bank as a depository agent and all transactions effected in relation or pursuant to the sub-account(s) shall be in accordance with and subject to any applicable rules, bye-laws and regulations including without limitation any terms and conditions imposed by any supervisory or regulatory body or other agency or central depository as the same may be supplemented or amended from time to time.
- 2.9. **Return of Customer Property** Your entitlement to the Customer Property may not be identifiable by separate certifications, other physical documents or equivalent electronic record. Neither the Bank nor any Group office, Sub-Custodian or agent holding Customer Property on your behalf shall be bound to return to you the identical Customer Property deposited in safe custody so long as such Customer Property returned to you is of the same class denomination and nominal amount and rank pari passu with those originally placed in safe custody (subject always to any capital reorganization which may have occurred in the meantime).
- 2.10. **Standing authority** You authorize the Bank and each Group Office to deal with the Customer Property from time to time received or held by them or on their behalf in the following manner without further notice to or consent from you:
- A. to take such steps as the Bank may consider expedient to facilitate the provision of services to you under these Standard Terms and Conditions and the Relevant Documents, taking into account any applicable Law, order, market practice, notice or request of any regulator, government body or agency (whether or not having the force of law);
- B. to transfer, without prejudicing the rights of the Bank under any Credit Documentation, any Customer Property (or any part thereof) which is given to the Bank as security to other account(s) or sub-account(s) of yours;
- C. [this paragraph is intentionally left blank]
- D. as regards any call option sold by you, to hold the underlying Trading Assets as security to secure your obligations in respect of such option; deposit the underlying Trading Assets (or any part thereof) with the Bank's nominees, agents, brokers, Custodians, Sub-Custodians, or the relevant Exchanges or clearing houses (the "Intermediaries"), and/or to create (whether in the name of the Bank or on your behalf) or to cause to be created security interests (whether by way of mortgage, charge or otherwise) over such underlying Trading Assets (or any part thereof) in favour of the Intermediaries on such terms and conditions as the Bank may think fit; and
- E. to do all acts and things which are necessary for or incidental to the performance of any of the above. Where you have a Customer Account booked in Hong Kong and is not a professional investor (as defined in the SFO

Section III: Investment and Trading Services (continued)

2. Custody (continued)

and/or rules made under it, as amended and supplemented from time to time), (i) the authority given in this clause 2.10 shall be effective for a period of 12 months and may be renewed at any time for subsequent periods not exceeding 12 months each either with your written consent or automatically if you do not object to a written renewal notice which the Bank will send to you at least 14 days prior to the expiry of the authority and (ii) you may revoke the authority given hereunder at any time by giving the Bank 30 days' prior written notice. Where you have a Customer Account booked in Singapore or is a professional investor with a Customer Account booked in Hong Kong, the authority given in this clause 2.10 shall remain effective until revoked by you, at any time, giving the Bank 30 days' prior written notice.

3. Foreign Exchange

- 3.1. **Foreign Exchange Contracts** We may enter into with you or for and on your behalf and at your risk, contracts for the sale and purchase of currencies on a spot or forward basis.
- 3.2. **Open Position Limits** The aggregate amount of your positions shall not exceed at any time any limits set by us and we are under no obligation to maintain in full or in part any foreign exchange lines which you may at any time have with us or to make available to you foreign exchange lines to enable you to meet your obligations to us.
- 3.3. **Roll-Over of Foreign Exchange Contracts** Where contracts are permitted by us to be rolled over, they shall be rolled over at the prevailing market rates and you shall not be entitled to roll over any contracts using historical rates. We reserve the right to refuse to accept any requests for rollover of foreign exchange contracts without giving any reasons therefor.

4. Precious Metals

- 4.1. **Precious Metals Transactions** All purchases and sales of Precious Metals shall be in book-entry form and for such minimum amounts as we may decide from time to time. We shall not be obliged to effect any instructions to purchase or sell Precious Metals in physical form.
- 4.2. **Spot Price** Precious Metals transactions will be undertaken by reference to the spot price for the purchase and/or sale of the relevant quantity of Precious Metal in the relevant bullion market as soon as is reasonably practicable after we receive instructions from you.

- 4.3. **Placements, transfers and sale** We will accept book-entry Precious Metals placements for such minimum amounts and periods of time as we may decide from time to time. Any request to place, transfer or sell Precious Metals in physical form will not be accepted by us.

5. Structured investments offered by the Bank**5.1. Definitions**

"Cut-off Time", in relation to a Structured Investment, means the applicable time and date specified as such by us;

"Early Redemption" means the redemption of a Structured Investment prior to its Maturity Date as permitted by us;

"Investment Date" or **"Trade Date"**, in relation to a Structured Investment and an Investment Period, means the Business Day which is the first day of such Investment Period, as set out in the relevant Confirmation;

"Investment Period" means the period of a Structured Investment being the period from, and including, the date on which such investment commences to, but excluding, its Maturity Date;

"Maturity Date", in relation to a Structured Investment and an Investment Period, means the date set out as such in the relevant Confirmation or, if such date is not a Business Day, the next following date which is a Business Day, and on which, subject to the terms applicable thereto, the Structured Investment is repayable together with any Return or any Redemption Amount in respect of the Structured Investment is payable;

"Participation Rate" means the rate referred to in clause 5.13;

"Redemption Amount" means the sum representing the original principal amount of a Structured Investment increased (or reduced, as applicable) in accordance with the agreement between us and you;

"Reserved Amount" means the principal amount of the funds placed by you with us which is intended to be placed as a Structured Investment on the relevant Investment Date;

"Return" means the sum representing the return on a Structured Investment calculated and payable in accordance with the agreement between us and you (including without limitation interests, fees, premiums and other sums payable by us); and

"Structured Investment" means one of the types of investment which we make available, from time to time, as a Structured Investment.

Section III: Investment and Trading Services (continued)

5. Structured investments offered by the Bank (continued)

- 5.2. **Methodology** We shall provide a term sheet or other document which sets out the methodology for determining the Redemption Amount, Return and/or other similar factors in respect of a Structured Investment. Where you place a Structured Investment which is accepted by us, a Confirmation in respect of the Structured Investment setting out details such as the principal amount of the Structured Investment will be issued to you. The Redemption Amount and/or the Return may be affected by a number of variables such as interest rates, currency exchange rates, market volatility and coupon/dividend yield.
- 5.3. **Supplemental terms** It is anticipated that supplemental terms and conditions, all of which supplement and form a part of these terms relating to Structured Investments will be produced by us from time to time.
- 5.4. **Currency and amount** Structured Investments may be made in such currencies as we may allow, with such minimum initial investment amount and in multiples of such minimum amounts as we may decide, from time to time.
- 5.5. **Investment Period** Structured Investments are to be placed for such Investment Periods as we may allow from time to time.
- 5.6. **Reserved amount** Funds in respect of a Structured Investment must be received before the Cut-off Time for the relevant Investment Period. We may require you to place the Reserved Amount with us at the time of application and such funds may not be withdrawn except in accordance herewith. Subject to the terms hereof, the Reserved Amount shall on the Investment Date be placed as a Structured Investment.
- 5.7. **No renewal** No Structured Investment (including the principal amount of any such Structured Investment and any Return or Redemption Amount payable in respect of such Structured Investment) can or will be automatically renewed for any subsequent Investment Period unless otherwise agreed with us.
- 5.8. **Acceptance** We reserve the right, in our sole discretion, on or before an Investment Date either not to accept any funds received (including any Reserved Amount), or to accept only part of such funds, as a Structured Investment (whether or not funds are accepted in whole or in part from any other customer as such Structured Investment). In the event of such non-acceptance, we will notify you as soon as practicable and any funds received but not accepted as a Structured Investment will be placed in the Customer Account.
- 5.9. **No early withdrawal** A Structured Investment, or any part thereof, may not, unless otherwise agreed, be withdrawn without our consent prior to the Maturity Date.
- 5.10. **Early Redemption** The terms on which Early Redemption will be permitted will be notified by us to you. You acknowledge that it is possible that the Return upon such Early Redemption will be lower than if the Structured Investment had been kept in place until the relevant Maturity Date (and may be negative).
- 5.11. **Right to uplift** We shall have the discretion to uplift a Structured Investment or any part thereof prior to the Maturity Date, and (subject to the deduction of such break costs or the addition of such proportion of the Return or Redemption Amount, as we shall conclusively determine to be deductible or to have accrued, which may result in a figure less than the original principal amount of the Structured Investment) place the relevant funds in the Customer Account or otherwise on interest bearing deposit if we determine, in our discretion, that this is necessary or appropriate to protect (i) our right to combine accounts or set off, (ii) any of our security interests, or (iii) your interests.
- 5.12. **Redemption Amount** In relation to certain types of Structured Investments, the total amount repayable on maturity may be expressed as a Redemption Amount. Such Redemption Amount may, in certain circumstances, be greater than or less than the original principal amount of the Structured Investment.
- 5.13. **Participation Rate** The Participation Rate (if applicable), which may be different for each type of Structured Investment and for each choice of calculation of Return or Redemption Amount available to you, represents the percentage of the increase or decrease (as the case may be), if any, of the underlying index(es) or other reference(s), of which you will receive the benefit over the Investment Period and which is to be used in calculating the Return or Redemption Amount in accordance with the relevant formula specified by us. It will be affected by a number of variables such as interest rates, currency exchange rates, market volatility and coupon/dividend yield and will therefore change for each Investment Period.
- 5.14. **Bank determination** All rates, fixings and values required for the purpose of calculating a Return or Redemption Amount, and all other matters to be ascertained or established in respect of any Structured Investment, shall be conclusively determined by us acting in a reasonable manner in accordance with prevailing market practices.

Section III: Investment and Trading Services (continued)

5. Structured investments offered by the Bank (continued)

-
- 5.15. **Fees and charges** We reserve the right to impose service fees, facility fees and/or other charges from time to time as we in our discretion think fit. We will notify you of any fees or charges imposed (or of any changes to such fees or charges).
- 5.16. **Tax** Any Return, Redemption Amount and/or interest will be paid subject to any deduction or withholding in respect of tax required to be made by Law. The amount of tax deducted (if applicable) will be advised each time any Return, Redemption Amount and/or interest is paid.
- 5.17. **Business Day** If any payment or calculation to be made or other action to be taken hereunder by us and/or you, would otherwise fall on or by reference to a day which is not a Business Day, unless otherwise stipulated by us, it shall be postponed until (or, as appropriate, by reference to) the first following day that is a Business Day.
-

6. Funds

- 6.1 You acknowledge and agree that we may offer investment funds which may be managed by an Affiliate or by an independent third party. Some investment funds may offer more than one share class. You acknowledge that different clients may be eligible for different share classes, which may have different pricing or fee structures, and agree that we may at our discretion elect to offer only a particular share class to you.

Section IV: Credit Services

1. Availability and utilization

- 1.1. **Internal approval** The availability of any credit to you is subject to our internal credit approval having been obtained. Facilities extended to you are subject to review from time to time and at any time at our discretion without prior notice to you.
- 1.2. **Utilization** Utilization of any Facility may not at any time exceed the relevant limits set out in the Facility Letter or as otherwise advised to you and shall be subject to availability of funds, satisfaction of any conditions precedent and the provision of collateral and/or security acceptable to us, as set out in the Facility Letter or as otherwise advised to you. We reserve the right in our absolute discretion to decide whether or not any utilization may be made and to specify conditions only upon compliance with which such utilization may be made. We may mark a sum equal to such pre-settlement margin (referred to in clause 1.5 of this Section) as required by us against the Facility limit granted to you and you will be deemed to have utilized such amount marked against the Facility. The limit, amount and value of any and each utilization under a Facility will be determined by us and which determination will be conclusive and binding on you.
- 1.3. **On Demand** Except to the extent expressly modified in the Facility Letter, notwithstanding any terms herein or in other Credit Documentation or Account Documentation to the contrary, all Facilities provided by us are uncommitted and any utilization thereunder and any terms and conditions of the Facilities or their utilization are at our discretion and are subject to our periodic review. We reserve our overriding right at any time (whether upon a review or otherwise) without prior notice to you and in our sole discretion to (a) terminate any Facility, (b) cancel and withdraw or vary as we deem fit any Facility or part of it, (c) cancel and withdraw any undrawn portion of any Facility or the entire Facility should no part have been drawn down or outstanding at such time, (d) demand immediate repayment of all or any Indebtedness and accrued interest, and/or (e) demand additional margin in Securities acceptable to us or full cash collateral for all or any amounts or liabilities actually or contingently outstanding. We are not obliged to provide a reason for any exercise of our discretion hereunder. For the avoidance of doubt, nothing contained in the Facility Letter and/or in any security document between us and you or any Security Provider or granted by you or a Security Provider in our favour shall be deemed to impose on us any obligation to make or continue to make the Facilities available to you.
- 1.4. **Continuing conditional utilization** The utilization of any Facility is further conditional upon, at the proposed date of the utilization, (a) no Event of Default having occurred and is continuing or will occur as a result of the making of the Facility or each drawdown by you; (b) all representations and warranties made by you and/or any Security Provider remaining true and correct in all respects by reference to the circumstances then existing; and (c) we being satisfied that there is no material adverse change in your operations or your financial condition or the operations or financial condition of any Security Provider.
- 1.5. **Security, collateral, margin and pre-settlement margin** We may from time to time and at any time require you or a Security Provider to:
- A. provide security and/or collateral in such form and at such time as we may in our discretion require in respect of any Indebtedness;
 - B. maintain such margin(s) (or to deposit with us such amount of money or other assets or property, or additional security as we may specify in order to maintain such margin) as we may in our discretion consider appropriate as security for all or any of the Indebtedness. In particular, for the purposes of subscribing to or purchasing any Trading Assets, you shall be required to maintain a pre-settlement margin (comprising cash or such other security acceptable to us), as notified by us to you.
- 1.6. For the purposes of clause 1.5, where we require, you will execute or furnish, or procure the execution or furnishing by any person acting as your surety, guarantor or Security Provider, of such security documents as we may from time to time specify, at your own expense and execute and do, or procure the same to be done, all such assurances, acts and things as we may reasonably require for perfecting or protecting any security granted by you or such person in our favour. You are not entitled to withdraw any security, collateral or margin or to sell, pledge, transfer, charge, dispose of or otherwise deal with the same until all of your Indebtedness is paid and satisfied in full unless with our prior written consent.
- 1.7. **Collateral value and margin** The collateral value ascribed to each item of collateral furnished shall be calculated as a percentage of its market value.
- Such percentage will be determined from time to time by us in our discretion and we may, in our discretion, ascribe a zero collateral value to any item of collateral.

Section IV: Credit Services (continued)

2. Loan facilities

- 2.1. **Drawdown and rollover instructions** Upon receiving your request (in a form acceptable to us) and subject to all conditions precedent having been satisfied, the Facility not having been cancelled or withdrawn and there being available Facility utilization, we will debit your loan account and remit funds or roll-over the loan as instructed. Drawdown and roll-over instructions must specify the interest period and in the case of drawdown instructions, the currency of the loan. Any change in currency of a loan may only take effect, if approved by us, on an interest payment date. In the absence of instructions from you to the contrary, we are authorized (but not obliged) to roll-over at maturity thereof the principal or the aggregate of the principal and accrued interest of a loan on the same terms and conditions and for the same tenor applicable thereto immediately prior to such roll-over or on such other terms and conditions and for such tenor as we may in our absolute discretion consider appropriate in the circumstances.
- 2.2. **Notice of drawdown and non-withdrawal** You must give us at least 2 Business Days' notice or such other period as we may specify of drawdown prior to the intended date of drawdown. Once you have served a drawdown notice, it cannot be withdrawn.
- 2.3. **Single drawing** Where the Facility is non-revolving and requires single drawdown in one lump sum, any undrawn portion of the Facility will be cancelled and will not be available for drawing. Any amount repaid or prepaid under a non-revolving Facility will not be available for re-drawing.
- 2.4. **Interest period** Interest periods shall be either call or for a fixed period at your option, but subject to our discretion. In the case of short or long term loan Facilities, you must give at least 2 Business Days' notice to us prior to the beginning of each interest period, specifying the duration of the next interest period. If you fail to specify the duration of an interest period, subject to the following, such interest period will be for the same duration as the immediately preceding interest period, except for the last interest period which will end on the date when the principal of the Facility is repayable. In the case of revolving credit Facilities, you must specify the interest period at least 2 Business Days prior to the date of drawdown or roll-over. No interest period shall extend beyond the expiry of any Facility or beyond the date when all outstanding principal of the Facility is repayable. Any interest period which ends on a day which is not a Business Day will be extended to the next Business Day unless this would result in the end of the interest period falling in the next calendar month (in the case of an interest period of one month or more) in which case the interest period shall end on the preceding Business Day.
- 2.5. **Leveraged loans/deposits** In the case of leveraged currency loans/deposits, the interest periods for both the loan and the deposit must be concurrent.
- 2.6. **Payment of interest** Subject to clause 1.3 and the Facility Letter, (a) in the case of a call loan, interest and principal is payable and repayable when we call the loan. Interest shall accrue daily on the amount of principal outstanding and such interest accrued shall be capitalized at month end, (b) in the case of a fixed interest period loan, interest and principal is payable and repayable on the last day of the fixed interest period. Interest shall be paid at the end or the relevant interest period (as may be agreed with us), except that where such fixed interest period exceeds 3 months, interest shall be paid on a quarterly basis and (c) all sums of interest and principal and charges outstanding on the expiry or termination of a Facility (including early termination of the Facility by us) must be paid and repaid respectively on that date.
- 2.7. **Prepayment** You may prepay any amount outstanding under a Facility or any part thereof, on the last day of any interest period provided that not less than 15 days' prior notice has been given to us. A prepayment fee on the amount prepaid may be charged on the amount prepaid. Irrespective of whether a Facility is prepaid as a result of us requiring prepayment or whether at your option, if prepayment is made prior to the maturity of an interest period, you shall compensate us for any loss (including loss of profit) or expense on account of funding cost. In the event of a Facility with a scheduled repayment date, (a) any prepayment received by us shall be applied towards satisfaction of your obligations in inverse order of maturity and (b) amounts prepaid may not be re-borrowed or re-drawn.
- 2.8. **Counterparts** Any Credit Documentation issued by us to you may be signed in any number of counterparts, all of which when taken together shall constitute and be construed as one agreement.
- 2.9. **Notification to Bank** Where you are unable to make payments of any amounts due to us in respect of a Facility, you should notify us in writing.

3. Guarantee facilities

- 3.1. **Payment by You** All amounts paid or payable by us to the beneficiary under any guarantee, letter of credit, performance bond or indemnity issued at your request will become immediately due and payable by you.

Section IV: Credit Services (continued)

3. Guarantee facilities (continued)

- 3.2. **Payment by the Bank** We are authorized to make any payment claimed or demanded by a beneficiary under a guarantee, letter of credit, performance bond or indemnity given by us, without requiring or obtaining any evidence or proof that such amount is due and payable to the beneficiary and without any notice to or further authority from you and notwithstanding that you or any other party may dispute with the beneficiary the validity of any such claim or demand. Any such payment made by us shall be binding and conclusive evidence of our liability to make such payment.
- 3.3. **Documentation** Any guarantee, letter of credit, performance bond or indemnity issued by us at your request shall be subject to any modifications or variations as we require or consider appropriate.
- 3.4. **Indemnity** You agree to indemnify us and keep us fully indemnified from and against all actions, demands, charges, losses, damages, expenses, costs, claims or liability of any nature (including, without limitation, legal costs on a full indemnity basis) which we may suffer or incur as a consequence of or arising in connection with us issuing any guarantee, letter of credit, performance bond or indemnity at your request, and to pay forthwith all monies and liabilities whatsoever which may from time to time be claimed or demanded from us, or which we shall pay or become liable to pay or sustain, suffer or incur under or by reason of or in connection with such guarantee, letter of credit, performance bond or indemnity issued.
- 3.5. **Event of Default** Upon the occurrence of an Event of Default, we may, at our sole discretion, negotiate for the termination of any guarantee, letter of credit, performance bond or indemnity which is outstanding and pay all or any amounts thereunder for the purpose of discharging the guarantee, letter of credit, performance bond or indemnity and all or any payments made by us pursuant hereto shall be deemed to have been made under or by virtue of the guarantee, letter of credit, performance bond or indemnity and shall forthwith become due and payable by you to us without any demand or notice of any kind to you.
- 3.6. **Discharge** We shall be entitled to hold on at our discretion to any security charged in our favour by you, until the beneficiary under a guarantee, letter of credit, performance bond or indemnity confirms in writing the release of our obligations under such guarantee, letter of credit, performance bond or indemnity.

4. Secured standby facility

At our discretion, we may make available to you a Secured Standby Facility. The availability of this facility will be subject to (a) us notifying you in writing of the terms and conditions of the usage of

this facility, (b) you providing to us such condition precedent documents as we may require (as the case may be) and (c) your acceptance of this facility by utilizing/drawing on the Secured Standby Facility.

The use of the Secured Standby Facility is subject to the specific terms of utilization contained in our letter to you.

5. Payment

- 5.1. **Covenant to pay** You shall pay or repay all Indebtedness including principal and interest under any Facility when due in accordance with the terms of the Account Documentation.
- 5.2. **Method of payment** Save where permitted by us at our discretion, repayment and payment of principal and interest must be made without set off or counterclaim in the same currency as the Facility was made available. Where the repayment or payment is to be made in (a) the local currency of the place in which utilization under the Facility occurred, payment or repayment shall be effected by deposit of a bank draft or cleared cheque or by way of bank transfer for the requisite amount and (b) in all other cases, by way of bank transfer in immediately available funds, to the account we notify to you for this purpose, at or before 2:00 p.m. in the applicable jurisdiction on the relevant date.

6. Interest rate

- 6.1. **Rate(s) and Charges** Interest and/or charges on a Facility will be at the rate(s) as specified in the Facility Letter or at such other rate(s) as may be notified in writing by us to you from time to time ("the reference rate"). Interest upon a default by you or a Security Provider shall apply as set out at clause 12.2 of Section I (General Terms).
- 6.2. **Prime or best lending reference rates** Where the reference rate is stipulated as being prime or best lending, the reference rate will be the prime or best lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited for the relevant currency on the day which is 2 Business Days prior to the date of drawdown and on the day which is 2 Business Days prior to the first day of each subsequent interest period for fixed interest period loans and on each day for call loans, unless we specify otherwise. Such reference rates will be conclusive and binding on you. In the event that the prime or best lending rate (whichever is applicable) of the relevant currency of a Facility is lower than the interbank offered rate of such currency, the reference rate will be the interbank offered rate instead of the prime or best lending rate.

Section IV: Credit Services (continued)

6. Interest rate (continued)

- 6.3. **Cost of funds** Where the reference rate is stipulated as being our cost of funds, the reference rate, in relation to any relevant sum and any relevant period, shall be (i) the rate determined by us to be the cost to The Hongkong and Shanghai Banking Corporation Limited, Private Banking Division of funding and/or maintaining the relevant loan for the amount, tenor, currency and other terms upon which it is to be funded including charge and any other costs occasioned by or attributable to complying with reserve, liquidity, deposit or other requirements imposed by the relevant Authority of the jurisdiction in which the relevant loan is booked or any other Authority or pursuant to any Laws at the time of drawdown and on the first day of each subsequent interest period (whether or not such cost shall have been incurred by the Bank), (ii) the rate determined by us to be the rate per annum at which deposits in an amount and for a period comparable to such sum are or would be offered to the Bank by prime banks in the Hong Kong or Singapore interbank market, as the case may be, or (iii) such other rate(s) as determined by us in good faith. Unless otherwise specified in clause 6.7, calculation of our cost of funds will take place on the day which is 2 Business Days prior to the date of drawdown or roll over or such other date specified by us. Such rates will be conclusive and binding on you.
- 6.4. **Interbank Offered Rate** Where the reference rate is stipulated as being the interbank offered rate, the reference rate shall be the rate determined by the Bank (whether incurred or not) in which the Bank could borrow funds in the relevant currency and for the relevant period in respect of the relevant loan were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in such relevant currency and for that period, together with any other costs occasioned by or attributable to complying with reserve, liquidity, deposit or other requirements imposed by the relevant Authority of the jurisdiction in which the relevant loan is booked or any other Authority or pursuant to any Laws (whether or not such cost shall have been incurred by us). Unless otherwise specified in clause 6.7, calculation of the interbank offered rate will take place on the day which is 2 Business Days prior to the date of drawdown and on the day which is 2 Business Days prior to the first day of each subsequent interest period for fixed interest period loans and on each day for call loans, unless otherwise specified by us.
- 6.5. **Risk Free rates** Where the reference rate is or becomes a risk-free (or nearly risk-free) rate and subject to the terms of the Facility Letter, such rate: (i) may be determined in arrears as the compounded daily values of applicable overnight or other risk-free rate for the relevant currency throughout the relevant interest period; (ii) may be a forward looking interest rate applicable in respect of the relevant interest period determined by reference to applicable overnight rate or other risk-free rate for the relevant currency; or (iii) shall be as further set out in the Facility Letter.
- 6.6. **Negative Interest Rate** Subject to the Facility Letter, in relation to any advance, if the applicable reference rate at the time or day which the interest rate is to be determined (or such other time or day as determined by us if the market practice differs) is below zero, such reference rate shall be deemed to be zero for advances under a Facility.
- 6.7. **Calculation of interest** Subject to the Facility Letter, interest will be calculated from the first day of an interest period up to, but not including, the last day of that interest period and is calculated on the actual number of days elapsed over a 360 or 365 day year (as determined by market convention).
- 6.8. **Reference rate definitions** Certain reference rates are defined in Section I, Appendix 1. Unless otherwise determined in the Facility Letter, we shall determine at our sole and reasonable discretion, all calculations, formulas, adjustments and corrections necessary to calculate and determine the reference rate. In undertaking this determination, we shall be guided by customary market practice(s). Where a reference rate is determined to be below zero, for advances made under a Facility only, the reference rate shall be deemed to be zero.
-
- 7. Increased cost**
- If the effect of or a change in any Law or regulation is to increase our cost of advancing, maintaining or funding any Facility or to reduce the effective return to us, we may require payment on demand of such amounts as we consider necessary as compensation therefor.
-
- 8. Representations, covenants and undertakings by You**
- 8.1. You represent, covenant and undertake (except to the extent that we otherwise consent in writing) to us that:
- A. where you are a foreign incorporated company which is not registered under the Hong Kong Companies Ordinance (Cap. 622) or the Singapore Companies Act 1967, that you have not established and do not intend to establish a place of business in Hong Kong or in Singapore;
 - B. you shall promptly carry out or permit to be carried out each and every act or thing which we may from time to time require to be done for the purpose of registering and filing any Credit Documentation;

Section IV: Credit Services (continued)

8. Representations, covenants and undertakings by You (continued)

- C. in the event that you have provided collateral to us in the form of a charge over real property and where required by us as set out in the relevant Facility Letter, the Debt Service Ratio shall not at any time fall below such rate as specified by us in the relevant Facility Letter, failing which you shall, within such time as required by us, provide to us additional collateral in such form and for such value as we may require and/or reduce the amount outstanding under such loan owed to us to such level as we shall consider acceptable. For the purpose of this paragraph, Debt Service Ratio means the ratio arrived at by the following calculation:
- $$\text{DSC} = \text{R}/\text{CV} + \text{I}$$
- Where:
- “R” means the net rental income (after deducting management fees and other outgoings in respect of the property) received or expected to be received by you during the period for which the calculation is made (“**Relevant Calculation Period**”);
- “CV” means the amount by which the collateral value of the property is reduced pursuant to the Collateral Value of the Property (as set out in the relevant Facility Letter accepted by you) during the Relevant Calculation Period (if any); and
- “I” means the interest payable by you under the relevant Facility Letter during the Relevant Calculation Period
- D. where you are a company or corporation:
- I. your corporate constitutional documents (including but not limited to your Memorandum and Articles of Association) as delivered to us are in full force and effect without amendment, and the execution and performance of any obligation under each Relevant Document will not contravene any provision of your corporate constitutional documents;
 - II. you have obtained all necessary resolution(s) of your board of directors and/or shareholders for the purpose of the execution and performance of your obligations under the Relevant Documents which resolutions as delivered to us is/are valid, binding and in full force and effect;
 - III. throughout the continuance of a Facility Letter and so long as any Indebtedness remains unpaid and unless with our prior written consent, you will ensure and/or procure that there is no change in your registered or beneficial shareholding or of any Security Provider (whether by reason of transfer or allotment or otherwise);
- IV. you will promptly and in any event within 3 Business Days, inform us of any changes to your directors or shareholders, or of any amendments to your corporate constitutional documents;
- E. where you are a trustee:
- I. that the trust has been validly created and is in existence and to ensure that it is not amended or revoked;
 - II. the trust has not been terminated nor has the date or any event for vesting of the assets of the trust occurred;
 - III. you are empowered under the relevant trust deed to enter into, perform and comply with all the obligations and to carry out the transactions contemplated by the Relevant Documents and there are no restrictions or conditions upon such activity;
 - IV. the entry into and performance of your obligations under the Relevant Documents do not and will not constitute a breach of any terms of the relevant trust deed and to duly and punctually comply with your obligations and duties under the relevant trust deed and at law;
 - V. all necessary resolutions have been passed and all consents, approvals and other procedural matters have been obtained or attended to as required by the relevant trust deed;
 - VI. no assets of the trust have been resettled or set aside or transferred to any other trust or trusts to ensure that there is no resettlement, setting aside or transfer to any other trust or person of any of the assets of the trust other than in accordance with the relevant trust deed;
 - VII. to ensure that there is no change in the trustee(s) of the trust, whether by resignation, retirement, removal or appointment of a new trustee and to not do anything which will cause or enable your removal nor will you retire as trustee of the trust;
 - VIII. to ensure that the vesting date of the trust is not determined and you will not otherwise alter, shorten or fix the vesting date under the relevant trust deed;

Section IV: Credit Services (continued)

8. Representations, covenants and undertakings by You (continued)

- IX. that you have a right of indemnity out of, and lien over, the assets of the trust for any liability under the Facility and that right of indemnity and lien has not been restricted or limited in any way and to ensure that there is no restriction or limitation or derogation from your right of subrogation or indemnity (whether or not arising under the relevant trust deed) and that our lien over the assets of the trust has priority over the rights of the beneficiaries of the trust; and
- F. where you are a foundation:
- I. you have been validly created and are in existence;
 - II. you are empowered to enter into, perform and comply with all the obligations, and to carry out the transactions contemplated by the Relevant Documents and there are no restrictions or conditions upon such activity;
 - III. the entry into and performance of your obligations under each Relevant Document do not and will not constitute a breach of any terms of your constitutional or organizational documents;
 - IV. all necessary resolutions have been passed and all consents, approvals and other procedural matters have been obtained or attended to as required by your constitutional or organizational documents;
 - V. you are in continuous operation, there is no change in your status and the date or event for vesting of your assets has not occurred; and
 - VI. to immediately inform us of any change to your board members or beneficiary shareholders or of amendments to your organizational documents.
- G. in all cases:
- I. to ensure that each Security Provider will abide by any representations, warranties and undertakings (mutatis mutandis) made, given or deemed made by you in this clause; and
 - II. to inform us immediately if any of the representations and warranties set out in this sub-clause 8.1 becomes untrue or inaccurate at any time with respect to the facts and circumstances then existing;

9. Valuation reports

Where any Facility is secured on real estate, we are entitled to obtain an updated valuation report of the property from an appraiser of our choice, at your cost, from time to time and at any time, if we in our sole discretion deem it to be necessary.

10. Provision of information to a Security Provider

We may provide to any Security Provider in respect of any Facility, copies of any Facility Letter or other contract or document evidencing the obligations to be guaranteed or secured by such Security Provider or summary of the same. We may also provide such Security Provider with a copy of any formal demand for payment sent to you and, from time to time upon the request of the Security Provider, a copy of the latest statement of account provided to you.

11. New share subscription (IPO)/share financing

- 11.1. Facilities shall be made available by us to you by way of loans ("Loans", and the term "Loan" shall be construed accordingly) which shall be used exclusively to partly finance your application (the "Subscription and Loan Application") for subscription or purchase of shares, warrants and/or other securities listed or to be listed on a recognized stock exchange ("Shares") specified in an application form prescribed by us (the "Application Form"). The Subscription and Loan Application shall be made through HSBC Broking Securities (Asia) Limited or such other nominee(s) as we may choose from time to time (the "Nominee") on your behalf. Each Loan shall be drawn down in one lump sum (partial drawings will not be permitted) on such date as we think fit, but no later than the closing date of the relevant offer period (the "Drawdown Date") and shall be paid by you to the Nominee directly for the purpose of the Subscription and Loan Application. Once submitted to us, the Subscription and Loan Application shall be irrevocable.
- 11.2. You shall, unless otherwise agreed, ensure that the balance of the subscription cost payable for any Subscription and Loan Application not covered by the Loan (the "Balance") shall be made available in cleared funds in your account specified in the Application Form ("Designated Account") no later than 5:00 p.m. on the Business Day immediately preceding the closing date of the relevant offer period. You irrevocably authorize and instruct us to withdraw and transfer the Balance from your Designated Account to the Nominee for the purpose of the Subscription and Loan Application. You understand that a Subscription and Loan Application shall only be processed subject to the receipt by the Nominee of (a) the full subscription cost payable for the Subscription and Loan

Section IV: Credit Services (continued)

11. New share subscription (IPO)/share financing (continued)

- Application and (b) any document or information from you necessary to enable the Nominee to make the Subscription and Loan Application, no later than 5:00 p.m. in the applicable jurisdiction on the Business Day immediately preceding the closing date of the relevant offer period.
- 11.3. We reserve the right not to process any Subscription and Loan Application if there are insufficient funds in your Designated Account at the relevant time for settling the subscription cost and related expenses or if, in our opinion, there are reasonable grounds for such refusal.
- 11.4. If any Subscription and Loan Application is wholly or partially unsuccessful, the amount refunded (the "Refund") by the issuer to the Nominee will be applied to repay the relevant Loan or part thereof on the day of receipt by the Nominee of the Refund from the issuer (if such day is a Business Day) or on the following Business Day. No interest is payable on the Refund by us or the Nominee.
- 11.5. You agree and acknowledge that the Nominee will hold the Refund solely on trust for us pursuant to this clause 11 and you shall have no right or claim whatsoever to or in respect of the Refund or any part thereof. You hereby irrevocably authorize and instruct the Nominee to pay the Refund to us for repayment of the relevant Loan and/or other amounts owing under this clause 11.
- 11.6. Subject always to clause 11.9 below, a Loan drawn under this clause 11 shall be repaid on a day which is (a) 2 Business Days after the day when the relevant Shares commence trading on the relevant stock exchange or (b) the 15th day after the Drawdown Date, whichever is earlier (the "Maturity Date").
- 11.7. In addition to any other security interest granted by you to us (including but not limited to a Memorandum of Charge and clauses 1.7(A) to 1.7(C) of Section III (Investment and Trading Services), as security for the Loans and other sums owing by you to us, you hereby charge, pledge and assign to us the following:
- A. the Refund made pursuant to any Subscription and Loan Application; and
 - B. the Shares allotted or purchased by you pursuant to the terms of this clause 11 (including all dividends, interests, entitlements, rights and benefits accruing or attaching thereto) on the terms and conditions set out in Section V (Conditions of Charge) of these Standard Terms and Conditions.
- 11.8. Subject to the Facility Letter, interest payable on the Loans shall be at such rate as we advise to you from time to time and all accrued interest shall be paid on the Maturity Date or upon demand by us. For this purpose, we may deduct all such accrued interest (together with any costs, fees, charges, expenses and taxes payable or incurred by us or the Nominee in connection with any Subscription and Loan Application) from your Designated Account.
- 11.9. Notwithstanding any provision in this clause 11, the Loans shall be subject to our overriding right to demand immediate repayment at any time.
- 11.10. Any amount due but unpaid by you shall bear default interest (from the due date until repayment in full) as set out at clause 12.2 of Section I (General Terms).
- 11.11. You understand and acknowledge that the Subscription and Loan Application or any part thereof may not be successful for which neither we nor the Nominee shall be liable or responsible. You understand and acknowledge that we have no authority to accept applications on behalf of the relevant issuer. Receipt by us of any Subscription and Loan Application shall not amount to acceptance thereof.
- 11.12. You agree to comply with all Laws and regulations applicable to each Subscription and Loan Application and will ensure that neither we nor the Nominee will infringe any Laws or regulation as a result of providing any service to you pursuant to this clause 11.
- 11.13. We, and the Nominee are entitled to rely on any warranty, representation or declaration made by you in each Application Form. Where a Subscription and Loan Application is being made by joint applicants, all the warranties, representations, undertakings, declarations and obligations expressed to be made given or assumed by or imposed on them shall be deemed to have been made, given or assumed by or imposed on the applicants jointly and severally. The liabilities and obligations of the applicants shall be joint and several. We shall be at liberty to release or discharge any of the applicants from its liability or to accept any composition from or make other arrangements with any of the applicants without releasing or discharging the other applicant(s) or otherwise prejudicing or affecting our rights and remedies against the other applicant(s).
- 11.14. You undertake to fully indemnify us and the Nominee and to keep us and the Nominee fully and effectively indemnified, on a continuing basis, against any loss, damage, claim, liability, penalty, cost or expense incurred or suffered by us and/or the Nominee arising out of or in connection with your breach of any of the declarations, undertakings, representations, warranties and obligations contained in each Application Form and this clause 11.
-

Section IV: Credit Services (continued)

11. New share subscription (IPO)/share financing (continued)

11.15. Unless otherwise provided for in any Relevant Document, you acknowledge that any service provided by us pursuant to this clause 11 does not constitute the giving by us to you of any investment advice of any nature, and that you have made your own decision as to the suitability of investing in the Shares, and that you will seek appropriate advice from your own investment adviser if you are in any doubt.

11.16. Where you request that we accept any Application Form or other documents in relation to any Subscription and Loan Application by facsimile, we may at our discretion decline such request or accept such request subject to (a) the delivery of the original documents to us within 5 Business Days after such request is made; and (b) such other conditions as we may impose from time to time.

Section V: Conditions of Charge

1. Definitions

In these Conditions of Charge, the following words and expressions shall have the following meanings. Capitalised terms used but not defined herein shall have the same meaning given to them in Appendix I of Section I (General Terms) of these Standard Terms and Conditions:

“Account” means any account (whether a direct account or a sub-account) maintained by or on behalf of the Bank or the Bank’s nominee(s) with a Depository or Operator.

“Charge” means (a) the memorandum of charge executed by the Customer in favour of the Bank incorporating these Conditions of Charge, as amended, modified or supplemented from time to time and/or (b) any charge expressed to be created pursuant to this Section V (Conditions of Charge).

“Charged Property” means:

- A. all the Customer’s right, title and interest to and in all stocks, shares, debentures, bonds, notes, options, warrants, mutual funds, unit trusts, certificates of deposit, money market instruments, derivative contracts, other debt and financial instruments of any kind, other assets, investments and securities of any other kind whatsoever and all interests, entitlements, rights and benefits attaching or accruing thereto (whether marketable or otherwise) whether by reason of amalgamation, takeover or otherwise, including dividends, interests, rights, monies or property accruing at any time by way of allotment, redemption, accretion, bonus, benefit, preference, option or otherwise thereto or in respect thereof, beneficially owned by the Customer, the certificates, documents of title and other documents relating thereto, deposited or required to be deposited with or transferred to the Bank or any Institution pursuant to this Charge or which are now or may at any time hereafter be in the possession or custody or held in the name or to the order of the Bank or any Institution, or deposited with the Bank or any Institution or an agent(s) or representative(s) of the Bank or any Institution, whether for safe custody, collection, negotiation, security or for any other purpose whatever and whether in Hong Kong or elsewhere and including those comprised from time to time in any portfolio managed on a discretionary basis by the Bank; and
- B. all the Customer’s right, title and interest to and in all precious metals either purchased on the Customer’s behalf by the Bank or any Institution which may now or at any time hereafter be deposited by the Customer with

the Bank or with any Institution and including those comprised from time to time in any portfolio managed on a discretionary basis by the Bank; and

- C. all the Customer’s right, title and interest to and in all sums from time to time standing to the credit of the Customer’s accounts with the Bank or any Institution, whether such accounts are held by the Customer alone or jointly with any other person, and whether in addition to or by way of renewal of or replacement for any amount or amounts previously deposited into the Customer’s accounts with the Bank or any Institution or otherwise and including those comprised from time to time in any portfolio managed on a discretionary basis by the Bank, together in each case with any interest from time to time accruing in respect thereof;
- D. all other assets and property as the Bank and the Customer may agree from time to time to bring within the scope of this Section V.

“Clearing System” means the system for clearing transactions in any exchange or market and any clearance system in any part of the world as may from time to time be used in connection with transactions relating to any securities.

“Customer’s Account” means any account (whether a direct account or a sub-account) in which scripless or book-entry securities subject to this Charge are to be held or deposited, established and maintained by or on the behalf of the Customer with any Operator, Depository or Depository Agent (whether in its name or otherwise) and which has been designated or approved by the Bank.

“Depository” means any depository in any part of the world for the holding and/or transfer of book- entry securities in any jurisdiction and its successors and assigns.

“Depository Agent” means a corporation which performs services as a depository agent for subaccount holders and deposits book-entry securities with the Depository on behalf of sub- account holders.

“Facility” means any loan, advances, facilities, credits, guarantees, indemnities, counter-indemnities, undertakings, letters of credit, trading facilities, margin trading facilities or other financial accommodation extended to the Customer or other persons, in the case of the latter, at the request of the Customer.

Section V: Conditions of Charge (continued)

“**Institution**” means the Bank and any of its branches, affiliates or offices wherever situated, including but not limited to Hong Kong, Singapore and Geneva.

“**Japanese Collateral**” means all and any Charged Property which is deemed under Japanese law to be situated in Japan.

“**Operator**” means any Depository Agent, custodian (whether appointed by the Bank or otherwise), the Bank’s nominee, trustee, fiduciary or any clearing system.

-
2. The Customer undertakes and agrees as follows:
- A. **Continuing security** This Charge is to be a continuing security, notwithstanding any intermediate payment or settlement on account, for the payment to the Bank of the full amount of the Indebtedness and is to be in addition to and without prejudice to, any other security, guarantee, indemnity, right of set-off, lien or the like which the Bank may now or hereafter hold or to which the Bank may at any time be entitled. In the event of the Bank receiving notice of any subsequent mortgage, charge, assignment or other disposition affecting the Charged Property or any part thereof or any of the Bank’s interest therein, the Bank may at any time open a new account in the name of the Customer. No monies paid into any such new account thereafter shall discharge or reduce the amount due and to be recovered from the Customer pursuant to this Charge. If at such time the Bank does not open a new account for such purposes, the Bank shall nevertheless be deemed to have done so at such time and as from that time all payments made by or on the Customer’s behalf to the Bank shall be treated as having been credited to such new account and shall not operate to reduce the amount due and to be recovered from the Customer hereunder.
 - B. **Conversion of floating charge** To the extent that the security created or intended to be created by this Charge is characterized as a floating charge:
 - i. the Bank may convert the floating charge into a fixed charge at any time by notice in writing to the Customer; and
 - ii. it shall automatically crystallize and operate as a fixed charge immediately without notice from the Bank if the Customer acts in breach of any term of this Charge or if any person levies or attempts to levy any form of process against any deposits or assets held in the Customer Account or any part thereof.
-
3. The Customer acknowledges that the Charged Property may hereafter be evidenced by confirmations, receipts, certificates, warrants or other documents of different serial numbers, dates, and/or bearing different names or classifications from those existing at the date of this Charge.
-
4. The Customer warrants to the Bank that:
- A. the Charged Property is and will be solely and beneficially owned by the Customer, and is and will be free from any lien charge or encumbrance of any kind, save the security interest herein contained;
 - B. the Customer has good right and lawful authority to grant to the Bank security interests in the Charged Property and to perform the obligations of the Customer upon and subject to the terms and conditions set forth in this Charge;
 - C. the Customer will maintain the security interests in the Charged Property granted to the Bank hereunder and defend the same against any and all claims of all persons whomsoever; and
 - D. any stocks or shares comprised in the Charged Property are and will be duly authorized, validly issued, fully-paid and non-assessable and are not and will not be subject to any option, pre-emption or other rights in favour of any third party.
-
5. The following shall apply to Japanese Collateral:
- A. this Charge shall constitute a collateral by way of assignment (Jyoto-tanpo) under Japanese law;
 - B. where the Bank or the Bank’s nominee takes possession of physical certificates (in the case of non book-entry Japanese Collateral) or when the transfer of book-entry accounts from the Customer to the Bank or the Bank’s nominee is completed (in the case of book-entry Japanese Collateral), a first priority continuing security interest shall be granted to the Bank;
 - C. any disposal or sale of any Japanese Collateral upon the occurrence of an Event of Default shall be carried out in the manner, at the time and for the price generally deemed as proper;
 - D. the Customer confirms that the beneficial ownership of any Japanese Collateral, the subject of this Charge, shall be deemed to be transferred to and belong to the Bank; and

Section V: Conditions of Charge (continued)

- E. in the event of any inconsistency between this clause 5 and any other provisions of this Charge, clause 5 shall prevail in so far as they are applicable to or affect any Japanese Collateral.
-
6. Where any Charged Property is scripless or book-entry securities ("Book-Entry Securities"), the Customer hereby expressly agrees that:
- A. the Bank may at any time and at the Bank's option, acting in its capacity as agent and/or attorney for and on behalf of the Customer, create a security interest over the Book-Entry Securities (whether held by the Bank (acting in its capacity as custodian) with the Depository Agent or otherwise) in favour of the Security Trustee who shall hold such security interest on trust for the Bank;
- B. the Security Trustee shall be entitled to exercise all such powers of the Bank in respect of the Book-Entry Securities and, without prejudice to the generality of, and in connection with rights under, clause 15 of this Charge, the Security Trustee may transfer, or procure the transfer of, the Book-Entry Securities into the name or account or sub-account of the Security Trustee or its nominee;
- C. where the Book-Entry Securities are quoted on an Exchange in Singapore and the Bank exercises its rights under clause 6(A) of this Charge, the security interest created in this Charge shall take effect as a security interest created by (A) the Bank (acting as agent and/or attorney for and on behalf of the Customer) as sub-account holder of the depository agent in favour of (B) the Security Trustee (on trust for the Bank) as sub-account holder of the depository agent, as contemplated by Regulation 21(1)(a)(i) of the Securities and Futures (Central Depository System) Regulations 2015 of Singapore as amended or supplemented from time to time;
- D. notwithstanding clause 29 of Section I (General Terms) of these Standard Terms and Conditions, the Security Trustee may in its own name enforce the terms of this Charge subject to and in accordance with this clause and any other relevant provision of these Standard Terms and Conditions and any applicable Law;
- E. in this paragraph:
- I. "Security Trustee" means a corporation appointed by the Bank in its discretion to act as the Bank's security trustee for the purposes of this Charge;
- II. the expressions "book-entry securities", "sub-account holder" and "depository agent" used in clause 6(C) above shall have the meanings given to them in Section 81SF of the Securities and Futures Act 2001 of Singapore; and
- F. in the event of any inconsistency between this clause 6 and any other provisions of this Charge, clause 6 shall prevail in so far as they are applicable to or affect any Book-Entry Securities.
-
7. The Customer undertakes and agrees that during the continuance of this Charge, the Customer shall:
- A. not without the Bank's prior written consent (and then only in conformity with any conditions which the Bank may impose) and save as provided herein remove or withdraw the whole or any part of the Charged Property for the time being subject to this Charge, nor mortgage, charge, pledge or otherwise encumber or assign, dispose of, transfer, part with possession, sell or otherwise deal with or dispose of or grant or suffer to arise any third party rights over or against the whole or any part thereof or purport so to do and shall not do or omit to do any act or thing which may in any way delay, diminish, jeopardize or prejudice the Bank's rights in respect of the Charged Property as set out herein;
- B. deposit with the Bank at such place or places as the Bank may from time to time direct all certificates or other instruments relating to the Charged Property together, where appropriate, with all such necessary forms of transfer or other instructions, as the Bank may from time to time require duly executed in the Bank's favour or as the Bank may otherwise direct and stamped in accordance with the relevant Laws on stamp duties;
- C. where any rights issue is made in respect of any of the Charged Property, the Customer will, if so requested by the Bank, take up and pay for its entitlements under such rights issue and shall deliver, or cause to be delivered, to the Bank immediately upon the issue thereof, the shares, debenture, warrants and/or other securities which are the subject of such rights issue and which shall thereafter form part of the Charged Property. If the Customer fails to accept and pay for its entitlement under such rights issue by the close of business on the day falling 7 days before the last date for acceptance and payment, or if the Charged Property to which such rights issue relates are on such date registered in the Bank's name, then the Bank shall be entitled but not obliged
-

Section V: Conditions of Charge (continued)

- (and the Customer hereby authorizes the Bank) to complete, sign and submit any and all application and acceptance form(s) relating to such rights issue on behalf of the Customer and otherwise to do all things necessary to apply for such entitlements on behalf of the Customer, and the Customer will repay to the Bank immediately upon the Bank's written demand all amounts paid by the Bank in connection with the rights issue and/or the securities issued thereunder, whether on application or otherwise and in default of such repayment such amounts shall constitute part of the Indebtedness hereby secured;
- D. renew automatically any cash deposit comprised in the Charged Property as and when due for the same maturity unless the Bank agrees, at the request of the Customer, to a different period and shall not withdraw any such cash deposit without the Bank's prior written consent;
- E. comply promptly and fully with all obligations of the Customer arising from and relating to the beneficial ownership by the Customer of the Charged Property;
- F. duly and promptly make all payments which from time to time become due from the Customer in respect of any Charged Property;
- G. send forthwith to the Bank copies of any notices and other communications received by the Customer, by reason of its holding of any Charged Property;
- H. if any part of the Charged Property is held in the custody of or to the order of any Institution or under the discretionary management of such Institution,
- I. not terminate or purport to terminate or take or omit to take any action which would entitle such Institution to terminate the discretionary management of any part of the Charged Property without the Bank's prior written consent;
 - II. not withdraw any part of the Charged Property under the discretionary management of such Institution provided that any part of the Charged Property may be sold or otherwise disposed of in the ordinary course of such discretionary management in the exercise of such Institution's discretionary powers;
 - III. not agree to any amendment, variation or supplement to the terms of business governing the discretionary management of the Charged Property without the Bank's prior written consent; and
- IV. promptly pay all fees and other amounts which the Customer is obliged to pay to such Institution in relation to the discretionary management of such Charged Property;
- I. at all times comply and adhere to all Laws, regulations, rules, notices and orders relating to the Charged Property and pursuant thereto and upon the Bank's request, to promptly provide to the Bank or any relevant authority such information regarding the Charged Property as may be requested by the Bank from time to time;
 - J. where required by the Bank, instruct the Depository or any Operator in writing to transfer any Charged Property to the Account nominated by the Bank;
 - K. on request by the Bank execute and sign from time to time notices in such form as the Bank may determine to notify the Operator or such other person nominated by the Bank of the security interest over the Charged Property granted in the Bank's favour or the Bank's nominee(s)' favour and to instruct such Operator or person to deal with the Charged Property as the Bank may direct and not to execute any transfer or document without the Bank's consent;
 - L. give any notice(s) of charge to any Institution and in such form as may be required by the Bank regarding this Charge; and
 - M. inform the Bank as soon as is practicable of any difficulty in repaying or servicing the Indebtedness or any part thereof, secured by this Charge.
-
8. The Customer hereby irrevocably appoints the Bank as attorney:
- A. to renew any cash deposit comprised in the Charged Property as and when due;
 - B. where necessary to complete and to execute on behalf of the Customer any document necessary, appropriate or desirable under or in connection with the provisions of this Charge;
 - C. where necessary to procure that any stamp or other documentary tax is paid in respect of any instrument to transfer any Charged Property and to hold the Customer liable for the cost thereof;
 - D. on the occurrence of an Event of Default immediately to apply any or all of the Charged Property (or the proceeds of sale thereof) towards satisfaction of the Indebtedness; and

Section V: Conditions of Charge (continued)

- E. at the Customer's cost, to do any other thing which the Bank considers necessary to create the security interest intended to be created by the provisions of this Charge or to perfect or enforce this Charge under any applicable Law, including but not limited to, the giving of notice of this Charge to any Institution.

The Customer hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions under this Charge.

9. The Customer hereby irrevocably and unconditionally authorizes the Bank and the Bank's nominee(s) at any time, for and on behalf of the Customer:

- A. to execute and forward any letter of authorization to the Depository for the purposes of, inter alia, effecting the conversion of non-book entry securities to book entry securities;
- B. to open one or more Customer's Account(s) with the Operator whether in the name of the Customer or otherwise and the Customer hereby acknowledges that the Customer is the holder of any such Customer's Account(s) opened by the Bank, whether in the name of the Customer or otherwise; and
- C. to disclose to any relevant authority, such information about the Customer and the Charged Property as the Bank or the Bank's nominee(s) considers appropriate, but the Bank and the Bank's nominee(s) shall not be obliged to do so.

10. In the case of Charged Property other than cash deposits and monies:

- A. the Bank is entitled to register such Charged Property in the Bank's name or the name of a nominee including a bank nominee company which may hold such Charged Property in accordance with its normal nominee arrangement including specific and/or general pooling arrangements and which may result in such securities and/or certificates therefor from time to time constituting the Charged Property being different from those originally lodged;
- B. the Bank will not be bound to return to the Customer such Charged Property bearing serial numbers identical with those transferred to the Bank so long as such Charged Property returned are of the same class, denomination and nominal amount and rank *pari passu* with those originally transferred to the Bank (subject always to any capital reorganization which may have occurred in the meantime);

- C. the Bank will not be liable for any omission in the collection of dividends or interest nor the exercise of any rights attaching to such Charged Property, nor will the Bank be liable for taking any action concerning calls, conversions, redemptions or similar matters, payment of insurance premia or any taxes or duties in relation thereto;

- D. neither the Bank nor any of the Bank's employees shall be responsible for any loss from or through any brokers or others employed in the sale of any of the Charged Property or for any loss or depreciation in value of any of the Charged Property arising from or through any cause whatsoever and any deficiency whatsoever and howsoever arising the Customer agrees to make good and pay on demand to the Bank; and

- E. the Bank shall not be responsible for advising or notifying the Customer of any interests, entitlements, rights or benefits attaching or accruing thereto whether by way of dividend, distribution or otherwise howsoever.

11. Without prejudice to any other provisions of this Charge:

- A. the Bank or the Bank's nominee(s) may at the Bank's discretion and in respect of any Charged Property, exercise (in the name of the Customer or otherwise at any time and without any further consent or authority from the Customer):

- I. subject to sub-clause (II), all the powers vested in the Bank or the Bank's nominee(s) in the Bank's or its/their capacity as the person or persons in whose name or names such Charged Property is registered; and
- II. subject to the Bank having become entitled to exercise all the rights and powers in respect of the Charged Property as referred to in clause 15 below, all voting and other rights now or at any time attaching to the Charged Property or any part of the Charged Property and in respect of any Charged Property registered in the Customer's name and the Customer shall procure that all voting and other rights in respect of such Charged Property are exercised in accordance with such instructions (if any) as may from time to time be given to the Customer by the Bank;

- B. where this Charge is governed by Hong Kong law, the Bank has all the powers of sale and other powers (including without limitation, the

Section V: Conditions of Charge (continued)

power to appoint a receiver) conferred by the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) (the "Property Ordinance") save that the parties agree that paragraph 11 of the Fourth Schedule to the Property Ordinance shall not apply and references to mortgaged land in any provision of the Property Ordinance shall, for the purpose of this Charge, be deemed to be references to the Charged Property; and

- C. where this Charge is governed by Singapore law, the Bank has all the powers of sale and other powers (including without limitation, the power to appoint a receiver) conferred by Section 24 of the Conveyancing and Law of Property Act 1886 of Singapore (the "Property Act") and Section 21 save that no restrictions imposed by Section 25 of the Property Act shall apply and references to mortgaged property in any provision of the Property Act shall, for the purpose of this Charge, be deemed to be references to the Charged Property.

12. Any dividends, interest or other payments which have accrued or are receivable in respect of the Charged Property during the subsistence of this Charge may be applied by the Bank as if they were proceeds of sale of Charged Property notwithstanding that the power of sale under the provisions of clause 15 below may not have arisen.

13. Without prejudice to the rights and obligations hereby created any dividends, interest or other monies hereby charged which may be received by the Customer at any time during the continuance of this Charge shall be paid over to the Bank, or failing which, be held in trust for the Bank by the Customer and paid over to the Bank on demand. In addition, the Bank is hereby authorized at the Bank's discretion without any demand to debit the Customer's accounts with the Bank or any of them with all calls, premiums and other monies payable with respect to any of the Charged Property and all rents, insurances, charges, costs and expenses incurred by the Bank or by the Bank's agents or representatives or correspondents in, or in connection with, storing or realizing all or any of the Charged Property.

14. Each of the events listed in Clause 20 of Section I (General Terms) of the Standard Terms and Conditions shall be an Event of Default for the purposes of this Charge.

15. On the occurrence of an Event of Default:

- A. the Bank may then at any time without notice or demand to the Customer, sell, transfer (whether to itself, its nominee or any other

person) or otherwise dispose of the Charged Property or any part thereof in such manner and for such consideration as the Bank may think fit and the Bank may apply the proceeds of any sale of the Charged Property or any part thereof and/or at the Bank's discretion appropriate and set-off (where possible) the whole or any part of the Charged Property comprising deposits and any other credit balances in or towards discharge of the costs of any such sale or other realization and thereafter towards the discharge of the Indebtedness;

- B. the Bank may in its discretion exercise such other rights of recourse as it is entitled to under clause 21 of Section I (General Terms) of the Standard Terms and Conditions; and
- C. all rights of the Customer to vote and give consents, waivers and ratifications in respect of the Charged Property shall immediately pass to the Bank or the Bank's nominee(s).
- D. the Customer shall not have any right or claim against the Bank in respect of any loss arising out of such realization or sale, howsoever such loss may have been caused except for direct and reasonably foreseeable loss or damage resulting from the fraud, gross negligence or wilful default of the Bank or its employees acting in the ordinary course of their employment.

In the event that the net proceeds of any such sale disposal and/or appropriations and set-off (where possible) actually received by the Bank shall be insufficient to settle the full amounts of such costs and the full amount of the Indebtedness due to the Bank, the Customer undertakes to pay to the Bank immediately on demand any balance thereof which may then remain due and owing to the Bank. For the purposes of any such appropriation and set-off (where possible) the Bank shall be entitled at the Customer's expense to convert the whole or any part of the Charged Property into cash in any currency, and/or to transfer the whole or any part of the Charged Property to any of the Bank's offices or branches from that at which the same is or are then held. The provisions of this clause shall apply notwithstanding that the Charged Property or any part thereof may have been deposited for a fixed period and that such period may or may not have expired.

16. Upon the disposal of all or any part of the Charged Property, made or purported to be made under the provisions of clause 15 above, a certificate made by any of the Bank's officers that an Event of Default has occurred and that the power of disposal has become exercisable shall be conclusive evidence of

Section V: Conditions of Charge (continued)

- that fact in favour of any purchaser or other person to whom any of the Charged Property may be transferred pursuant to such power of disposal and the Customer agrees to indemnify the Bank fully against any claim which may be made against the Bank by any such purchaser or other person by reason of any defect in their title to such Charged Property.
-
17. The Customer agrees at all times to keep up the value of the Charged Property and from time to time at the Bank's request to pay to the Bank in cash in currencies acceptable to the Bank or at the Bank's option to deposit with the Bank in securities of type, issue and quantity approved or as required by the Bank such further margins as the Bank may require in respect of all or any of such advances or credit facilities as aforesaid, and, for the avoidance of doubt, in the event of the Customer failing to comply with such request the Bank shall have the right immediately to exercise all or any of the powers conferred upon the Bank upon the occurrence of an Event of Default.
-
18. The Bank may at any time and from time to time without notice combine or consolidate all or any of the Customer's existing accounts (whether solely or jointly with any third party and of whatever nature and whether or not subject to notice) with the Bank or any of the Bank's branches or offices in any part of the world and set-off, transfer and apply any sum standing to the credit of any one or more of such accounts and any liability the Bank may have to the Customer in or towards satisfaction of any of the Customer's liabilities to the Bank provided that if the currency of any monies or liabilities comprised in the Facility or the Indebtedness is not the currency of the Charged Property, any part thereof or the proceeds thereof, the conversion shall be calculated at the Bank's spot buying rate of exchange (as conclusively determined by the Bank) for the currency for which the Customer is liable against the existing currency so converted
-
19. This Charge and the Customer's liability hereunder shall continue to be in full force and effect and be binding on the Customer notwithstanding:
- A. any change by amalgamation reconstruction or otherwise which may be made in the constitution of the company by which the Bank's business may for the time being be carried on and shall be available to the company carrying on the Bank's business for the time being; or
 - B. the death, mental incapacity, insanity, bankruptcy or liquidation (whichever is applicable) or any disability of the Customer or any of them (if more than one).
-
20. Any release, discharge or settlement between the Bank and the Customer shall be conditional upon no security, disposition or payment to the Bank by the Customer or any other person being avoided, reduced or repaid pursuant to any provisions or enactments relating to bankruptcy, liquidation, winding-up or insolvency, and, for such purpose, the Bank shall be entitled to retain this Charge for such period as the Bank may determine and, if such condition shall not be fulfilled, the Bank shall be entitled to enforce this Charge subsequently as if such release, discharge or settlement had not occurred.
-
21. The Customer shall keep the Bank fully indemnified against all actions, losses, claims or proceedings, costs, demands and liabilities which the Bank may suffer or incur under or by virtue of or in connection with this Charge.
-
22. For all purposes, including any legal proceedings, a certificate issued by any of the Bank's officers as to the amount of the Indebtedness for the time being due and owing to the Bank shall be conclusive evidence thereof against the Customer.
-
23. A. All sums payable by the Customer under or in connection with this Charge shall be made in United States Dollars or such other currency(ies) as the Bank may specify in the Bank's discretion. For the purpose of this clause, the currency in which an amount is payable by the Customer (as the case may be) shall be referred to as the "Currency of Account"
- B. Unless otherwise determined by the Bank, any amount received or recovered in a currency other than the Currency of Account (the "Other Currency") (whether as a result of, or of the endorsement of, a judgment or order of a court of any jurisdiction, in the Customer's winding-up or otherwise) by the Bank in respect of the Charged Property expressed to be due to the Bank from the Customer under this Charge shall only constitute a discharge to the Customer to the extent of the amount in the Currency of Account which the Bank are able, in accordance with the Bank's usual practice, to purchase with the amount so received or recovered in that Other Currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).
- C. If that amount received or recovered by the Bank is less than the amount in the Currency of Account expressed to be due to the Bank under this Charge, the Customer shall indemnify the Bank against any loss sustained
-

Section V: Conditions of Charge (continued)

by the Bank as a result thereof, and against the cost of making any such purchase. Without prejudice to the generality of the foregoing, the indemnity contained herein shall extend to any loss, premium, penalty or expense which may be incurred by the Bank from or arising out of or in connection with any hedging arrangements the Bank may in the Bank's discretion consider prudent to protect the Bank from fluctuations in the value of the Other Currency.

- D. These indemnities shall constitute a separate and independent obligation from the other obligations under this Charge, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Bank and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Charge or any judgment or order.

24. The Bank shall not be liable or responsible in any manner whatsoever for and the Customer shall not have any right or claim against the Bank in respect of any act, omission, negligence or default of any Depository, Depository Agent or Operator in performing its functions and duties as Depository, Depository Agent or Operator in connection with the Charged Property or any loss, damage, claim, demand, action, proceedings, liability, cost or expenses of any kind which the Customer may incur or suffer arising from or in connection with any such act, omission, negligence or default, or any consequence arising from or in connection with any Laws, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law) or any change thereof, or any interruption, suspension, delay, unavailability or other failure in the computer system or communication network of the Bank or any Depository, Depository Agent or Operator, or mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities. In no event shall the Bank be liable to the Customer for any incidental, indirect, special, consequential or exemplary damages including, without limitation, any loss of use, revenue, profits or savings.

25. Any additional assets which the Customer may at any time deposit with the Bank either by way of substitution for all or any of the Charged Property or by way of additional security whether or not evidenced by a receipt given by the Bank will

automatically be deemed to be included in the Charged Property and be subject to the terms and conditions hereof.

-
26. Any statutory restriction on the right of consolidating mortgage securities contained in any ordinance, act or Law in force in Hong Kong and Singapore shall not apply to this Charge.
-
27. The invalidity or unenforceability of any of the provisions of this Charge shall not prejudice or affect in any way the validity or enforceability of the remaining provisions of this Charge.

Section VI: Discretionary Investment and Portfolio Management Services

1. Definitions

“**Delegate**” means any person(s) to whom the Bank delegates all or part of the Management Services pursuant to clause 3 and shall include any sub-delegate(s) of such person(s).

“**Discretionary Investment Application Form**” means the application form in the Bank’s standard form executed by the Customer requesting the Management Services and which is incorporated into and forms part of this Section VI.

“**Investment(s)**” means any asset, right or interest in respect of property of any kind, including but not limited to, stocks, shares, equities, warrants, debt instruments, bonds, structured notes, certificates of deposit, exchange bills, treasury bills, debt certificates, unit trusts, funds and any other types of securities, bullion (spot and forward), bullion options, financial futures contracts, futures and options contracts of any kind, currencies in the spot or forward markets, currency futures and options, any cash or cash deposits, hedging arrangements and all derivatives of the aforementioned and such other financial instruments as the Bank may decide from time to time.

“**Management Services**” means the services described in clause 2.

“**Portfolio**” means all monies and Investments from time to time maintained in the Customer Account with the Bank in respect of which the Customer has requested the Bank to provide the discretionary management service pursuant to this Section VI.

“**Valuation Date**” means the last day in June and December each year or such other date or dates as the Bank may determine from time to time.

2. Authorization

- 2.1. **Investment discretion** We shall provide a discretionary investment management service in respect of the Portfolio and in doing so we shall have absolute discretion on your behalf (and without your prior reference, notification or consent) invest the assets comprised in the Portfolio including to buy, sell, short sell, retain, exchange, subscribe to issues and offers for sale of, accept placings in, underwrite and sub-underwrite or otherwise deal in, any Investments, on a margin basis or otherwise, effect transactions on any markets and place cash with and withdraw cash from any financial institution(s), effect and settle transactions, as we may consider appropriate and generally to exercise complete control and all powers in relation to the management of the Portfolio. We may effect transactions in

Investments in which the market is limited or could become so or which are not regulated by the rules of any Exchange.

- 2.2. **Investment objectives** In the management of the Portfolio, we shall take into account the investment objectives and any restrictions stated in the Discretionary Investment Application Form and/or in any other communication accepted by us.
- 2.3. **Documentation** We are authorized to complete and execute on your behalf any documents appropriate or necessary in providing the Management Services to you.
- 2.4. **Disclosure** Without prejudice to any rights of disclosure which we may have under these Standard Terms and Conditions, we are authorized to provide information of your beneficial interest in any Investments in the Portfolio and any other information when requested to do so or as required by Laws, regulation or codes (irrespective of whether compliance therewith is voluntary or compulsory) in order to enable us to provide the Management Services to you.
- 2.5. **Exchanges and market practice** All transactions will be subject to and executed in accordance with the constitution, bye-laws, rules, regulations, statutes, customs, usages and conditions for the time being applicable to the appropriate Exchange and/or relevant clearing house or market practice in respect of which it is executed, and we are expressly authorized to do such things as we may in our absolute discretion deem necessary to comply therewith.

3. Delegation

- 3.1. **Appointment** We may, in our absolute discretion (and without your prior reference, notification or consent), delegate all or any part of the authority given by you to us pursuant hereto to (a) any Group Office and/or (b) any other person(s) not being a Group Office, upon such terms as we shall consider fit and may disclose any information on or related to the Portfolio and you to any Delegate. We may grant to such Delegate the authority to further sub-delegate, in its absolute discretion.
- 3.2. **Liability for Delegates** Where we appoint a Delegate pursuant to clause 3, the following shall apply:
- A. we shall be obliged only to exercise reasonable care in the selection of a Delegate and to monitor the performance by such Delegate of the authority delegated to it with reasonable care and attention;

Section VI: Discretionary Investment and Portfolio Management Services (continued)

3. Delegation (continued)

- B. in line with and without prejudice to the full authority granted to us under clause 2, we may in our absolute discretion determine from time to time the allocation of any Investments amongst such Delegate(s);
- C. notwithstanding and without prejudice to any other provisions in the Account Documentation, we shall not be liable for the acts or omissions of any Delegate unless we have acted negligently or with wilful default in the selection of the Delegate or monitoring of the performance of the Delegate; and
- D. for the avoidance of doubt and without prejudice to any other provisions in the Account Documentation, where we have appointed a Delegate to carry out any discretionary investment management function, we shall not be liable for any loss or diminution in value of any Investments comprising the Portfolio and which are under the management of such Delegate not arising from or resulting from our negligence, wilful default or fraud but so that in each case where we are liable, our liability shall be limited to the market value of the Portfolio at the date of discovery of the loss.

4. Fees, charges and expenses

- 4.1. **Management and performance fees** You shall remunerate us for the Management Services as set out in the Discretionary Investment Application Form, which we may vary from time to time upon giving 45 days' prior written notice to you. We may pay any amount, in our absolute discretion, to any of our agents, Group Office and/or Delegate out of the aforementioned remuneration.
- 4.2. **Valuation date** Management and performance fees payable to us pursuant to clause 4.1 shall be based upon the total value of the Investments comprising the Portfolio calculated on the relevant Valuation Date, taking into account realized and unrealized profits.
- 4.3. **Expenses and charges** You shall pay or reimburse us all reasonable expenses and charges incurred by us or any nominee, custodian, Sub-Custodian, agent or Delegate in or in connection with the performance of the Management Services based on a set of scale charges as determined by us or such nominee, custodian, Sub-Custodian, agent or Delegate (as the case may be) from time to time, but such expenses shall not include any management and/or performance fees payable to any person to whom we have delegated discretionary management of any part of the Portfolio, which shall be included in the remuneration payable to us pursuant to clause 4.1.

- 4.4. **Deduction of fees, charges and expenses** All costs, fees, expenses, brokerage commission, charges, tax, stamp and other duties, registration fees, management fees, performance fees and any other fees and charges of any kind in relation to the Management Services shall be debited from the Customer Account or deducted from any funds held in the Portfolio from time to time.

5. Futures contracts, options

- 5.1 Where interest rate futures, currency futures and/or other futures contracts or options comprise any part of the Portfolio, you shall deposit and maintain with us such money and other collateral in such amount and form as margin, within such period as we may require. You shall deposit with us additional money or collateral acceptable to us within such time as we may require from time to time.
- 5.2 The following provisions apply to dealings in futures contracts and/or options contracts on the Hong Kong Futures Exchange Limited ("HKFE").
 - A. We may, subject to the provisions of the SFO and any applicable Laws, take the opposite position to your order or position in relation to any exchange traded futures and options contracts, whether on our own account or for the account of our Group Offices or our other clients, provided that such trade is executed competitively on or through the facilities of HKFE in accordance with its rules or the facilities of any other commodity, futures or options exchange in accordance with the rules and regulations of such other exchange.
 - B. Notwithstanding any other provision in these Standard Terms and Conditions, all securities and other property received by us from you or from any other person (including a clearing house) for your account shall, to the extent required by Laws, be segregated from our own assets. These assets so held by us shall not form part of our assets for insolvency or winding up purposes but shall be returned to you promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of our business or assets.

6. Short selling

Unless you have indicated to the contrary in the Discretionary Investment Application Form and/or in any Communication accepted by us, we may in our absolute discretion in respect of short sales of any Investments, borrow or purchase any Investments, delivery of which we are required to make.

Section VI: Discretionary Investment and Portfolio Management Services (continued)

7. Custody

- 7.1. **Custody** We will provide safekeeping for all Investments and other Customer Property comprising or held in connection with the Portfolio from time to time. We may, by opening any account or sub-account (whether in your name or on your behalf), deposit or lodge any Investments or other Customer Property comprising the Portfolio with any of our branches or divisions, any banking or financial institution, securities or clearing institution, depository or depository agent, Custodian, Sub-Custodian or other entity wherever situated as we may in our absolute discretion select, upon their customary terms and conditions or such other terms and conditions as may be approved by us. We will use our reasonable endeavours to collect and disburse the income thereof including dividends and other entitlements accruing to you. To the extent any Customer Property or Investment become subject to a negative interest rate, we will be entitled to pay to the recipient of such interest any amounts due in relation to such Customer Property or Investment and to debit such amounts from the Customer Account. The provision of custodian services by us to you shall be at your risk and does not constitute us acting as a trustee and we shall have no trust or other obligations in respect of the Portfolio or other Customer Property or Investments other than those expressly provided in the Account Documentation. We shall not be responsible for making claims for refunds of withholding tax or any other tax on your behalf.
- 7.2. **Co-mingling of Customer Property** The Investments comprising the Portfolio may, to the extent permitted by Laws, be co-mingled with other assets and properties owned by our other customers whether in omnibus accounts or otherwise. We shall maintain records of your interest in respect of Investments comprising the Portfolio comingled with assets belonging to other customers of ours.
- 7.3. **Appointment of Sub-Custodian** We shall not be liable or responsible for any liability which occurs as a result of:
- (a) an act or failure to act by us, or any Sub-Custodian which is an Affiliate of ours, that may arise directly or indirectly in connection with the Account Documentation, other than any liability to you which is caused directly by our gross negligence, fraud or wilful default or the gross negligence, fraud or wilful default of such Sub-Custodian;
 - (b) an act or failure to act by any other Sub-Custodian which is not an Affiliate of ours, in connection with the Account Documentation,
- other than any liability to you which is caused directly by our failure to comply with our duties under the Account Documentation;
- (c) an act or failure to act by any clearing system, investment exchange, broker, issuer, transfer agent, registrar or other third party or any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Bank by any third party service provider; and
 - (d) any failure by us or any Sub-Custodian to perform any of our/its obligations if such performance would in our reasonable opinion or the reasonable opinion of such Sub-Custodian result in us or such Sub-Custodian being in breach of any rules and/or Laws which are applicable to us/it.
- 7.4. **Security Interest of a Sub-Custodian** Where we appoint a Sub-Custodian to provide custodial services in respect of the Portfolio or Customer Property, the Sub-Custodian may have a security interest or lien over, or a right of set-off in relation to the Portfolio or Customer Property. You hereby consent to us holding the Portfolio or Customer Property with such Sub-Custodian even though such Sub-Custodian may have a security interest or lien over, or right of set-off in relation to the Portfolio or Customer Property.
- 7.5. **Registration and deposit of Investments** We may (but shall not be obliged to) register Investments comprising the Portfolio in our name or in the name of our nominee or any depository in which such Investments may be held. We are appointed as your agent for the purpose of entering into agreements and executing any necessary documents for or on your behalf to cause any Investments subject thereto to be registered as appropriate, in the name of any Custodian, Sub-Custodian, or nominee.
- 7.6. **Fractional shares, voting rights, subscription rights, offers** Any fractional shares will be rounded down to the nearest whole number of shares and no compensation will be made in respect of that portion which has been rounded down. We may decide in our absolute discretion and without any obligation to inform you of our decision, to exercise or refrain from exercising any right, entitlement, benefit, offer, conversion, option, voting and all other rights relating to any Investments comprising the Portfolio and to give our nominee, Custodian, or Sub-Custodian, if applicable, such instructions as we may decide.

Section VI: Discretionary Investment and Portfolio Management Services (continued)

8. Liabilities and responsibilities

8.1. **Exclusion of liability** We do not guarantee any specific result or return on the Investments and you acknowledge that the value of Investments may fall as well as rise. We shall not be liable for any errors of fact or judgment or any action lawfully taken or omitted to be taken except through our negligence, fraud or wilful default. We shall not be liable for any loss of opportunity whereby the value of the Portfolio might have increased or for any decline in the value of the same, including currency exchange, unless such decline or loss is the direct result of our negligence, fraud or wilful default in complying with your instructions properly given but so that in such event our liability shall be limited to the market value of the Portfolio at the date of discovery of the relevant decline or loss. We shall not be responsible for nor shall we be obliged to give any consideration to the tax consequences of any transaction on you or generally. You shall be responsible for seeking tax advice in relation to your particular tax position and the impact of potential investment returns on such position.

8.2. **Acknowledgement of Customer** By subscribing for Management Services, you agree that you have considered the position as set out in clause 8.1 above and is satisfied that it is reasonable in all the circumstances.

9. Aggregation of orders

We may combine your orders with our own orders or orders from Group Offices or orders from our other customers. Combining orders may result in us being able to obtain a more favourable price on some occasions and a less favourable price on other occasions. Where we have aggregated your order with our own orders, we shall give priority to satisfying your order and any of our other customers' orders in any subsequent allocation if all orders cannot be filled.

10. Material interests, Soft Dollars and additional benefits

10.1. **Material interests** When managing the Portfolio, we may effect transactions on your behalf when we or a Group Office has an interest, relationship or arrangement that is material or a conflict of interest in relation to that transaction. Such transactions will be carried out on arm's length terms consistent with best execution standards and at a price and on terms that are no less favourable than could reasonably have been expected had such transaction been effected through or with an independent third party. By way of example of such conflicts of interest, we or a Group Office could be (a) matching your transaction with that of another customer of ours by acting on behalf of both

customers, (b) buying or selling units in a collective investment scheme when we or a Group Office are/ is the trustee, operator (or an adviser of the trustee or operator), administrator, investment adviser or manager of the scheme, (c) buying Investments when we or a Group Office is involved in a new issue, rights issue, takeover or similar transaction concerning the Investments, or (d) acting as the counterparty to the transaction with you.

10.2. **Non-cash benefits** Subject to applicable Laws, we may, from time to time, receive non-cash benefits (known as Soft Dollars) from, or enter into a commission sharing arrangement with, any counterparty, broker, agent or Group Office in connection with our directing to such parties trades or transactions carried out for or with our customers. Such benefits or commission sharing arrangements may include, without limitation, the receipt by us of research and advisory services, economic and political analysis, and market analysis, data and quotation services and which are of demonstrable benefit to the provision of Management Services to customers. We shall ensure that, in these circumstances, you are provided with best execution standards and the brokerage rates payable by you shall not be in excess of customary full- service brokerage rates.

10.3. **Cash benefits** Subject to clause 10.2 above and to applicable Laws, we and any Group Office shall be entitled to retain and shall not be liable to account to you for any commission, spread, margin, profit, remuneration, rebate, mark-up or mark-down in respect of any transaction carried out on your behalf including any in which we or a Group Office has a material or conflict of interest. Group Offices may also benefit from the Management Services provided to you including (without limitation) in connection with the provision of banking, custody, dealing and settlement services and may charge and retain their normal fees and other benefits in respect of their services.

10.4. **Bank acting as Agent** We will be acting as your agent when carrying out the Management Services but may act as principal on transactions relating to the Portfolio. Where we act as principal, such transactions will be undertaken at such rates and with such spreads or margins as determined by us from time to time but which shall be fair and reasonable and characterised by good faith.

Section VI: Discretionary Investment and Portfolio Management Services (continued)

11. Statements

We shall provide you with a regular statement of account at such intervals as indicated in the Discretionary Investment Application Form and also upon your request. We are not required to confirm, whether orally or in writing, any transaction nor the essential features thereof carried out pursuant to the Management Services.

12. Termination

12.1. **Notice** You or we, may terminate the Management Services in respect of all or part of the Portfolio upon giving 45 days prior written notice to the other party or such other period mutually agreed between you and us (save under exceptional circumstances when termination may be made by us without any notice required). Any termination shall be subject to the proper settlement of all transactions, charges, fees and expenses calculated up to the date of termination on the basis of a valuation made on that date. Any termination shall not affect any accrued rights and obligations under this Section VI and other Account Documentation, which shall remain in full force and effect.

12.2. **Disposal** Unless you otherwise instruct us to the contrary or where it is impossible to liquidate any of the Investments comprising the Portfolio, upon termination of the Management Services in respect of all or part of the Portfolio, all the Investments or those Investments comprising that part of the Portfolio shall be realized and the proceeds thereof credited to the Customer Account. Notwithstanding the foregoing, we may in our absolute discretion require that units or shares in any collective investment schemes be realized rather than transferring the same to you in specie and to pay the proceeds to you. Where we have effected a transaction on your behalf which is likely to extend beyond the date of termination, we may in our absolute discretion either close out or complete such transaction and we shall be entitled to retain sufficient funds for such purpose.

13. Credit facilities

Where we have granted to you Facilities secured by the Portfolio or any part thereof, the requirement to maintain sufficient collateral in respect of such Facilities may affect our investment decisions in respect of the Portfolio.

Section VII: Foreign Exchange and Currency Option Margin Trading Services

1. Definitions

“Adjusted Cash Value” means Cash Collateral at any given time, adjusted by a factor determined by the Bank;

“Adjusted Market Value” means in respect of any Securities Collateral at any given time, the market price (net of expenses) which the Bank determines in its absolute and complete discretion could be obtained on a sale of such Securities Collateral at such time in any market on which property of the same type is normally dealt, adjusted by a factor determined by the Bank;

“American Style Option” means an Option which may be exercised on any Business Day up to and including the Expiration Time;

“Business Day” means for the purposes of: (i) Clause 4.2, a day which is a Local Banking Day in the jurisdiction of the Buyer; (ii) Clause 6.1 and the definition of American Style Option, a day which is a Local Banking Day in the jurisdiction of the Seller; (iii) solely in relation to delivery of a Currency, a day which is a Local Banking Day in relation to that Currency; and (iv) any other provision of this Section VII, a day which is a Local Banking Day in the jurisdiction of both parties; provided, however, that neither Saturday nor Sunday shall be considered a Business Day for any purpose;

“Buyer” means the owner of an Option;

“Call” means an Option entitling, but not obligating (except upon exercise), the Buyer to purchase from the Seller at the Strike Price a specified quantity of the Call Currency;

“Call Currency” means the Currency agreed to as such at the time an Option is entered into, as evidenced in a Confirmation;

“Cash Collateral” means, at any time, all cash deposited with the Bank and which is, in the sole determination of the Bank, acceptable and available as security for the Customer’s obligations under the Account Documentation and any Credit Documentation;

“Collateral” means (i) the Cash Collateral and (ii) the Securities Collateral;

“Confirmation” means a confirmation in writing (including facsimile transmission) evidencing an FX Contract or an Option sent by the Bank to the Customer and specifying;

A. in the case of an FX Contract, the following information:

I. the parties thereto;

II. the amounts of the Currencies being bought or sold and by which party;

III. the Settlement Date; and

IV. any other term(s) generally included in such a confirmation in accordance with the practice of the relevant foreign exchange market; and

B. in the case of an Option, the following information:

I. the parties thereto;

II. whether the Option is a Call or a Put;

III. the Call Currency and the Put Currency that are the subject of the Option and their respective quantities;

IV. which party is the Seller and which is the Buyer;

V. the Strike Price;

VI. the Premium and the Premium Payment Date;

VII. the Expiration Date and the Expiration Time;

VIII. the Settlement Date;

IX. whether the Option is an American Style Option or a European Style Option; and

X. such other matters, if any, as the parties may agree.

“Currency” means money denominated in the lawful currency of any jurisdiction or the euro;

“Currency Obligation” means any obligation of a party to deliver a Currency pursuant to an FX Contract, the application of Clause 3.3 or an exercised Option (except for the purposes of Clause 11.3 only, one that is to be settled at its In-the-Money Amount under Clause 6.5);

“Currency Pair” means the two Currencies which potentially may be exchanged in connection with an FX Contract or upon the Exercise of an Option, one of which shall be the Put Currency and the other the Call Currency;

“Cut Margin Level” means the amount calculated in the same way as the Initial Margin Level save that references to the Initial Margin Risk Weighted Percentage shall be to the Cut Margin Risk Weighted Percentage;

“Cut Margin Risk Weighted Percentage” means the percentage figure allocated to each Currency as determined by the Bank in its sole discretion and notified to the Customer (identifying such percentage as being the Cut Margin Risk Weighted

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

1. Definitions (continued)

Percentage) from time to time and “FX Cut Margin Risk Weighted Percentage” and “Option Cut Margin Risk Weighted Percentage” shall be the Cut Margin Risk Weighted Percentage applicable to a Currency under an FX Contract or Option, as appropriate;

“**Delivery Date**” means in respect of: (i) an American Style Option, the Spot Date of the Currency Pair on the Exercise Date of such Option, and (ii) a European Style Option, the Spot Date of the Currency Pair on the Expiration Date of such Option; and, where market practice in the relevant foreign exchange market in relation to the two Currencies involved provides for delivery of one Currency on one date which is a Local Banking Day in relation to that Currency but not to the other Currency and for delivery of the other Currency on the next Local Banking Day in relation to that other Currency, “Delivery Date” means such 2 Local Banking Days;

“**Dollar Countervalue**” of an amount of currency at any time is (a) if such currency is United States dollars, such amount, and (b) in all other cases, the amount of United States dollars which could be purchased at the Market Rate prevailing at such time against delivery of such amount of currency for value on a specified date, such date being the relevant spot value date unless otherwise specified;

“**European Style Option**” means an Option for which Notice of Exercise may be given only at the Option’s Expiration Date up to and including the Expiration Time, unless otherwise agreed;

“**Event of Default**” has the meaning given to it in Section I of these Standard Terms and Conditions;

“**Exercise Date**”, in respect of any Option, means the day on which a Notice of Exercise received by the Seller becomes effective pursuant to Clause 6.1;

“**Expiration Date**”, in respect of any Option, means the date agreed to as such at the time the Option is entered into, as evidenced in a Confirmation;

“**Expiration Time**”, in respect of any Option, means the latest time on the Expiration Date on which the Seller must accept a Notice of Exercise as agreed to at the time the Option is entered into, as evidenced in a Confirmation;

“**FX Contract**” means any spot or forward contract for the purchase of one currency against the sale of another currency entered into between the Customer and the Bank pursuant to the terms of this Section VII;

“**FX Spot Contract**” means any spot contract for the purchase of one currency against the sale of another currency entered into between the Customer and the Bank pursuant to the terms of this Section VII;

“**FX Margin Cover**” means, unless otherwise agreed by the Customer and the Bank, the aggregate amount obtained by allocating the Net Exposure against the net amount of each Currency in Dollar Countervalue under relevant outstanding FX Contracts and Options following the order from the Currency with the highest Initial Margin Risk Weighted Percentage to the Currency with the lowest Initial Margin Risk Weighted Percentage and multiplying each such allocation by the Initial Margin Risk Weighted Percentage for such Currency. No allocation will be made against outstanding positions denominated in United States dollars under the relevant FX Contracts and Options unless otherwise specified by the Bank;

“**In-the-Money Amount**” means (i) in the case of a Call, the excess of the Spot Price over the Strike Price, multiplied by the aggregate amount of the Call Currency to be purchased under the Call, where both prices are quoted in terms of the amount of the Put Currency to be paid for one unit of the Call Currency; and (ii) in the case of a Put, the excess of the Strike Price over the Spot Price, multiplied by the aggregate amount of the Put Currency to be sold under the Put, where both prices are quoted in terms of the amount of the Call Currency to be paid for one unit of the Put Currency;

“**Initial Margin Level**” means the aggregate of the FX Margin Cover and the Option Margin Cover less any concessions as may be granted by the Bank in its sole discretion to the Customer from time to time;

“**Initial Margin Risk Weighted Percentage**” means the percentage figure allocated to each Currency as determined by the Bank in its sole discretion and notified to the Customer (identifying such percentage as being the Initial Margin Risk Weighted Percentage) from time to time and “FX Initial Margin Risk Weighted Percentage” and “Option Initial Margin Risk Weighted Percentage” shall be the Initial Margin Risk Weighted Percentage applicable to a Currency under an FX Contract or Option, as appropriate;

“**Local Banking Day**” means (i) for any Currency, a day on which commercial banks effect deliveries of that Currency in accordance with the market practice of the relevant foreign exchange market, and (ii) for any party, a day in the jurisdiction of

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

1. Definitions (continued)

that party on which commercial banks in such jurisdiction are not authorized or required by Laws to close;

"Maintenance Margin Level" means the amount calculated in the same way as Initial Margin Level save that references to the Initial Margin Risk Weighted Percentage shall be to the Maintenance Margin Risk Weighted Percentage;

"Maintenance Margin Risk Weighted Percentage" means the percentage figure allocated to each Currency as determined by the Bank in its sole discretion and notified to the Customer (identifying such percentage as being the Maintenance Margin Risk Weighted Percentage) from time to time and "FX Maintenance Margin Risk Weighted Percentage" and "Option Maintenance Margin Risk Weighted Percentage" shall be the Maintenance Margin Risk Weighted Percentage applicable to a Currency under an FX Contract or Option, as appropriate;

"Mark-to-market basis", for the purposes of calculating any Unrealized Profit or Unrealized Loss, means in respect of (i) a FX Spot Contract, calculation based on the prevailing real-time Spot Price against the contract rate, (ii) a FX Contract which is a forward contract, calculation based on the prevailing real-time Spot Price against the contract rate after discounting a present value factor determined by the Bank, and (iii) an Option, calculation based on the prevailing real-time Market Rate against the contract rate;

"Market Rate" means, at any given time, the rate conclusively determined by the Bank to be the market rate available to the Bank at such time, at the sole option of the Bank, in the Hong Kong or Singapore foreign exchange market or in the foreign exchange market of any other financial centre which is then open for business for the purchase or, as the case may be, sale of one currency against another currency for delivery on a specified date;

"Net Collateral" means, at any time, (i) the Dollar Countervalue at such time of the Adjusted Cash Value of any Cash Collateral held by the Bank, plus (ii) the Dollar Countervalue at such time of the Adjusted Market Value of Securities Collateral held by the Bank; plus (iii) Realized Profit; less (iv) Realized Loss; plus (v) Unrealized Profit; less (vi) Unrealized Loss;

"Net Exposure" means, at any given time, the higher of (a) the Dollar Countervalue of the aggregate of the Net Open FX Position and the Net Open Option Position in the respective Currencies that are payable by the Customer to the Bank, and (b) the Dollar Countervalue of the aggregate of the Net Open FX Position and the Net Open Option Position in the respective Currencies that are

payable by the Bank to the Customer. For the purposes of calculating the Net Exposure, the Net Open FX Position and the Net Open Option Position denominated in United States dollars will be disregarded in all cases unless otherwise specified by the Bank;

"Net Open FX Position" with respect to a Currency means, at any given time, the aggregate of all amounts payable by the Customer to the Bank or by the Bank to the Customer, as the case may be, in such Currency under all outstanding FX Contracts, provided however that in calculating such amount, all FX Contracts (without regard to the Settlement Date) under which one party is due to deliver to the other an amount in the relevant Currency as it is due to receive (without regard to the Settlement Date) under any other FX Contract, shall be aggregated and shall include any interest charges accrued with respect to such Currency (and not yet paid) pursuant to Clause 8.5, if any;

"Net Open Option Position" with respect to a Currency means, at any given time, the aggregate amounts payable by the Customer to the Bank or by the Bank to the Customer, as the case may be, in such Currency under all outstanding Options, provided however that in calculating such amount all Options (without regard to the Exercise Date, Expiration Date or Delivery Date) under which one party is due to deliver to the other an amount in the relevant Currency as it is due to receive (without regard to the Exercise Date, Expiration Date or Delivery Date) under any other Options, shall be aggregated;

"Notice of Exercise" means telephonic or other electronic notification given by the Buyer prior to or at the Expiration Time (and where the Buyer is the Customer, such notification given in accordance with the Customer's mandate governing the Customer Account), of the exercise of an Option, which notification shall be irrevocable;

"Option" means a currency option which is or shall become subject to this Section VII;

"Option Margin Cover" means the aggregate amount obtained by (i) multiplying the Dollar Countervalue of each Call Currency for each outstanding Option in respect of which the Bank is the Buyer with (a) the relevant Option Initial Margin Risk Weighted Percentage for such Call Currency or (b) if the other currency in the Currency Pair attracts a higher Option Initial Margin Risk Weighted Percentage, that higher Option Initial Margin Risk Weighted Percentage and (ii) adding together each such product;

"party" or **"parties"** means the Customer (that is, you) and/or the Bank (that is, us);

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

1. Definitions (continued)

“Premium”, in respect of any Option, means the purchase price of the Option as agreed upon by the parties, and payable by the Buyer to the Seller thereof;

“Premium Payment Date”, in respect of any Option, means the date on which the Premium is due and payable, as agreed to at the time the Option is entered into, as evidenced in a Confirmation;

“Put” means an Option entitling, but not obligating (except upon exercise), the Buyer to sell to the Seller at the Strike Price a specified quantity of the Put Currency;

“Put Currency” means the Currency agreed to as such at the time an Option is entered into, as evidenced in a Confirmation;

“Realized Profits” means, at any time, any positive amount produced by deducting (i) the aggregate of the Dollar Countervalues of any payment remaining unpaid (whether or not such payment or amount is due) which has been crystallized as being payable by the Customer consequent to the squaring, termination or closing out (wholly or in part) of any FX Contract or exercise (in whole) of any Option, from (ii) the aggregate Dollar Countervalue of any such obligations payable by the Bank and the **“Realized Losses”** means, at any time, the positive value of any negative amount produced by such calculation. For this purpose the Dollar Countervalue shall be for value on the date the relevant payment falls due;

“Securities Collateral” means, at any time, all securities, financial instruments and other assets and investments of any kind whatsoever and all rights and benefits attaching or accruing thereto from time to time deposited with, charged and/or assigned to, the Bank as continuing security for the Customer’s obligations under the Account Documentation and any Credit Documentation and which are, in the sole discretion of the Bank, acceptable and available as collateral;

“Seller” means the party granting an Option;

“Settlement Date” means the date on which settlement is to be made under an FX Contract and with respect to any Currency Obligation, the Business Day upon which the obligation to deliver Currency pursuant to such Currency Obligation is to be performed;

“Spot Date” means the spot delivery day for the relevant Currency Pair as generally used by the relevant foreign exchange market;

“Spot Price” means the rate of exchange, as determined by the Bank, at the time at which such price is to be determined for foreign exchange transactions in the relevant Currency Pair for value on the Spot Date;

“Strike Price”, in respect of any Option, means the price at which the Currency Pair may be exchanged, as agreed at the time the Option is entered into, as evidenced by the Confirmation; and

“Unrealized Profit” means, at any time, in respect of each outstanding FX Contract or Option, any positive amount produced by deducting

- I. the Dollar Countervalue at such time of the amount payable by the Customer under such FX Contract, assuming squaring, termination or close out of such FX Contract, or Option assuming exercise of such Option including any interest charges accrued (and not yet paid) pursuant to Clause 8.5 and payable by the Customer under such FX Contract, if any, from (ii) the Dollar Countervalue at such time of the amount payable by the Bank under such FX Contract (but excluding any outstanding Option in respect of which the Customer is the Buyer and the Bank is the Seller) including any interest charges accrued (and not yet paid) pursuant to Clause 8.5 and payable by the Bank under such FX Contract, if any, and **“Unrealized Loss”** means, at any time, in respect of each outstanding FX Contract or Option, any positive value of any negative amount produced by deducting (i) the Dollar Countervalue at such time of the amount payable by the Customer under such FX Contract, assuming squaring, termination or close out of such FX Contract, or Option assuming exercise of such Option including any interest charges accrued (and not yet paid) pursuant to Clause 8.5 and payable by the Customer under such FX Contract or Option, if any, from
- II. the Dollar Countervalue at such time of the amount payable by the Bank under such FX Contract (but excluding any outstanding Option in respect of which the Customer is the Buyer and the Bank is the Seller) including any interest charges accrued (and not yet paid) pursuant to Clause 8.5 and payable by the Bank under such FX Contract or Option, if any. For this purpose the Dollar Countervalue shall be for value on the Settlement Date or the Delivery Date of the relevant FX Contract or Option. Any Unrealized Profit and Unrealized Loss shall be calculated on a Mark-to-market basis.

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

2. FX Contracts and Options

You may request on any Business Day, and we may agree (but shall not be obliged), to enter into an FX Contract or an Option with you.

3. Settlement and netting of FX Transactions

- 3.1. Subject to Clauses 3.2 and 3.3, each party shall deliver to the other party the amount of the Currency to be delivered by it under each Currency Obligation on the Settlement Date for such Currency Obligation.
- 3.2. If, on any date, more than one delivery of a particular Currency under Currency Obligations is to be made between you and us, then each party shall aggregate the amounts of such Currency deliverable by it and only the difference between these aggregate amounts shall be delivered by the party owing the larger aggregate amount to the other party, and, if the aggregate amounts are equal, no delivery of the Currency shall be made.
- 3.3. If agreed in the Confirmation and if the parties enter into an FX Contract giving rise to a Currency Obligation for the same Settlement Date and in the same Currency as a then existing Currency Obligation between the parties, then immediately upon entering into such FX Contract, each such Currency Obligation shall automatically and without further action be individually cancelled and simultaneously replaced by a new Currency Obligation for such Settlement Date determined as follows: the amounts of such Currency that would otherwise have been deliverable by each party on such Settlement Date shall be aggregated and the party with the larger aggregate amount shall have a new Currency Obligation to deliver to the other party the amount of such Currency by which its aggregate amount exceeds the other party's aggregate amount, provided that if the aggregate amounts are equal, no new Currency Obligation shall arise. This Clause 3.3 shall not affect any other Currency Obligation of a party to deliver any different Currency on the same Settlement Date.
- 3.4. The provisions of Clause 3.3 shall apply notwithstanding that either party may fail to record the new Currency Obligation in its books.

4. Option Premium

- 4.1. Unless otherwise agreed in writing by the parties, the Buyer shall be obligated to pay the Premium related to an Option no later than its Premium Payment Date.
- 4.2. If any Premium is not received on or before the Premium Payment Date, the Seller may elect: (i) to accept a late payment of such Premium; (ii) to give written notice of such non-payment and, if such payment shall not be received within 2 Business

Days of such notice, treat the related Option as void; or (iii) where we are the Seller, to give written notice of such non-payment and, if such payment shall not be received within 2 Business Days of such notice, treat such non-payment as an Event of Default under Clause 20(A) of Section I of these Standard Terms and Conditions. If the Seller elects to act under either (i) or (ii) of the preceding sentence, the Buyer shall pay all out-of-pocket costs and actual damages incurred in connection with such unpaid or late Premium or void Option, including, without limitation, late payment interest on such Premium from and including the Premium Payment Date to but excluding the late payment date in the same Currency as such Premium at the rate stipulated in Clause 12 of Section I of these Standard Terms and Conditions and any other losses, costs or expenses incurred by the Seller in connection with such terminated Option, for the loss of its bargain, its cost of funding, or the loss incurred as a result of terminating, liquidating, obtaining or re-establishing a delta hedge or related trading position with respect to such Option.

5. Discharge and termination of Options: netting of Option Premiums

- 5.1. If agreed in the Confirmation, any Call or any Put written by a party will automatically be discharged and terminated in whole or in part, as applicable, against a Call or a Put, respectively, written by the other party, such discharge and termination to occur automatically upon the payment in full of the last Premium payable in respect of such Options; provided that such discharge and termination may only occur in respect of Options:
 - A. each being with respect to the same Put Currency and the same Call Currency;
 - B. each having the same Expiration Date and Expiration Time;
 - C. each being of the same style, i.e. either both being American Style Options or both being European Style Options;
 - D. each having the same Strike Price; and
 - E. neither of which shall have been exercised by delivery of a Notice of Exercise; and upon the occurrence of such discharge and termination, neither party shall have any further obligation to the other party in respect of the relevant Options or, as the case may be, parts thereof so discharged and terminated. Such discharge and termination shall be effective notwithstanding that either party may fail to record such discharge and termination in its books. In the case of a partial discharge and termination (i.e. where the relevant Options are for different amounts of the Currency Pair), the

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

5. Discharge and termination of Options: netting of Option Premiums (continued)

remaining portion of the Option which is partially discharged and terminated shall continue to be an Option for all purposes of this Section VII, including this Clause 5.1.

- 5.2. If agreed in the Confirmation and if, on any date, Premium(s) would otherwise be payable under this Section VII in the same Currency between the parties, then, on such date, each party's obligation to make payment of any such Premium will be automatically satisfied and discharged and, if the aggregate Premium(s) that would otherwise have been payable by a party exceeds the aggregate Premium(s) that would otherwise have been payable by the other party simultaneously, replaced by a new obligation upon the party by whom the larger aggregate Premium(s) would have been payable, to pay the other party the excess of the larger aggregate Premium(s) over the smaller aggregate Premium(s) and, if the aggregate Premium(s) are equal, no payment shall be made.

6. Exercise and settlement of Options

- 6.1. The Buyer may exercise an Option by delivery to the Seller of a Notice of Exercise. Subject to Clause 6.3, if a Notice of Exercise with respect to an Option has not been received by the Seller prior to or at the Expiration Time, the Option shall expire and become void and of no effect. Any Notice of Exercise shall (unless otherwise agreed):

- A. in respect of an American Style Option, (i) if received at or prior to 3:00 p.m. (Tokyo time) on a Business Day, be effective upon receipt thereof by the Seller, and (ii) if received after 3:00 p.m. (Tokyo time) on a Business Day, be effective only as of the opening of business of the Seller on the first Business Day subsequent to its receipt; and
- B. in respect of a European Style Option, if received on or, if the parties have so agreed, before the Expiration Date, prior to or at the Expiration Time, be effective upon receipt thereof by the Seller.

- 6.2. Unless otherwise agreed by the parties, an Option may be exercised only in whole.
- 6.3. Unless otherwise agreed in the Confirmation or unless the Seller is otherwise instructed by the Buyer, if an Option has an In-the-Money Amount at its Expiration Time that equals or exceeds the product of (x) 1 % of the Strike Price (or such other percentage or amount as may have been agreed by the parties) and (y) the amount of the Call Currency or Put Currency, as appropriate, then the Option shall be deemed automatically exercised. In such case, the Seller may elect to settle such Option either in accordance with Clause 6.4 or by payment

to the Buyer on the Delivery Date for such Option of the In-the-Money Amount, as determined at the Expiration Time or as soon thereafter as practicable. In the latter case, the sole obligations of the parties with respect to settlement of such Option shall be to deliver or receive the In-the-Money Amount of such Option on the Delivery Date. The Seller shall notify the Buyer of its election of the method of settlement of an automatically exercised Option as soon as practicable after the Expiration Date.

- 6.4. An exercised Option shall settle on its Delivery Date. Subject to Clauses 6.3 and 6.5, on the Delivery Date, the Buyer shall pay the Put Currency to the Seller and the Seller shall pay the Call Currency to the Buyer. An exercised Option shall be treated as an FX Contract and a Currency Obligation (except, for the purposes of Clause 11 only, if it is to be settled at its In-the-Money Amount), and for this purpose the relevant Delivery Date shall be treated as the Settlement Date of the FX Contract.
- 6.5. An Option shall be settled at its In-the-Money Amount if so agreed by the parties at the time such Option is entered into. In such case, the In-the-Money Amount shall be determined based upon the Spot Price at the time of exercise or as soon thereafter as practicable. The sole obligations of the parties with respect to settlement of such Option shall be to deliver or receive the In-the-Money Amount of such Option on the Delivery Date

7. Squaring of FX Contracts and Options

- 7.1. On any Business Day, the parties may enter into a further FX Contract ("**Squaring FX Contract**") or further Option ("**Squaring Option**") for the express purpose of crystallizing (in whole or in part) the profit or loss on an outstanding FX Contract or outstanding Option. The parties shall agree appropriate terms as evidenced in the Confirmation of such Squaring FX Contract or Squaring Option and the provisions in Clause 3.3 or 5.1 (as appropriate) shall apply between the Squaring FX Contract and the relevant outstanding FX Contract or the Squaring Option and the relevant outstanding Option (as appropriate).
- 7.2. In the absence of agreement between the parties, we shall be entitled to specify, in our sole discretion, the outstanding FX Contract or outstanding Option to which a Squaring FX Contract or Squaring Option relates

8. Roll-over of FX Contracts and interest charges

- 8.1. In the event that any outstanding FX Contract (including any FX Contract arising from the exercise of an Option as provided in Clause 6.4) has neither been physically settled in accordance with Clause 3, nor been squared in accordance with Clause 7

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

8. Roll-over of FX Contracts and interest charges (continued)

above by 5:00 a.m., Hong Kong time or Singapore time (depending on where the Customer Account for foreign exchange and/or currency option margin trading is maintained) or pursuant to any other provisions in this Section VII nor any instruction received and agreed to by us to roll-over such FX Contract, on the Business Day prior to the Settlement Date, we may, and are hereby authorized by you, at any time thereafter, to roll-over such FX Contract as provided in Clause 8.2 below.

- 8.2. In effecting roll-over of an outstanding FX Contract, the parties will be deemed to have agreed to the variation of the terms of such FX Contract by agreeing to defer the Settlement Date of such FX Contract to the next Business Day following the Settlement Date, which date shall be deemed to be the new Settlement Date for that FX Contract. All other terms of the FX Contract shall remain unchanged.
- 8.3. Nothing shall oblige us to roll-over any FX Contract. In the event that we decide not to rollover any FX Contract which has not been squared, we shall be entitled in our sole discretion, without instructions from you, to enter into a Squaring FX Contract at the prevailing Market Rate, in order to crystallize the profit or loss on such FX Contract or take any other action that may be necessary to close-out such FX Contract. Notwithstanding and without prejudice to the foregoing, no FX Contract shall be rolled-over for a continuous period exceeding 180 days (or such other number of days as may be determined by us from time to time and at any time) from the original Settlement Date of that FX Contract, the original Settlement Date of that FX Contract being the Settlement Date had such FX Contract not been rolled-over.
- 8.4. Unless we notify you to the contrary in respect of any FX Contract, such FX Contract will be deemed to have been rolled-over.
- 8.5. Upon the roll-over of any FX Contract, interest charges shall be payable and receivable (as the case may be) on each of the relevant Currencies for the period from the Settlement Date of the FX Contract to the new Settlement Date, calculated and payable on a daily basis at the rate as may be determined by us in respect of the currencies concerned. Such interest charges shall be immediately due and payable and where the relevant currency is not US dollars such interest charges shall be converted into US dollars at the Spot Price.

9. Limits

Without prejudice to our right to refuse to enter into or roll-over any FX Contract or Option, we shall be entitled to impose limits on your FX Margin Cover

and/or Option Margin Cover or any other limits at any time and from time to time as we shall see fit and as may be notified to you orally and/or in writing.

You hereby covenant that any such limits imposed by us on you as aforementioned shall not at any time be exceeded by you.

10. Margin cover

- 10.1. You shall ensure that the Net Collateral shall at all times be a positive amount and shall not be less than the Initial Margin Level.
- 10.2. Whenever we determine that the Net Collateral is below the Maintenance Margin Level, we shall have the right to give you notice by way of telephone, which shall constitute a "**Margin Call**" under this Section VII of the existence of such condition. You shall be required to satisfy such Margin Call by either depositing with us additional Cash Collateral or Securities Collateral acceptable to us or, by agreement with you, squaring outstanding FX Contracts or Options, such that the Net Collateral shall not be less than the Initial Margin Level. We may, but shall not be obliged, to confirm any Margin Call in writing and the absence of such written confirmation shall not prejudice or invalidate any Margin Call. For the avoidance of doubt, in the event that we have used reasonable endeavours to notify you that the Net Collateral is below the Maintenance Margin Level by telephoning you but we are unable to contact you for any reason whatsoever, notice shall be deemed to have been given and such reasonable endeavours shall also constitute a Margin Call.
- 10.3. Each Margin Call shall be satisfied by you within the time period specified by us, or if no period is specified, within the following time period:
- A. if a Margin Call shall be made before 10:00 a.m., Hong Kong time or Singapore time, depending on where the Customer Account for foreign exchange and/or currency option margin trading is maintained, on any Business Day, you shall satisfy the Margin Call on or before 4:00 p.m., Hong Kong time or Singapore time, as the case may be, on the same day as the Margin Call; and
 - B. if a Margin Call shall be made after 10:00 a.m., Hong Kong time or Singapore time, depending on where the Customer Account for foreign exchange and/or currency option margin trading is maintained, on any Business Day, you shall satisfy the Margin Call by no later than 12:00 noon, Hong Kong time or Singapore time, as the case may be, on the next Business Day following the Margin Call.

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

10. Margin cover (continued)

- 10.4. For the avoidance of doubt and without prejudice to Clause 2 or 8.3, we shall not be obliged to roll-over any FX Contract between the time a Margin Call shall have been made and the time such Margin Call shall have been satisfied (such time period being referred to as the “**Margin Call Period**”).
- 10.5. Without prejudice to the generality of Clause 11, we shall have the right, without further notice to you, to reduce the FX Margin Cover and/or Option Margin Cover by squaring terminating or closing-out all or some of the outstanding FX Contracts or Options (to be selected at our sole discretion):
- A. if during any Margin Call Period, the Net Collateral shall fall below the Cut Margin Level (or any other percentage as may be specified at our discretion from time to time and notified to you);
 - B. if you shall fail to satisfy any Margin Call in accordance with this Clause; or
 - C. if, at any time, we consider, in our sole discretion, that such action is necessary in order to protect our own interests.
-
- 11. Cancellation and Close-out**
- 11.1. If an Event of Default occurs, we may at any time thereafter send to you a “Close-out Notice” designating the day on which that Close-out Notice is sent as the “Close-out Date”. A Close-out Notice shall be effective immediately when sent or hand-delivered.
- 11.2. On the sending of a Close-out Notice, (i) the obligations of the parties to make further payments under all outstanding FX Contracts and Options, and any single payment obligations under Clauses 3.3, 5.1, 6.3 or 6.4 shall automatically be terminated and (ii) the “Close-out Amount” calculated in accordance with Clause 11.3 below shall become due on the sending of the Close-out Notice, and shall become payable on the first Business Day after the date on which we have notified you of the Close-out Amount and details of its calculation.
- 11.3. For the purposes of this Clause 11, the Close-out Amount shall be calculated as follows:
- A. each amount payable by either party in a currency other than United States dollars on a Settlement Date, taking into account any interest charges accrued pursuant to Clause 8.5, after the Close-out Date or, if the Close-out Date is not a Business Day, the next such day (the “Relevant Date”) shall be notionally converted into United States dollars at the rate of exchange at which, at or about a time (such time to be determined conclusively by us in our sole discretion) on the Relevant Date we could enter into a contract in the foreign exchange market to buy that other currency in exchange for United States dollars for delivery on the relevant Settlement Date or on the date for spot delivery (whichever is later);
 - B. each United States dollar amount calculated in accordance with paragraph A above, and each United States dollar amount payable under this Section VII by either party in United States dollars on a Settlement Date after the Relevant Date, taking into account any interest charges accrued pursuant to Clause 8.5, shall be notionally discounted to calculate the United States dollar sum which, when aggregated with the amount of interest which could be earned on such United States dollar sum if it were placed on deposit from the Relevant Date to the relevant Delivery Date at a rate equal to LIBOR (or such other rate that is available in the market as selected by us) would equal that United States dollar amount;
 - C. the Dollar Countervalue of each amount payable by you on a Settlement Date on or before the Relevant Date together with interest calculated in accordance with Clause 12 of Section I of these Standard Terms and Conditions from that Settlement Date to the Relevant Date shall be determined;
 - D. (a) with respect to each Option purchased by us, and which you have not elected to treat as void pursuant to Clause 4.2 (ii) for lack of payment of the Premium, the Dollar Countervalue of the current market premium for such Option; (b) with respect to each Option sold by us, and which we have not elected to treat as void pursuant to Clause 4.2(ii) for lack of payment of the Premium, the Dollar Countervalue of any unpaid Premium; provided that if the Close-out Date occurs before the Premium Payment Date, such amount shall be discounted from and including the Premium Payment Date to but excluding the Close-out Date at a rate available in the market as selected by us on the Close-out Date and, if the Close-out Date occurs after the Premium Payment Date, to the extent permitted by applicable Laws, such amount shall include the Dollar Countervalue of the interest on any unpaid Premium from and including the Premium Payment Date to but excluding the Close-out Date at a rate available in the market as selected by us; and (c) with respect to any exercised Option to be settled at its In-the-Money Amount (whether or not the Close-out Date occurs before the Delivery Date for such Option), the Dollar Countervalue of any unpaid amount due to a

Section VII: Foreign Exchange and Currency Option Margin Trading Services (continued)

11. Cancellation and Close-out (continued)

- party in settlement of such Option and, if the Close-out Date occurs after the Delivery Date for such Option, to the extent permitted by applicable Laws, the Dollar Countervalue of any interest thereon from and including the applicable Delivery Date to but excluding the Close-out Date at a rate available in the market as selected by us;
- E. the aggregate amount of (a) all United States dollar sums calculated in accordance with paragraphs (A) to (D) above in respect of amounts payable to us, plus (b) the US dollar amount that we determine in our sole discretion to be our additional losses, costs and expenses in connection with the termination of the FX Contracts and Options including the loss incurred as a result of terminating, liquidating, obtaining or re-establishing a delta hedge or trading position, minus (c) the aggregate amount of all United States dollar sums calculated in accordance with paragraphs (A) to (D) above in respect of amounts payable to you. The Close-out Amount shall (subject to paragraph (F)) be the amount resulting from that calculation, shall be payable by you if positive and by us if negative and shall be payable in United States dollars; and
- F. the Close-out Amount shall be adjusted as appropriate (so far as allowed by Laws) to reflect any payments made by either party to the other party under this Section VII (and retained by that other party) after the sending of a Close-out Notice.
- 11.4. A. A certificate from us of the Close-out Amount and how it is calculated shall be conclusive, save for obvious error.
- B. You acknowledge that the calculations in Clause 11.3 are a reasonable and proper method of ascertaining and liquidating the losses and gains arising from the sending of a Close-out Notice.
- 11.5. Without prejudice to the foregoing, so long as you shall be in default in payment or performance of any obligation to us under this Section VII, and we have not exercised our rights under this Clause 11, we may, at our election and without penalty, suspend performance of any of our obligation under this Section VII provided that you may at any time give written notice to us to close-out all (but not some only) of the outstanding FX Contracts and Options in which case such FX Contracts and Options shall be closed out subject to prevailing market conditions and on such terms as agreed by you and us.
- 11.6. Where it is, or becomes, impossible or otherwise impracticable to obtain a rate of exchange for the purchase, or as the case may be, sale of one currency against another currency on a specified date or such rate is commercially unreasonable in our sole discretion, then we will determine such exchange rate (or a method for determining such exchange rate) taking into consideration all available information that in good faith it deems relevant.

12. Waiver

Any indulgence or concession granted by us or any failure or delay on our part in exercising any right, power or privilege under this Section VII shall not, nor be presumed to, operate as a waiver thereof or of any other right, power or privilege of ours, and any single or partial exercise of any right, power or privilege of ours shall not, nor be presumed to, preclude any subsequent or further exercise thereof or the exercise of any other right, power or privilege of ours. Our rights and remedies are cumulative and not exclusive of any other rights or remedies which we may have.

Section VIII: OTC Master Derivatives Terms

1. Purpose and Structure of Terms

- 1.1. This Section VIII (these “**Master Derivatives Terms**”) sets out the terms and conditions applicable to all transactions in over-the-counter derivative instruments entered into between you and us from time to time (“**Transactions**”).
- 1.2. For the purposes of these Master Derivatives Terms, the expression “over-the-counter derivative instruments” (“**OTC Derivatives Transactions**”) shall cover all bilateral derivative instruments, which can take one of the following basic forms or consist of a combination thereof: (i) swaps, (ii) options and (iii) forwards. OTC Derivatives Transactions shall include contracts whose values depend in particular on the values of the underlying assets, indices or rates such as the following: equities, fixed income, currencies, commodities, equity indices and interest rates.
- 1.3. Upon the coming into effect of the Account Documentation which is expressed to include these Master Derivatives Terms, all OTC Derivatives Transactions then outstanding, or which may be entered into thereafter, between you and us, are deemed to be Transactions governed by these Master Derivatives Terms and any confirmation or other confirming evidence of the Transaction is deemed to be a Confirmation under and forming part of the Account Documentation.
- 1.4. All Transactions are entered into on the condition that the Account Documentation including these Master Derivatives Terms, together with all confirmations which set out the specific terms of each particular Transaction (the “**Confirmations**”), form one single agreement between you and us. The inclusion of these Master Derivatives Terms in the Account Documentation does not constitute an obligation on us to enter into any particular Transaction.
- 1.5. Individual Transactions shall be agreed upon between you and us in any form, including orally. Upon agreement to a Transaction, we will issue a Confirmation specifying the terms of the Transaction, and will send such Confirmation to you in accordance with Clause 23 (Notices) of Section I (General Terms).
- 1.6. Each Confirmation shall incorporate by reference the OTC Definitions Module. These Master Derivatives Terms, the relevant OTC Definitions Module and all the Confirmations form part of the Account Documentation.
- 1.7. If there is any inconsistency or discrepancy between these Master Derivatives Terms and other sections of the Standard Terms and Conditions, these Master Derivatives Terms shall prevail. If there is any inconsistency between the OTC Definitions Module and a Confirmation, the Confirmation will prevail. If

there is any inconsistency or discrepancy between these Master Derivatives Terms and any particular Confirmation, the Confirmation shall prevail. If you determine that any particular Confirmation does not reflect your understanding of the relevant Transaction, you shall notify us immediately in writing upon receipt of the Confirmation and no later than 10 calendar days after the date on which you received the Confirmation. If we do not receive any such notification within this time limit, the Confirmation, absent manifest error, shall be binding on both you and us. If you do not receive a Confirmation within 10 calendar days after the date on which the trade has been executed, or (if shorter) such other period within which we are required to provide a Confirmation to you under applicable Laws (if any), you must promptly notify us.

2. Definitions and Interpretation

2.1. Definitions

“**Affiliate**” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“**Business Day**” has the meaning set out in the Appendix 1 to Section I (General Terms).

“**Close-out Amount**” has the meaning set out in Clause 10.2.1.

“**Confirmations**” has the meaning set out in Clause 1.4.

“**Early Termination Amount**” has the meaning set out in Clause 10.1.

“**Early Termination Date**” has the meaning set out in Clause 9.1.

“**Event of Default**” has the meaning set out in Clause 8.

“**Local Currency Equivalent**” has the meaning set out in Clause 5.5.

“**OTC Definitions Module**” means the applicable version of the OTC Definitions Module prepared by us and provided to you and/or made available on our Private Banking public website.

“**OTC Derivatives Transactions**” has the meaning set out in Clause 1.2.

“**Other Charges**” has the meaning set out in Clause 5.2.

Section VIII: OTC Master Derivatives Terms (continued)

2. Definitions and Interpretation (continued)

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Risk Disclosure Statement" means the risk disclosure statement set out in the Account Opening Booklet executed by you.

"Settlement Date" means, in relation to any Transaction, each day specified in the relevant Confirmation for payment of any amount or delivery of any asset under that Transaction.

"Tax Authorities" means domestic or foreign tax, revenue, fiscal or monetary authorities or agencies.

"Taxes" has the meaning set out in Clause 5.1.

"Termination Currency" means, with respect to the determination of the Early Termination Amount, the currency in which the Early Termination Amount is to be denominated as agreed between you and us in writing or, in the absence of such agreement means, United States Dollars.

"Termination Currency Equivalent" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency, such amount converted by us to an equivalent amount expressed in the Termination Currency at our spot exchange rate.

"Transactions" has the meaning set out in Clause 1.1.

"Transaction Currency" means, in relation to any payment for any Transaction or under these Master Derivatives Terms, the currency in which such payment is to be made.

"United States Dollars" means the lawful currency for the time being of the United States of America.

"Unpaid Amount" has the meaning set out in Clause 10.3

2.2. Interpretation

In these Master Derivatives Terms, Clause 1 (Interpretation) of Section I (General Terms) shall apply, unless the context otherwise requires.

3. Payment and Delivery

- 3.1. Each party will make each payment or deliver the assets (according to the terms of each Transaction) on the relevant Settlement Date, subject to the other provisions of the Account Documentation.
- 3.2. Each of our obligations under Clause 3.1 is subject to (i) the condition precedent that no Event of Default or Potential Event of Default with respect to you has occurred and is continuing, (ii) the condition precedent that no Early Termination Date

has been effectively designated by us in respect of the relevant Transaction and (iii) any other condition as may be specified in the Account Documentation to be a condition precedent for the purposes of this Clause.

- 3.3. All payments to be made to each party under any Transaction shall be made in the Transaction Currency in immediately available funds, (in the case of payments to us) to us at such account as we may by notice specify, and (in the case of payments to you) to you into any Customer Account or to such other account as agreed by us.
- 3.4. All sums payable by you under the Account Documentation shall be paid in full without set-off or counterclaim or any restriction or condition.
- 3.5. You irrevocably and unconditionally authorise us to apply amounts in your name in whatever currency on deposit or account with us or with any of our branches (whether or not matured or contingent) in reduction of amounts due by you under the Account Documentation.
- 3.6. Interest on overdue payments and compensation on defaulted deliveries are payable in accordance with Clause 14 (Interest and Compensation).

4. Settlement Netting

If, on any date, amounts are due by each party to the other in the same currency in respect of one or more Transactions entered into under these Master Derivatives Terms, such amounts owing, shall be automatically satisfied and discharged and only the net amount owing on that day shall be paid by the party owing the larger amount to the other party.

5. Deduction or Withholding for Tax

- 5.1. All payments in respect of any Transaction under these Master Derivatives Terms will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes (including, without limitation, goods and services tax, levies, imposts deductions, charges, and all liabilities with respect to any such present or future taxes, excluding taxes imposed on net income (all such non-excluded taxes are referred to as **"Taxes"**)). If you are or you become required by Laws to make any such withholding or deduction from any payment in respect of any Transaction under these Master Derivatives Terms, then you shall pay to us, in addition to the payment to which we are otherwise entitled, such additional amount as is necessary to ensure that the net amount actually received by us will equal the full amount we would have received had no such deduction or withholding been required.

Section VIII: OTC Master Derivatives Terms (continued)

5. Deduction or Withholding for Tax (continued)

- 5.2. You agree to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment or delivery made in respect of any Transaction under these Master Derivatives Terms or from the execution, delivery or registration of, or otherwise with respect to, any Confirmation or document delivered in respect of any Transaction under these Master Derivatives Terms (these are referred to as “**Other Charges**”).
- 5.3. You undertake to indemnify us immediately on demand for the full amount of Taxes or Other Charges (including, without limitation, any Taxes or Other Charges imposed by any jurisdiction on amounts under Clauses 5.1 and 5.2 payable by us, or any liability (including penalties, interest and expenses) arising out of or with respect to any such Taxes or Other Charges, whether or not such Taxes or Other Charges were correctly or legally asserted). This indemnification shall be made within 30 days from the date we make written demand for it.
- 5.4. If you become obliged to withhold or deduct from any payment to us any amount in respect of Taxes, you will pay to the relevant governmental authority the full amount required to be deducted or withheld promptly upon determining that such deduction or withholding is required or receiving notice that such amount has been assessed against you. Within 30 days after the date of any payment to a governmental authority pursuant to the previous sentence, or after payment of any Other Charges, you will give to us either the original or a certified copy of the receipt evidencing payment of such Taxes or other Charges.
- 5.5. If we, acting in good faith and in a commercially reasonable manner, determine that it would be contrary to any governmental restriction or regulatory obligation applicable to any Group Office or to us for such Group Office or for us to perform any payment obligation in respect of any Transaction under these Master Derivatives Terms, we may (if and to the extent that we are of the opinion that it would not be contrary to any governmental restriction to do so and if permissible by Law) pay to you the equivalent amount in the local currency of the place in which the underlying asset relating to such Transaction is located (the “**Local Currency Equivalent**”). For the purposes of this Clause 5.5, the Local Currency Equivalent shall be calculated at our spot exchange rate.
- 6.1.1. you have read and understood the Risk Disclosure Statement, and acknowledges and agrees that you understand and are prepared to accept the degree of risk involved in the entry into of OTC Derivatives Transactions; in particular, you acknowledge and agree that you understand the nature of the Transaction contemplated under the Account Documentation and that such Transaction are subject to complex risks which may arise without warning and may result in substantial losses; and
- 6.1.2. you acknowledge and understand that we and/or our Affiliates may have banking or other commercial relationships with any person related to the instruments (the “**Underlying Instruments**”) underlying a Transaction (including, without limitation, an issuer or index sponsor of the shares, securities, indices or other instruments underlying an equity transaction) and may engage in proprietary trading in the Underlying Instruments or options, futures, derivatives or other instruments relating to the Underlying Instruments (including such trading as we and/or our Affiliates deem appropriate in our/their sole discretion to hedge our/their market risk on such Transaction and other transactions relating to the Underlying Instruments between us and/or our Affiliates and you or with third parties), and that such trading may affect the price of the Underlying Instruments and consequently the amounts payable or deliverable under such Transaction. Such trading may be effected at any time, including, without limitation, on or near the valuation date(s), settlement dates, payment dates, exercise date, potential exercise date or relevant dates of such Transaction. We are not obliged to disclose any such trading to you.
- 6.2. You also make the representations and warranties specified in Clause 10 (Customer representations and warranties) of Section I (General Terms) of the Standard Terms and Conditions on each date on which a Transaction is entered into.

7. Undertakings

You undertake as follows:

- 7.1. General. You will execute in our favour from time to time any documents as may reasonably be required by us as necessary, desirable or appropriate in connection with the Account Documentation or any Transaction, in form and substance acceptable to us (including, without limitation, any tax forms pursuant to Clause 10.4 (Tax Compliance) of Section I (General Terms), financial information, financial statements, evidence of consent and consents of any government, or other authority and any clearing documentation to enable us to comply with our mandatory clearing obligations).

6. Representations

- 6.1. You represent and warrant to and for our benefit as of the date of execution of the Account Documentation entered into by you and as of the date of each Transaction entered into under the same that:

Section VIII: OTC Master Derivatives Terms (continued)

7. Undertakings (continued)

- 7.2. Compliance. You will comply in all material respects with all applicable Laws and orders to which you may be subject if failure to comply would materially impair your ability to perform your obligations under the Account Documentation (and in particular under these Master Derivatives Terms). Further, you will co-operate with us in meeting our Compliance Obligations and policy requirements in connection with our Financial Crime Risk Management Activity (as defined in Appendix I of Section I (General Terms) of the Standard Terms and Conditions);
- 7.3. Events of Default. You will immediately notify us in writing of the occurrence of any Event of Default or Potential Event of Default affecting you and of any steps being taken by you to remedy any such event.
- 7.4. Legal Opinion. You will, if we so request, deliver to us a legal opinion provided by your legal counsel in form and substance satisfactory to us upon execution of the Account Documentation or at any time following the entry into any Transaction.

8. Events of Default

- 8.1. You shall be in default of your obligations under the Account Documentation and an Event of Default shall therefore arise should any of the following occur:
- 8.1.1. due to any action taken by any Tax Authorities or a change in tax law that would require a party to:
- A. pay to the other party an increased amount necessary to ensure that, after making the deduction or withholding for the account of tax, the other party receives a sum which it would have received in respect of a transaction had no such deduction or withholding had been made; or
- B. receive an amount from which an amount is required to be deducted or withheld for or on account of tax and no additional amount is required to be paid in respect of such tax under any gross up provision specified in the Standard Terms and Conditions or the Account Documentation by reason of operation of law or otherwise; or
- 8.1.2. any of the events listed in Clause 20 (Events of Default) of Section I (General Terms) of the Standard Terms and Conditions.

9. Consequences of an Event of Default

- 9.1. If an Event of Default occurs, we may, by way of written notice to you, declare all or any Transactions terminated as of a date we may acting in good faith and in a commercially reasonable manner select (the "**Early Termination Date**"), and the Transactions and the obligations of the parties

in connection with such Transactions shall terminate as of such Early Termination Date (whether or not such Event of Default is continuing on that date).

- 9.2. Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Clause 3.1 in respect of the terminated Transactions will be required to be made, but without prejudice to the other provisions of the Account Documentation. The amount, if any, payable in respect of an Early Termination Date will be determined pursuant to Clause 10.
- 9.3. On or as soon as reasonably practicable following the occurrence or designation of an Early Termination Date, we will make the calculations contemplated by Clause 10 and will provide to you a written notice (i) showing, in such detail as we, acting in good faith and in a commercially reasonable manner, deem appropriate, such calculations (including any quotations, market data or information from internal sources used in making such calculations), (ii) specifying any Early Termination Amount (as defined below) payable and (iii) giving details of the relevant account to which any amount payable to us is to be paid, where appropriate.
- 9.4. An Early Termination Amount (as defined below) due in respect of any designated Early Termination Date will be payable by you or us, as the case may be pursuant to Clause 10.4.2 below, on the later of (1) 2 Business Days after a written notice specifying the Early Termination Date and the Early Termination Amount is deemed to be effectively delivered and (2) the day on which the written notice specifies the Early Termination Amount is payable.

10. Calculation of Early Termination Amount

- 10.1. If an Early Termination Date has been designated, the amount, if any, payable in respect of that Early Termination Date (the "Early Termination Amount") will be determined by us under this Clause 10 and the provisions of Clause 3.5 shall apply.

10.2. Close-out Amount

- 10.2.1. With respect to each terminated Transaction or each group of terminated Transactions, we will, in accordance with Clause 10.2.2 to Clause 10.2.6 below, calculate the amount of losses or costs that are or would be incurred by us under then prevailing circumstances (expressed as a positive number) or the amount of gains by us that are or would be realised by us under then prevailing circumstances (expressed as a negative number) in replacing, or in providing for us the economic equivalent of the material terms of that Transaction or group of terminated Transactions, including the

Section VIII: OTC Master Derivatives Terms (continued)

10. Calculation of Early Termination Amount (continued)

payments and deliveries (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Clause 3.1 in respect of that Transaction or group of terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date (the "Close-out Amount").

10.2.2. Any Close-out Amount will be determined by us in good faith and we will use commercially reasonable procedures in order to produce a commercially reasonable result. We may determine a Close-out Amount for any group of terminated Transactions or individual Transaction, but, in the aggregate, for not less than all terminated Transactions. We will determine each Close-out Amount as of the Early Termination Date or, if this would not be commercially reasonable, as of the date or dates following the Early Termination Date as would, in our sole opinion be commercially reasonable.

10.2.3. In determining a Close-out Amount, we may consider any relevant information, including, without limitation, one or more of the following types of information:

- A. quotations (either firm or indicative) for replacement transactions supplied by one or more third parties that may take into account our creditworthiness at the time the quotation is provided and the terms of any relevant documentation, including credit support documentation, between us and the third party providing the quotation;
- B. information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or
- C. information of the types described in paragraph (A) or (B) above from internal sources (including any of our Affiliates) if that information is of the same type used by us in the regular course of our business for the valuation of similar transactions.

10.2.4. We will consider, taking into account the standards and procedures described in this Clause 10.2, quotations pursuant to Clause 10.2.3(A) above or relevant market data pursuant to Clause 10.2.3(B) above unless we reasonably believe in good faith that such quotations or relevant market data are not readily available or would produce a result that would not satisfy those standards. When considering information described in Clause 10.2.3(A), (B) or (C) above, we may include costs of funding, to the extent costs of funding are not and

would not be a component of the other information being utilised. Third parties supplying quotations pursuant to Clause 10.2.3(A) above or market data pursuant to Clause 10.2.3(B) above may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other sources of market information.

10.2.5. Without duplication of amounts calculated based on information described in Clause 10.2.3(A), (B) or (C) above, or other relevant information, and when it is commercially reasonable to do so, we may in addition consider in calculating a Close-out Amount any loss or cost incurred in connection with our terminating, liquidating or re-establishing any hedge related to a terminated Transaction or group of terminated Transactions (or any gain resulting from any of them).

10.2.6. Commercially reasonable procedures used in determining a Close-out Amount may include the following:

- A. application to relevant market data from third parties pursuant to Clause 10.2.3(B) above or information from internal sources pursuant to Clause 10.2.3(C) above of pricing or other valuation models that are, at the time of the determination of the Close-out Amount, used by us in the regular course of our business in pricing or valuing transactions between us and unrelated third parties that are similar to the terminated Transaction or group of terminated Transactions; and
- B. application of different valuation methods to terminated Transactions or groups of terminated Transactions depending on the type, complexity, size or number of the terminated Transactions or group of terminated Transactions.

10.2.7. Unpaid Amounts in respect of a terminated Transaction or group of terminated Transactions are to be excluded in all determinations of Close-out Amounts.

10.3. Unpaid Amounts

With respect to each terminated Transaction, we will calculate, acting in good faith and in commercially reasonable manner, the amounts owing to each party with respect to an Early Termination Date, being the aggregate of (i) in respect of all terminated Transactions, the amounts that became payable (or would have become payable but for Clause 3.2) to such party under Clause 3.1 on or before such Early Termination Date and which remain unpaid as at such Early Termination Date, and (ii) in respect of each Transaction, for each obligation under Clause 3.1 which was (or would

Section VIII: OTC Master Derivatives Terms (continued)

10. Calculation of Early Termination Amount (continued)

have been but for Clause 3.2) required to be settled by delivery to such party on or before such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered in respect of the relevant Transaction (the "Unpaid Amount").

10.4. Early Termination Amount

10.4.1. The Early Termination Amount will be an amount equal to (i) the sum of (a) the Termination Currency Equivalent of the Close-out Amount or Close-out Amounts (whether positive or negative) determined by us for each terminated Transaction or group of terminated Transactions, as the case may be, and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to us and less (ii) the Termination Currency Equivalent of the Unpaid Amounts owing to you.

10.4.2. If the Early Termination Amount is a positive number, you will pay it to us; if it is a negative number, we will pay the absolute value of the Early Termination Amount to you, in each case in accordance with Clause 9.4 above.

10.5. The parties agree that the amounts recoverable under this Clause 10 are a reasonable pre-estimate of loss and not a penalty. Such amounts are payable for the loss of bargain and the loss of protection against future risks and, except as otherwise provided in the Account Documentation, neither party will be entitled to recover any additional damages as a consequence of such losses.

11. Termination

In the event that you request that we terminate a Transaction before its termination date, the acceptance of any such request shall be solely at our discretion and in making such decision, we may take into account the effect of such termination on any other outstanding Transaction under the Account Documentation and may calculate an Early Termination Amount in respect of such Transaction in accordance with Clause 10 as if such Transaction were the only Transaction existing under this Agreement. We may, at our sole discretion, terminate a Transaction entered into with you before its termination date. In such circumstances, we shall determine the Early Termination Amount in accordance with the provisions of this Section VIII.

12. Set-Off

For the avoidance of doubt, the provisions of Clause 18 (Set-off and Lien) of Section I (General Terms) of the Standard Terms and Conditions shall apply to any Transactions under these Master Derivatives Terms.

13. Transfer

For the avoidance of doubt, the provisions of Clause 29 (Assignment and Third Parties) of Section I (General Terms) of the Standard Terms and Conditions shall apply to any Transactions under these Master Derivatives Terms.

14. Interest and Compensation

14.1. In the event that you fail to make any payment under the Account Documentation when due, you shall, to the fullest extent permitted by Laws, pay interest (before as well as after judgment) on such unpaid amount to us on demand for the period from (and including) the due date to (but excluding) the date that payment is made in full at the rate per annum determined by us to be equal to 1% above our cost of funds with respect to such overdue amount.

14.2. If you default in the performance of any obligation required to be settled by delivery, you will immediately upon demand, to the extent permitted by applicable law, pay to us interest (before as well as after judgment) on an amount equal to the fair market value of that which was required to be delivered in the same currency as that amount, for the period from (and including) the originally scheduled date for delivery to (but excluding) the date of actual delivery at the rate per annum determined by us to be equal to 1% above our cost of funds with respect to an amount equal to such fair market value. The fair market value of any obligation referred to above will be determined as of the originally scheduled date for delivery, in good faith and using commercially reasonable procedures, by us.

14.3. Interest under Clauses 14.1 and 14.2 shall be calculated by us on the basis of daily compounding and the actual number of days elapsed.

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service

1. Definitions

“Authorized Internet User” means such person(s) designated by (and may include) you with authority to use the Internet Banking Services in respect of the Customer Account(s).

“Confidential Information” means the Information, the Reports and their form, format, mode or method of compilation, selection, configuration, presentation and expression.

“Confirmation” has the meaning ascribed to it in Appendix 1 of Section I (General Terms).

“eStatement” means a Statement issued or provided by the Bank in electronic form.

“eStatement Service” means the service referred to in Clause 15 below, as may be amended from time to time.

“Information” means financial, market or other information and data made available by us via any Internet Site, supplied by any Information Provider.

“Information Provider” means any person or entity, including us and any Group Office who supplies Information and any other person or entity who supplies any information to an Information Provider.

“Internet Site” means any Internet site or other platform established, operated and/or maintained by or on behalf of us for the provision of the Internet Banking Services and includes the Mobile Banking Application.

“Internet Banking Services” means the services described in Clause 2 below, as may be amended from time to time and includes the Mobile Banking Application Services.

“Mobile Banking Application” means the application made available by us and downloaded to your mobile device through which the Mobile Banking Application Services may be accessed.

“Mobile Banking Application Services” means services made available to you to enable you to access Internet Banking Services using the Mobile Banking Application.

“Password” means the password used by the Authorized Internet User for the purposes of accessing the Internet Banking Services.

“Reports” means any reports compiled from Information in any form, medium or means.

“Security Code” means any code (whether provided by us or generated from a Security Device accepted by us) used for the purposes of accessing the Internet Banking Services.

“Security Device” means any security device or system provided by us to an Authorized Internet User for the purposes of accessing the Internet Banking Services.

“SMS” means short messages sent via Telecommunication Equipment.

“SMS Notification Service” means the services described in Clause 16 below, as may be amended from time to time.

“Statement” means any statement, report, message, record, Confirmation, acknowledgment, terms governing any product or service offered by us or any revision to such terms, notice or communication in respect of or in relation to one or more Customer Account(s), as from time to time, issued by us in paper form.

“Telecommunication Equipment” means mobile telephones and any other electronic media and/or equipment used to receive the notification relating to eStatements under the eStatement Service and/or communication from us pursuant to the SMS Notification Service.

“User ID” means the Authorized Internet User’s user identification code accepted by us for the purposes of accessing the Internet Banking Services.

2. Internet Banking Services

- 2.1. We may make available through any Internet Site online services from time to time to enable you to give Communication to us for the purposes of conducting banking, investment, financial and other transactions and dealings of various nature and obtaining services, products, Information, Reports, benefits and privileges from us.
- 2.2. We have the right to determine and vary from time to time the scope and type of the Internet Banking Services to be made available including, without limitation:
 - A. expanding, modifying or reducing the Internet Banking Services at any time;
 - B. imposing and varying any restrictions on the use of the Internet Banking Services (or any part thereof) such as minimum and maximum daily limits with respect to the value of any transaction or dealing or type of transactions or dealings which you may conduct by using the Internet Banking Services; and
 - C. prescribing and changing the normal service hours during which the Internet Banking Services (or any part thereof) are available and any daily cut-off time for any type of Internet Banking Services, transactions or dealings. Any instruction from you received after any

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)

2. Internet Banking Services (continued)

applicable daily cut off time shall be deemed to be received on the next Business Day. We may specify Business Days and daily cut-off times by reference to the time of various markets operating in different time zones.

- 2.3. We may, in our sole and absolute discretion, suspend or terminate the Internet Banking Services, the eStatement Service or the SMS Notification Service generally or in relation to any Customer Account or group of Customer Accounts provided that in any such instance, we shall notify you if you are affected.
- 2.4. We may require you to nominate or register specific Customer Account(s) for the purposes of the Internet Banking Services.
- 2.5. You may terminate the use of the Internet Banking Services and/or the authority of any Authorized Internet User at any time by giving to us prior written notice.
- 2.6. All provisions of this Section IX which in order to give effect to their meaning need to survive the suspension or termination of the Internet Banking Services and/or the use of the Internet Banking Services by you shall remain in full force and effect after suspension or termination including, without limitation, Clauses 6, 9, 10, 11 and 12. Notwithstanding such suspension or termination, you shall continue to be bound by this Section IX to the extent that they relate to any obligations or liabilities of yours which remain to be performed or discharged.

3. Governing Terms, Disclaimer and Internet Privacy Statement

- 3.1. The Internet Banking Services provide an additional means for you to operate the Customer Account(s), conduct transactions and dealings and obtain services, products, Information, Reports, benefits and privileges from us as shall be made available from time to time. Transactions and dealings effected by using the Internet Banking Services are subject to these Standard Terms and Conditions and our General Disclaimer and Internet Privacy Statement, together with all other Account Documentation governing the relevant Customer Account(s), transactions, dealings, services, products, Information, Reports, benefits or privileges
- 3.2. [intentionally left blank].
- 3.3. A solicitation or recommendation we may have made to or for you for which applicable Laws require a suitability assessment be made is valid only as at the time it was made, and we cannot ensure on-going suitability of such product. By executing a transaction for a product through use of Internet Banking Services, you understand and accept that if

the circumstances relating to you, such a product or its issuer or market conditions change, the product may no longer be suitable for you and you trade using the Internet Banking Services at your own risk.

- 3.4. Unless it is expressly provided for in any Relevant Document, the making available by us to you of any Information or Report through an Internet Site shall not constitute solicitation of the sale or recommendation of any product or service.

4. Use of the Internet Banking Services

- 4.1. The Internet Banking Services are for the sole and exclusive use of customers subscribing for the Internet Banking Services.
- 4.2. You shall not use or knowingly allow any other person to use the Internet Banking Services, the Information and/or the Reports for or in connection with any illegal purpose or activity and you shall notify us as soon as is practicable if you become aware of such use.
- 4.3. Any exchange rate, interest rate, dealing rate and other prices and Information quoted by us on the Internet Site(s) or otherwise in response to an online inquiry is for reference only and is not binding. Any rate, price and Information offered by us for the purpose of the relevant transaction shall be binding on you upon your confirming acceptance, irrespective of any different rate, price or Information quoted by us.
- 4.4. You acknowledge that there may be a time lag in transmission of Information or Communication via the Internet.

5. Authorized Internet Users

You shall designate the persons authorized by you to use the Internet Banking Services in respect of the Customer Account(s) and the scope of the authority of each such person in such manner and form as we may prescribe from time to time.

6. User ID and Password & Security

- 6.1. Each Authorized Internet User shall comply with such procedures for designating his/her User ID and Password as we may prescribe from time to time.
- 6.2. Each Authorized Internet User may change the User ID and Password at any time but any change shall be effective only if accepted by us.
- 6.3. We may, in our sole discretion, require you to use a Security Code (including, without limitation, a one-time Password generated by a Security Device) to access the Internet Banking Services. Where required, it is your sole responsibility to apply to us for a Security Device or a replacement if a Security

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)**6. User ID and Password & Security (continued)**

- Device has previously been provided by us but is subsequently lost or has failed to function as intended.
- 6.4. Each Authorized Internet User shall act in good faith, exercise reasonable care and diligence and take all reasonable precautions in storage and the use of the Security Device and in keeping safe and prevent fraudulent use of the User ID, the Password and the Security Code. At no time and under no circumstances shall any Authorized Internet User disclose the User ID, the Password and/or the Security Code to any other person or permit the Security Device to come into the possession or control of any other person.
- 6.5. You are fully responsible for any accidental or unauthorized disclosure of the User ID, the Password and/or the Security Code of any Authorized Internet User to any other person and shall bear the risks of the User ID, the Password, the Security Device, the Security Code or mobile device of any Authorized Internet User being used by unauthorized persons or for unauthorized purposes.
- 6.6. If you activate the feature that allows you to use your biometric credentials (such as fingerprint identity or face recognition) in the Mobile Banking Application and enables the use of such biometric credentials to log on to the Mobile Banking Application (or any other Internet Banking Services that we may support from time to time (for compatible devices only)), you must ensure that only your own biometric credentials are registered on the device. You acknowledge and agree that we have no control over the technology, availability, capability, verification method, security and integrity of the mobile device and cannot be held responsible for any unauthorized access to the Internet Banking Services using biometric credentials.
- 6.7. Upon notice or suspicion of an Authorized Internet User's User ID, the Password and/or the Security Code being disclosed to and/or the Security Device being lost or has otherwise come into the possession or control of any unauthorized person or any unauthorized use of the Internet Banking Services being made, you or your relevant Authorized Internet User shall notify us in person as soon as practicable or by telephone at such telephone number(s) as we may from time to time prescribe. We may ask you or your relevant Authorized Internet User to confirm in writing any details given and until our actual receipt of such notification, you shall remain responsible for any and all use of the Internet Banking Services by unauthorized persons or for unauthorized purposes.

7. Customer's instructions

- 7.1. Each Authorized Internet User shall enter his/her User ID, Password, the Security Code and any other identifiers as shall be prescribed by us from time to time to log-on at the Internet site to use the Internet Banking Services and give Communication on your behalf to us on-line. We are authorized to act on the Communication of each Authorized Internet User.
- 7.2. Communication must be sent by the Authorized Internet Users to us at such website address and contact point as we may specify from time to time. Unless otherwise expressly agreed by us, Authorized Internet Users shall not send Communication to individual officers of ours.
- 7.3. Communication shall not be considered to be received by us unless they are given in such manner as we may prescribe from time to time and until we have actually received them.
- 7.4. Any Communication, once given, may not be rescinded or withdrawn without our consent. All such Communication sent, as understood and acted on by us in good faith, shall be irrevocable and binding on you whether given by the relevant Authorized Internet User or by any other person purporting to be the relevant Authorized Internet User. We shall be under no duty to verify the identity or authority of the person sending any Communication or the authenticity of any Communication apart from verifying the User ID, the Password, the Security Code and such other identifiers (if any) of the relevant Authorized Internet User.
- 7.5. We will only act on a Communication insofar as it is in our opinion practicable and reasonable to do so and in accordance with our regular business practices and procedures.
- 7.6. All transactions and dealings effected by us for you pursuant to a Communication shall be binding on you in all respects.
- 7.7. Advice or Confirmation that a Communication has been received by us and/or a transaction or dealing has been effected may be provided by us on-line if you have so elected and agreed. Such advice or Confirmation shall be deemed to have been received by you immediately after transmission and it is your duty to check such advice or Confirmation. It is also your duty to enquire with us if you do not receive an advice or Confirmation within the time usually required for a similar advice or Confirmation to be received.

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)**7. Customer's instructions (continued)**

7.8. Information relating to any account, transaction or dealing made available on the Internet Site(s) are for reference only. Our records of such account, transaction or dealing shall in absence of fraud or manifest error be conclusive evidence thereof.

8. Fees

We reserve the right to charge fees in relation to the use and/or termination of the Internet Banking Services including, without limitation, to impose a charge for the provision of any Security Device and to revise such fees. We shall determine and give reasonable notice to you of the rate of any fees from time to time before they become effective which shall be binding on you if you continue to maintain or use the Internet Banking Services on or after the effective date. Fees may be collected from you in such manner and at such intervals as we may specify.

9. Customer's Undertakings and Responsibilities

- 9.1. You and each Authorized Internet User shall provide such information as we may from time to time reasonably request for the provision of the Internet Banking Services.
- 9.2. You shall advise us of any change in the mailing address and/or email address of the Authorized Internet Users
- 9.3. Neither you nor any Authorized Internet User shall, or attempt to, decompile, reverse engineer, translate, convert, adapt, alter, modify, enhance, add to, delete or in any way tamper with, or gain access to, any part of the Internet Banking Services or any Internet Site or any software comprised in them.
- 9.4. You are responsible for determining independently market prices and rates for trading purposes through your usual trading channels, verifying any Information and/or Report before relying or acting on it and seeking independent professional advice on legal, tax and other issues in connection with the use of the Internet Banking Services, the Information and the Reports and any transactions and dealings which may affect you under all applicable Laws.
- 9.5. You are responsible for taking appropriate measures to monitor and control the use of the Internet Banking Services and the appointment and change of the Authorized Internet Users, and to adopt proper safeguards against the Internet Banking Services being used by unauthorized persons or for unauthorized purposes, including but not limited to those measures set out in Clause 6 (User ID and Password) and Clause 19 (SMS Notification Service–Security) of these Terms.

9.6. You shall ensure that all Authorized Internet Users comply with this Section IX and the Standard Terms and Conditions.

10. Information and Information Provider

- 10.1. Confidential Information are trade secrets and confidential and proprietary property of ours and the respective Information Providers.
- 10.2. Unless expressly permitted by these Terms or by us, neither you nor any Authorized Internet User shall, or attempt to:
- A. sell, transfer, disclose, assign, convey, lease, sub-license, share, loan, distribute, transmit, broadcast, cablecast, put in circulation, duplicate or otherwise provide or disseminate any Confidential Information in any form or by any means to any other person or commercially exploit any Confidential Information;
 - B. download or reproduce any Confidential Information other than for the Customer's own personal reference and use;
 - C. remove, obliterate, erase, relocate or modify in any way any proprietary marking on or appearing with the Confidential Information including, without limitation, any trademark or copyright notice; or
 - D. incorporate or combine the Confidential Information with any other programmes.
- 10.3. The restrictions on disclosure shall not apply to any Confidential Information:
- A. where its disclosure is compelled by law but only to the extent required by law and only after written notice of the requirement to disclose has been given by you to us; or
 - B. where we have expressly agreed in writing to its disclosure.
- 10.4. All right, title and interest in and relating to the Confidential Information and any and all related copyright, patent, trademark, service mark, proprietary property, trade secrets and exclusive works are and shall remain our exclusive property and/or that of the respective Information Providers. No right, title or interest other than the right to access the Information and the Reports subject to this Section IX is conveyed or transferred to you and the Authorized Internet Users. Neither you nor any Authorized Internet User shall make any representation or do any act which may be taken to indicate that you or any Authorized Internet User has any such right, title or interest.
- 10.5. An Information Provider may impose from time to time terms and conditions in relation to the availability of any Information supplied by it. Access

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)**10. Information and Information Provider (continued)**

to such Information by you or any Authorized Internet User on or after the effective date, subject to prior notification, of such terms and conditions shall constitute your acceptance thereof.

10.6. The Information and the Reports are made available for reference only and are not intended as investment advice or for trading or other purposes unless otherwise stated by us or expressly provided for pursuant to any Relevant Document.

10.7. Except to the extent required by applicable Laws or provided for in any Relevant Document, neither we nor any Information Provider warrants, represents or guarantees the sequence, accuracy, truth, reliability, adequacy, timeliness or completeness of any of the Information or the Reports or whether it is fit for any purpose. Except to the extent required by applicable Laws or provided for in any Relevant Document, neither we nor any Information Provider assumes any liability (whether in tort or contract or otherwise) for any reliance on the Information or the Reports by you or any other person.

10.8. The Information will be made available as it is supplied by the Information Provider. We do not endorse or express any comment on any Information supplied by any other Information Provider nor assume any duty to check or verify any Information.

10.9. Except to the extent provided for in any Relevant Document, no warranty, representation or guarantee of any kind relating to the Information and/or the Reports is given or may be implied and no employee or agent of our or any Information Provider is authorized to give any such warranty, representation or guarantee.

11. Liabilities of the Bank

11.1. We will take reasonably practicable steps to ensure that our systems in connection with the Internet Banking Services are installed with adequate security designs and to control and manage the risks in operating the systems, taking into account any Laws, circulars, codes of conduct and prevailing market practices which may be applicable to us from time to time.

11.2. None of us, any Group Office or any Information Provider warrants or represents that the Internet Banking Services, the Information and the Reports are free from virus or other destructive features which may adversely affect your hardware, software or equipment.

11.3. We will make all reasonable efforts to ensure that any Security Device provided to you will perform as necessary to permit access to the Internet Banking Services as and when required. You must notify us immediately if any Security Device fails to function correctly and the only obligations that we have in

respect of such Security Device is to replace the same with a new Security Device at no cost to you but only:

- A. upon the defective Security Device being returned to us within 90 days from the date it was provided to you; and
- B. if we are satisfied that there is no default or negligence on your part which results in or contributes to the Security Device's failure to function properly. Other than as specified in this Clause 11.3, we shall have no other liability in relation to the Security Device including, without limitation, liability for breach of any implied term as to satisfactory quality, merchantability or fitness for purpose of any Security Device. Without prejudice to the generality of the forgoing, we cannot be held liable for any loss or damages incurred or suffered by you arising from your failure to safe-keep and/or use the Security Device in accordance with our instructions and recommendations.

11.4. Unless Clause 12.2 below applies or due to our gross negligence or wilful default, or the gross negligence or wilful default of any Group Office or our/their respective officers or employees and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom, neither we nor any Group Office assumes any liability or responsibility to you or any other person for the consequences arising from or in connection with:

- A. the use of the Internet Banking Services (including, without limitation, the use of the Security Device) and/or access to any Information as a result of such use by you or any other person whether or not authorized;
- B. any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing the Internet Banking Services (including, without limitation, any interruption, interception, suspension, delay or failure to generate the Security Code using the Security Device), in transmitting Information or Communication relating to the Internet Banking Services or in connecting with the Internet Site(s) caused by any acts, omissions or circumstances beyond our reasonable control, including, without limitation, failure of any communication network, act or omission of any third party service providers, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities, or any Laws, codes,

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)

11. Liabilities of the Bank (continued)

- directions, regulatory guidelines or government order (whether or not having the force of law); and
- C. transmission and/or storage of any information and/or data relating to you and/or the Internet Banking Services through or in any system, equipment or instrument of any communication network provider.
- 11.5. In no event shall we, any Group Office or any Information Provider be liable to you or any other person for any incidental, indirect, special, consequential or exemplary damages including, without limitation, any loss of use, revenue, profits or savings.
- 11.6. We shall not be liable to you for any loss whatsoever occasioned by an eStatement not being received accurately or at all where we have made available (via the Internet Banking Services) to you that eStatement according to the scope of the Internet Banking Services.

12. Liabilities of the Customer

- 12.1. Unless Clause 12.2 below applies, you shall be fully liable and responsible for all consequences arising from or in connection with the use of the Internet Banking Services (including, without limitation, the use of the Security Device), reliance on the information on the SMS Notification Services and/or access to any Information or Report or any eStatement or any other information as a result of such use by you or any other person whether or not authorized.
- 12.2. Subject to your obligations under Clause 6 (User ID and Password) and if, in our reasonable opinion, there is no gross negligence or fraud on your part or on the part of any Authorized Internet User, [you shall not be liable for loss or misplacement of funds caused by unauthorized transactions conducted through the use of the Internet Banking Services.]
- 12.3. You shall indemnify us, any Group Office, any Information Provider and our/their respective officers and employees against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including, without limitation, legal costs on a full indemnity basis) which may be reasonably and properly incurred by us/any of them and all actions or proceedings which may be brought by or against us/any of them in connection with the provision of the Internet Banking Services, the Information and/or the Reports or the exercise or preservation of our powers and rights under this Section IX and these Standard Terms and Conditions, unless due to our gross negligence or wilful default, or the gross negligence or wilful

default of any Group Office, any Information Provider or our/their respective officers or employees or unless Clause 12.2 above applies.

13. Amendments

Any revision and/or addition to this Section IX shall become effective subject to our giving prior reasonable notice which may be given to you by posting it on the Internet Site(s) or by any other means as we think fit, and shall be binding on you if you continue to maintain or use the Internet Banking Services on or after the effective date of variation.

14. Communication

- 14.1. We shall be entitled to prescribe, from time to time, the form of notice (whether written or any other form) and the mode of Communication with respect to each type of notice to be given pursuant to this Section IX.
- 14.2. Communication sent by e-mail shall be deemed to have been received by you immediately after transmitting to the e-mail address last notified in writing by you to us.

15. eStatement Service

- 15.1. eStatements are only available to you where you have subscribed for Internet Banking Services and have provided a valid and up-to-date email address to which email notification messages can be sent to and received in respect of eStatements.
- 15.2. Where you have subscribed for eStatements, in addition to Internet Banking Services, we will provide you with eStatements which may be accessed via Internet Banking Services. Paper statements will no longer be sent to your mailing address or by any other means unless otherwise stipulated.
- 15.3. We will send a notification message to your designated email address last registered with us informing you that an eStatement is available for access via Internet Banking Services. You shall promptly notify us upon change of email address provided to us for the purposes of receiving notifications in respect of eStatements.
- 15.4. We shall not be responsible for any failure or delay by a telecommunications company/internet service provider in transmitting information to you or any error or failure of such information unless such failure results from our gross negligence or willful default.
- 15.5. You may request for a corresponding paper Statement to be mailed to your mailing address last registered with us or be otherwise provided in addition to an eStatement, but such request is at all times subject to our discretion and will also be

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)**15. eStatement Service (continued)**

- subject to any limitations imposed by us from time to time and to such charges as we shall determine from time to time.
- 15.6. We may, in our discretion, send an eStatement to the mailing address which you have provided to us. This will be done in accordance with our procedures as designated by us from time to time.
- 15.7. All eStatements shall be deemed delivered to you at the time that they are made available via Internet Banking Services according to our records. The eStatements shall be made available for a designated period of time as determined by us from time to time, irrespective of whether or not they have been reviewed by or saved by you.
- 15.8. You agree to open, read or access and carefully review and examine all eStatements delivered via Internet Banking Services in a timely manner and advise us as soon as practicable of any errors, discrepancies, unauthorized transactions or other irregularities arising from whatever cause, including, without limitation, forgery, fraud, lack of authority or the negligence of yours or any other person(s) ("Errors").
- 15.9. You agree that an eStatement shall, as between you and us, be conclusive evidence as to the balance shown therein and that the eStatement shall be binding upon you and you shall be deemed to have agreed to waive any rights to raise objections or pursue any remedies against us thereof unless you notify us (via such means and in such format and manner as shall be acceptable to us) of any such Errors within 90 days (or after such other period as specified in the written Confirmation) after the eStatement has been made available to you via Internet Banking. Where the Customer Account is a joint account the reference to you shall mean all joint account holders of the Customer Account irrespective of the signing mandate.
- 15.10. It is your responsibility to check the eStatements and Clause 15.9 above shall apply irrespective of whether or not the eStatement has been opened, read, accessed, reviewed and/or examined in accordance with Clause 15.8 above.
- 15.11. You may terminate the use of the eStatement Service by giving 30 days prior written notice.
- 16.2. We will from time to time determine or specify the scope and features of the SMS Notification Service and we may modify, expand or reduce the SMS Notification Service at any time with or without notice.
- 16.3. Upon subscription for the SMS Notification Service, we will send you a welcome message via SMS within 2 Business Days of registration for the service. You must contact us should the welcome message not be received within 2 Business Days of registration.
- 16.4. We reserve the right to restrict the number of Telecommunication Equipment sets which may be registered by you for receiving the SMS Notification from time to time.
- 16.5. The SMS Notification Service may without notice to you be suspended or terminated for any reason including, without limitation, invalid data, breakdown, maintenance, modification, expansion and/or enhancement work caused or initiated by the telecommunications company(ies) concerned in relation to their network or by any service provider in respect of the SMS Notification Service. We will not assume any liability and responsibility for any such suspension or termination.
- 16.6. You shall promptly notify us of any changes to the telephone number provided to you for the purposes of the SMS Notification Service.
- 16.7. You must notify us immediately upon the disconnection or suspension of your Telecommunication Equipment/service.
- 16.8. Neither we nor any of the telecommunications companies which may be designated by us for the purposes of providing the SMS Notification Service assume any liability or responsibility for any failure or delay in transmitting information to you or any error or failure in such information unless this results from our gross negligence or wilful default. In particular, neither we nor any such telecommunications companies shall assume any liability or responsibility for the consequences arising from any cause beyond our or such telecommunications company's reasonable control including, without limitation, failure of your Telecommunication Equipment to receive information for whatever reason, any telecommunications breakdown, mechanical failure, path failure, malfunction, breakdown, interruption or accuracy of equipment or installation.
- 16.9. You shall bear any fees, charges or expenses which may be imposed by your telephone service provider and/or any telecommunications company (whether or not designated by us) providing or servicing your Telecommunication Equipment in connection with the SMS Notification Service.

16. SMS Notification Service – General

- 16.1. In order for you to receive Communication from us in respect of your accounts and investments, we have made available the SMS Notification Service. The SMS Notification Service is available to you provided that you have appropriate Telecommunication Equipment and a service provider.

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)**16. SMS Notification Service – General (continued)**

- 16.10. All communications sent or re-sent via the SMS Notification Service to the contact details registered by you with us shall be deemed to be delivered to you at the time when the Communication was sent or re-sent by us.
- 16.11. We may re-send an SMS using the contact details registered by you with us any Communication via the SMS Notification Service which, in our opinion, has failed to reach you in accordance with our procedures for re-sending SMS Notification as designated by us from time to time. If in our opinion the SMS Notification sent or re-sent further to the details registered with us have failed to reach you, we may in our sole discretion stop sending further Communication.
- 16.12. You undertake to indemnify us against all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature that may result or which we may sustain, suffer or incur as a result of our agreeing to provide the SMS Notification Service.

17. SMS Notification Service – Nature of Information Provided

- 17.1. You acknowledge that any information received under the SMS Notification Service is for your (and not any other persons') reference only. The SMS Notification is not an official contract note or Confirmation of each transaction detailed and should not be treated by you as such. You should refer to the official monthly statements and/or official contract notes/trade advice for further details and information of the transaction undertaken.
- 17.2. It is your sole responsibility to verify any information received under the SMS Notification Service before relying or acting on it.

18. SMS Notification Service – SMS Messaging

- 18.1. You may nominate the number of one mobile phone for each Authorized Agent who is authorized to place investment orders but we will only send one SMS Notification message to the number registered by the Authorized Agent who places the order. Your nominated mobile phone must be a compatible Telecommunication Equipment set capable of receiving such SMS Notification messages.
- 18.2. You must inform us as soon as practicable if any of the SMS Notification messages appear to be irregular.
- 18.3. We will only send SMS messages once. SMS Notification messages deleted by you cannot be re-sent by us.
- 18.4. Any SMS Notification messages sent by us are one-way and you should not reply to such SMS messages.

- 18.5. You must not respond to a request purportedly from us via the SMS Notification Service to provide account or security details by SMS Notification message.

19. SMS Notification Service – Security

- 19.1. You are responsible for the security of your Telecommunication Equipment and you must take all reasonable precautions to prevent any other person from accessing any Confidential Information.
- 19.2. You should use at all times the SIM Card personal identification number ("SIM Card PIN Code") on your mobile telephone re- setting any pre-set SIM Card PIN Code and re- setting the SIM Card PIN Code if you know or suspect someone else knows it.
- 19.3. You should not tell any other person the details of your SIM Card PIN Code and you should not write them down in a way that someone else may understand.
- 19.4. You must inform us as soon as practicable of all matters which may have an impact on or otherwise affect our provision or your use of, the SMS Notification Service including, without limitation, if you know or suspect that someone knows your SIM Card PIN Code or if your mobile telephone number changes or if your mobile telephone is lost, stolen or is no longer under your control or if your contract with the network operator ends.
- 19.5. You should check the telephone number of the sender of the SMS Notification message to ensure that they are genuine and have been sent by us.
- 19.6. You should suspend the SMS Notification Service if you are taking a mobile phone outside Hong Kong or Singapore (as the case may be) due to the fact that the security of any foreign telephone network through which SMS Notification messages may be transmitted to your mobile telephone cannot be guaranteed.
- 19.7. If you take your mobile phone outside Hong Kong or Singapore (as the case may be) without suspending the SMS Notification Service you shall be deemed to authorize us, the network operators and any third party to whom information about you and your account has been passed for the provision of the SMS Notification Service to transmit such information and store information in such countries or territories as are necessary to send SMS Notification to your mobile phone.

Section IX: Internet Banking Services, eStatement Service and SMS Notification Service (continued)

20. SMS Notification Service – Liability

- 20.1. If we can show that we have sent, or attempted to send, to you the SMS Notification messages according to the service scope of our SMS Notification Service as shall be determined by us from time to time (including, without limitation, any re-sending procedures if the SMS Notification messages fail to be sent to you), we shall have no liability to you if you suffer loss due to the SMS Notification messages not being received accurately or at all.
- 20.2. We shall not be liable for any disclosure of Confidential Information to any person otherwise than as authorized in these Standard Terms and Conditions where you have not complied with your obligations herein to keep information confidential.
- 20.3. We will not be liable to you for any loss suffered due to any event or circumstance beyond our reasonable control which leads to the SMS Notification Service being wholly or partly unavailable as a result of but not limited to technical breakdown, strike and industrial action of any party or Communication or path failure.
- 20.4. We will not be responsible for any loss or damage caused to your data, software, computer, Telecommunication Equipment or other equipment caused by your use of the SMS Notification Service.
- 20.5. The third parties supporting the SMS Notification Service (including telecommunications companies designated by us) are neither agencies of ours nor do they represent us. There is no co-operation, partnership, joint venture or other relationship with us. We are not responsible for any losses caused by such third parties including system operators.

21. SMS Notification Service – Suspension and Termination

- 21.1. Without prejudice to anything in this Section IX, we may terminate or suspend service at any time in such manner as we may prescribe from time to time and in our absolute discretion. If the SMS Notification Service is suspended or terminated then, with immediate effect, no SMS Notification message will be sent during the period of suspension or at all in the event of termination.
- 21.2. You may terminate the use of SMS Notification Service by giving 30 days prior written notice.
- 21.3. You may reactivate the SMS Notification Service after suspension at any time at which point you will receive SMS Notification messages from the date of reactivation.

- 21.4. We may suspend or terminate the SMS Notification Service if we suspect that the SMS Notification messages have not been received by you or are being accessed by unauthorized person.

Section X: Precious Metals Margin Trading Services and Precious Metals Placements and Loans

1. Definitions

“Adjusted Cash Value” means Cash Collateral at any given time, adjusted by a factor determined by us.

“Adjusted Market Value” means in respect of any Securities Collateral at any given time, the market price (net of expenses) which we determine in our absolute and complete discretion could be obtained on a sale of such Securities Collateral at such time in any market on which property of the same type is normally dealt, adjusted by a factor determined by us.

“Bid Price” means in respect of any Precious Metal of a specified quantity the price at which a dealer is willing to buy such quantity of Precious Metal in the relevant bullion market.

“Business Day” in respect of delivery and payment of Gold or Silver means any day on which banks in both London and New York are open for business; and in respect of delivery and payment of Platinum means any day on which banks in Zurich and New York; and in respect of other Precious Metal means any scheduled trading day in the relevant market.

“Call Margin Level” means such level as determined by us from time to time and notified to you.

“Cash Collateral” means at any time all cash deposited with us and which is, in our sole determination, acceptable and available as security for your obligations under the Account Documentation.

“Contract” means any contract for the sale and purchase of Precious Metals entered into between you and us pursuant to the terms of this Section X.

“Cut Margin Level” means such level as determined by us from time to time and notified to you.

“Dollar Countervalue” of an amount of currency at any time is (a) if such currency is United States dollars, such amount, and (b) in all other cases, the amount of United States dollars which could be purchased at the Market Rate prevailing at such time against delivery of such amount of currency for value on a specified date, such date being the relevant spot value date unless otherwise specified.

“Gold” means gold of fineness of at least 995 which is suitable for delivery through LBMA, unless otherwise agreed in writing by the parties.

“Initial Margin Level” means such level as determined by us from time to time and notified to you.

“LBMA” means The London Bullion Market Association, or its successors, which represents the institutions in the United Kingdom active in all

aspects of bullion, and the services related to it, including the clearing, physical and regulatory aspects.

“LPPM” means The London Platinum and Palladium Market, or its successors, which quote prices for buying and selling Platinum.

“Market Rate” means, at any given time, the rate conclusively determined by us to be the market rate available to us at such time, at our option, in the Hong Kong or Singapore foreign exchange market or in the foreign exchange market of any other financial centre which is then open for business for the purchase or, as the case may be, sale of one currency against another currency for delivery on a specified date.

“Metal” means Gold, Silver or Platinum, as the case may be.

“Metal Account” means an account or accounts maintained with us for the purpose of recording transactions effected under this Section X.

“Net Collateral” means, at any time, (i) the Dollar Countervalue at such time of the Adjusted Cash Value of any Cash Collateral held by us, plus (ii) the Dollar Countervalue at such time of the Adjusted Market Value of Securities Collateral held by us; plus (iii) Realized Profit; less (iv) Realized Loss; plus (v) Unrealized Profit; less (vi) Unrealized Loss.

“Offer Price” means in respect of any Precious Metal of a specified quantity the price at which a dealer is willing to sell such quantity of Precious Metal in the relevant bullion market.

“Platinum” means platinum of fineness of at least 9995 which is suitable for delivery through LPPM, unless otherwise agreed in writing by the parties.

“Precious Metal” refers to Gold, Silver or Platinum bearing such characteristics as we may, in our discretion determine from time to time, or any other metals which we may from time to time decide to include as a Precious Metal.

“Realized Profits” means, at any time, any positive amount produced by deducting (i) the aggregate of the Dollar Countervalues of any payment remaining unpaid (whether or not such payment or amount is due) which has been crystallized as being payable by you consequent to the squaring, termination or closing out (wholly or in part) of any Contract for Precious Metal trading, from (ii) the aggregate Dollar Countervalue of any such obligations payable by us and the “Realized Losses”, at any time, means the positive value of any negative amount produced by such calculation. For this purpose the Dollar Countervalue shall be for value on the date the relevant payment falls due.

Section X: Precious Metals Margin Trading Services and Precious Metals Placements and Loans (continued)**1. Definitions (continued)**

“**Securities Collateral**” means at any time all securities, financial instruments and other assets and investments of any kind whatsoever and all rights and benefits attaching or accruing thereto from time to time deposited with, charged and/or assigned to, us as continuing security for your obligations under the Relevant Documents and which are, in our sole discretion, acceptable and available as collateral.

“**Settlement Date**” means the date on which settlement is to be made under a Contract.

“**Silver**” means silver of fineness of at least 999 which is suitable for delivery through LBMA, unless otherwise agreed in writing by the parties.

“**Unrealized Profit**” means, at any time, in respect of each outstanding Contract, any positive amount produced by deducting (i) the Dollar Countervalue at such time of the amount payable by you under such Contract, assuming squaring, termination or close out of such Contract including any interest charges accrued (and not yet paid) under this Section X and payable by you under such Contract, if any, from (ii) the Dollar Countervalue at such time of the amount payable by us under such Contract including any interest charges accrued (and not yet paid) under this Section X and payable by us under such Contract, if any, and “**Unrealized Loss**” means the positive value of any negative amount resulting from such calculation. For this purpose the Dollar Countervalue shall be for value on the Settlement Date.

2. Precious Metals margin trading services**2.1. Trading**

- A. You may request of us, on any Business Day, and we may agree (but we are not obliged to agree), to enter into Contracts with you.
- B. Precious Metals transactions will be undertaken by reference to the Bid Price or Offer Price as the case may be as soon as is reasonably practicable after we receive instructions from you. All Contracts shall be cash-settled in USD and no physical delivery of Precious Metals is to be made.
- C. We reserve the right to determine the types of metals we will classify as Precious Metals and the characteristics that these metals bear.

2.2. Margin

- A. You will be required to provide such margins as we may require from time to time to support your positions in respect of all Precious Metals trading.

- B. You shall ensure that the Net Collateral in respect of any or all Contracts shall not at any time fall below the Initial Margin Level.
- C. Whenever you shall determine that the Net Collateral in respect of any or all Contracts is below the Call Margin Level, we shall have the right (but not the obligation) to give you notice (by way of telephone or otherwise) which shall constitute a “Margin Call” under this Section X. You shall be required to satisfy such Margin Call by either depositing with us additional Cash Collateral or Securities Collateral acceptable to us or, by agreement with us, squaring outstanding Contracts, such that the Net Collateral shall not be less than the Initial Margin Level. We may, but shall not be obliged, to confirm any Margin Call in writing and the absence of such written confirmation shall not prejudice or invalidate any Margin Call. For the avoidance of doubt, in the event that we have used reasonable endeavours to notify you that the Net Collateral is below the Call Margin Level by telephoning you or by other means at our sole discretion but we are unable to contact you for any reason whatsoever, notice shall be deemed to have been given and such reasonable endeavours shall also constitute a Margin Call.
- D. Each Margin Call shall be satisfied by you within the time period specified by us, or if no period is specified, within the following time period:
 1. if a Margin Call shall be made before or at 10:00 a.m., Hong Kong time or Singapore time, depending on where the Metal Account is maintained, on any Business Day, you shall satisfy the Margin Call no later than 4:00 p.m., Hong Kong time or Singapore time, as the case may be, on the same day as the Margin Call; and
 2. if a Margin Call shall be made after 10:00 a.m., Hong Kong time or Singapore time, depending on where the Metal Account is maintained, on any Business Day, you shall satisfy the Margin Call by no later than 12:00 noon, Hong Kong time or Singapore time, as the case may be, on the next Business Day following the Margin Call.
- E. Without prejudice to clauses 2.1 and 2.4(D), we shall not be obliged to roll-over any Contract between the time a Margin Call shall have been made and the time such Margin Call shall have been satisfied (such time period being referred to as the “Margin Call Period”).

Section X: Precious Metals Margin Trading Services and Precious Metals Placements and Loans (continued)**2. Precious Metals margin trading services (continued)**

- F. We shall have the right to square, terminate or close-out all or some of the outstanding Contracts (to be selected at our sole discretion):
1. if during any Margin Call Period, the Net Collateral shall fall below the Cut Margin Level (or any other percentage as may be specified at our discretion from time to time);
 2. if you fail to satisfy any Margin Call in accordance with this clause;
 3. if the Customer Account (in which the Contracts are maintained) is to be or is terminated for whatever reason; or
 4. if, at any time, we consider, at our sole discretion, that such action is necessary in order to protect its own interests.

2.3. Marking to market

- A. Your positions will be marked-to-market from time to time and at any time at our sole discretion.
- B. If at any time the market value of the Precious Metals purchased by you is lower than the price at which you agreed to buy the Precious Metals, you may be required to pay to us the difference of the value between the market price and the agreed price in order to maintain the position.
- C. If at any time the market value of the Precious Metals sold by you is higher than the price at which you agreed to sell the Precious Metals, you may also be required to pay to us the difference of the value between the market price and the agreed price in order to maintain the position.

2.4. Roll-over and computation of interest

- A. If you wish to maintain a position at the maturity of the Contract, you may roll-over that position provided that sufficient margin has been provided to us to support that position and to cover any loss cumulated from the difference between the original contract price and the prevailing market price. You are not permitted to use historical prices to roll-over any positions. Notwithstanding the foregoing, no positions shall be rolled-over for a continuous period exceeding one hundred and 180 days from the date on which that position was created/opened (or such other number of days as may be determined by us from time to time and at any time). We reserve the right to refuse to accept any roll-over of position without giving any reasons.

- B. In the event that any outstanding Contract has neither been settled, nor been squared, terminated or closed-out pursuant to this Section X nor any instruction received and agreed to by us to roll-over such Contract, on the Business Day prior to the Settlement Date, we shall be authorized, without reference to you, at any time thereafter to roll-over such Contract as provided in clause 2.4(C) below.
- C. In effecting roll-over of an outstanding Contract, the parties will be deemed to have agreed to the variation of the terms of such Contract by agreeing to defer the Settlement Date of such Contract to the next Business Day following the Settlement Date, which date shall be deemed to be the new Settlement Date for that Contract. All other terms of the Contract shall remain unchanged.
- D. Nothing shall oblige us to roll-over any Contract. In the event that we decide not to rollover any Contract which has not been squared, terminated or closed-out, we shall be entitled at our sole discretion, without instructions from you, to enter into a matching opposite contract in order to crystallize the profit or loss on such Contract or take any other action that may be necessary to close-out such Contract.
- E. Unless we notify you to the contrary in respect of any Contract, such Contract will be deemed to have been rolled-over.
- F. Upon the roll-over of any Contract, interest charges shall be payable by you (in respect of any short position) or receivable by you (in respect of any long position) for the period from the Settlement Date of the Contract to the new Settlement Date, calculated and payable on a daily basis at a rate to be determined by us. Such interest charges shall be immediately due and payable.
- G. The amount of interest receivable by the Customer under clause 2.4(F) shall be netted with the amount of interest payable by the Customer under clause 2.4(F) and the Bank shall debit or credit the Customer Account with the difference between the two amounts (as the case may be).

2.5. Close out

- A. We may close out a position by entering into a matching opposite contract of the same maturity date with us at an agreed market value for an amount of Precious Metals equal to that amount bought or sold (as the case may be) under the Contract that is closed out.

Section X: Precious Metals Margin Trading Services and Precious Metals Placements and Loans (continued)**2. Precious Metals margin trading services (continued)**

- B. The amounts payable or receivable by you under the Contract that is closed out shall be netted with the amounts receivable or payable by you under the matching opposite contract and you will pay or receive (as the case may be) the difference between the two amounts and accordingly, we will debit or credit the Customer Account with such amount (as the case may be).
- C. If an Event of Default occurs,
1. the obligations of the parties to make further payments under outstanding Contracts shall automatically be terminated;
 2. we may close out all outstanding contracts; and
 3. the “**Close-out Amount**” calculated in accordance with clause 2.5(D) below shall become immediately due and payable on the first Business Day after the date on which we notify you of the Close-out Amount and details of its calculation.
- D. For the purposes of this clause, the Close-out Amount shall be calculated as follows:
1. the Dollar Countervalue of each amount payable by the Customer on a Settlement Date on or before the date the Contract is closed out (the “**Close-out Date**”) together with interest calculated in accordance with clause 12 of Section I of these Standard Terms and Conditions from that Settlement Date to the Close-out Date shall be determined;
 2. the aggregate amount of (a) all USD sums calculated in accordance with paragraph (I) above in respect of amounts payable to us, plus (b) the USD amount that we determine in our sole discretion to be our additional losses, costs and expenses in connection with the termination of the Contracts including the loss incurred as a result of terminating, liquidating, obtaining or re-establishing a trading position, minus (c) the aggregate amount of all USD sums calculated in accordance with paragraph (I) above in respect of amounts payable to you. The Close-out Amount shall (subject to paragraph (III) below) be the amount resulting from that calculation and shall be payable by us if negative and by you if positive and shall be payable in USD; and
 3. the Close-out Amount shall be adjusted as appropriate (so far as allowed by Law) to reflect any payments made by either party to the other party under this Section X (and retained by that other party) after the sending of the notice under clause 2.5(C)(III).
- E. 1. A certificate from us of the Close-out Amount and how it is calculated shall be conclusive, save for obvious error.
2. You acknowledge that the calculations in clause 2.5(D) are a reasonable and proper method of ascertaining and liquidating the losses and gains arising from the sending of a Close-out Notice.
- F. Without prejudice to the foregoing, so long as you are in default in payment or performance of any obligation to us under this Section X, and we have not exercised our rights under this clause 2.5, we may, at our election and without penalty, suspend our performance of any of our obligation(s) under this Section X.
- 2.6. Risks**
- You acknowledge that margin trading involves risks such that adverse market movements can give rise to losses substantially in excess of the sums deposited with us by way of margin and the placing of such margin as security in no way limits your liability in the event of such losses being sustained. You also acknowledge other risks as disclosed in the Risk Disclosure Statement set out in the Account Opening Booklet.
- 3. Precious Metals placements and loans**
- 3.1. Book entry placements**
- A. We will accept book entry Precious Metal placements for such minimum amounts and for such periods of time as we may decide from time to time.
- B. Where you wish to make a Precious Metal placement in book entry form with us, you may transfer it from a book entry Precious Metal account(s) with other bank(s) or institution(s) or buy the book entry Precious Metal from us at market price, and instruct us to credit the Customer Account in the form of Loco London (in the case of gold or silver) or Loco Zurich (in the case of platinum).
- 3.2. Physical placements prohibited**
- Unless otherwise agreed in writing, we will not accept placements of physical Precious Metal into the Customer Account.
- 3.3. Interest**
- A. Interest payable on a Precious Metal placement shall be calculated by reference to interest periods each of which shall be of such length

Section X: Precious Metals Margin Trading Services and Precious Metals Placements and Loans (continued)**3. Precious Metals placements and loans (continued)**

as requested by you and agreed by us, and the interest rate applicable in respect of each interest period shall be agreed between us and you not later than 2 Business Days prior to the commencement of such interest period.

- B. The interest for a particular Precious Metal placement shall be the agreed interest rate multiplied by the notional market value in USD of the Precious Metal placement and the interest period. Our determination of the notional market value of the Precious Metal placement shall be final.
- C. Interest on a Precious Metal placement may be of a positive or a negative value. Interest shall be payable in USD at the end of an interest period, by us to you if a positive value or by you to us if a negative value. We are entitled to deduct such amounts payable from the Customer Account.

3.4. Roll-over

- A. Instructions to continue or roll-over a Precious Metal placement must be received by us at least 2 Business Days prior to the maturity date of the Precious Metal placement.
- B. If we do not receive any roll-over instruction by 10:00 a.m. (Singapore time or Hong Kong time depending on whether the Precious Metal placement has been placed with our Singapore branch or Hong Kong office) 2 Business Days before the maturity of the Precious Metal placement, no interest shall accrue on the Precious Metal placement after maturity until a new interest period and a new interest rate have been agreed and a new notional market value has been fixed, in the manner as aforesaid.

3.5. Termination of placement

If you wish to terminate or partially terminate any Precious Metal placement(s) before the agreed maturity date(s), you will be required to pay to us a fee of such amount to be determined by us.

3.6. Transfer or sell

- A. Any request to transfer or sell any or all of a Precious Metals placement in the Customer Account must be given to us in writing at least 2 Business Days before the withdrawal date.
- B. A transfer or sale of Precious Metals (unless otherwise requested by you and agreed by us) will be made by us by way of telegraphic transfer to an account(s) of ours elsewhere or other bank(s) or institution(s) designated by

you in the form of Loco London (in the case of gold or silver) or Loco Zurich (in the case of platinum).

3.7. Precious Metals loan

- A. You may request a loan of Precious Metals from us for such term as may be set by us at our discretion from time to time provided you satisfy such margin requirements set by us from time to time at our discretion.
- B. All Precious Metals that are borrowed or repaid will be in the form of Loco London or Loco Zurich (as the case may be). We will charge you interest for any borrowed Precious Metals at such rates as may be fixed by us from time to time. Unless agreed to by us, you may not roll-over positions nor use historical rates to roll-over positions.
- C. You shall not be entitled to prepay any amount outstanding under a Precious Metals loan or any part thereof prior to the maturity of the loan. If prepayment is made prior to the maturity of the loan, you shall compensate and indemnify us for any and all costs and expenses (including loss of profit) suffered or incurred on account of the prepayment.
- D. Upon maturity of a Precious Metals loan, in the absence of specific instructions from you, we may, at our absolute discretion either (i) settle the Precious Metals loan by purchasing such Precious Metals at a rate to be determined by us or (ii) continuing or rolling over the loan at such rate and for such period as we at our sole discretion shall determine.

