



General Conditions for Accounts and Services

CMB Wing Lung Bank Limited

Contents

PART I: GENERAL CONDITIONS AND IMPORTANT NOTICE

A. General	P.2
B. Current Account	P.7
C. Savings Account	P.8
D. Fixed, Call and Pleasure Savings Deposits	P.8
E. Automatic Teller Machines (“ATM”) Service	P.8
F. Phone Banking Service	P.9
G. NET Banking Service / Mobile Banking Service / WeChat Pay Services	P.9
H. E-Statements / E-Advices Service	P.11
I. CMB Wing Lung Corporate NET Banking Services	P.12
J. Renminbi Accounts	P.14
K. Credit Facilities	P.15
L. E-Cheques and E-Cheque Drop Box Services	P.15
M. Auto-Sweeping Services	P.17
N. CMB Wing Lung All-In-One Card Services	P.17
O. CMB Wing Lung Global Cash Management Services	P.18
P. U-BANK@CMBWLB Services	P.18
Q. Faster Payment System Service	P.21

PART II: SECURITIES SERVICES

A. General Conditions	P.25
B. Securities Trading Services	P.27
C. Securities Savings Scheme	P.29
D. Margin Trading Services	P.30
E. New Issue Financing	P.31
F. Custody Services	P.31

PART III: WEALTH MANAGEMENT SERVICES

A. General	P.33
B. Share Option Transactions	P.34
C. Currency Option Transactions	P.37
D. Investment Fund Trading Services	P.38
E. Investment Fund Savings Plan	P.38
F. Third Party Products	P.38

PART IV: FOREIGN EXCHANGE TRANSACTIONS P.40

RISK DISCLOSURE STATEMENTS P.45

Risk Disclosure Statements

These Conditions apply, to the extent they are applicable, to all accounts with, and all facilities and services provided by, CMB Wing Lung Bank Limited and its subsidiaries (referred to as "we", "us" and "our"). If there is inconsistency, the provisions for a particular service will prevail over general provisions. CMB Wing Lung Bank Limited is a licensed bank under the Banking Ordinance and a registered institution under the Securities and Futures Ordinance, CE Number AAF294. **Please read and understand them, particularly Conditions 4 (Password), 10 (Limit of our liability), 11 (Your indemnity) and 12 (Set-off and lien) of Section A, Part I (General Conditions) below.**

"You" and "your" mean our customer.

PART I: GENERAL CONDITIONS AND IMPORTANT NOTICE

- A. General
- B. Current Account
- C. Savings Account
- D. Fixed, Call and Pleasure Savings Deposits
- E. Automatic Teller Machines ("ATM") Service
- F. Phone Banking Service
- G. NET Banking Service / Mobile Banking Service / WeChat Pay Services
- H. E-Statements / E-Advices Service
- I. CMB Wing Lung Corporate NET Banking Services
- J. Renminbi accounts
- K. Credit Facilities
- L. E-Cheques and E-Cheque Drop Box Services
- M. Auto-Sweeping Services
- N. CMB Wing Lung All-In-One Card Services
- O. CMB Wing Lung Global Cash Management Services
- P. U-BANK@CMBWLB Services
- Q. Faster Payment System Service

Section A applies, to the extent applicable, to all accounts with and all facilities and services provided by us.

A. GENERAL

1. Opening an account

- 1.1 Please complete and sign our forms and specimen signature cards and, if requested, provide satisfactory references. You agree to provide us with satisfactory identity, occupation and other documents. We may refuse your application without giving any reason. You will, if requested, place a minimum deposit on opening your account.
- 1.2 You confirm that all information given to us at any time are, to your best knowledge and belief, true and accurate. You will promptly notify us of any change of your information registered with us. If you find or believe that your identity document is lost or stolen, you should notify us as soon as possible.

2. Application for a service

- 2.1 Before you can access a service, please complete and sign our application form. We may refuse your application without giving any reason.
- 2.2 You may be required to pre-register with us the account(s) which may be accessed on a service, and the accounts (yours or a third party's) to which funds may be transferred.
- 2.3 It is important that you provide us with relevant, accurate and available information.

3. Your instructions

- 3.1 You will give instructions to us in writing. We may at our discretion and without liability act on an oral instruction. In particular, transfers between accounts in the same name will be valid without any written confirmation.
- 3.2 We need not act on a written instruction unless it is signed in accordance with your mandate and specimen signature with us.
- 3.3 A change in your mandate or specimen signature is only effective after a reasonable time after we have received actual notice of the change in a manner acceptable to us. Unless otherwise instructed by you, we are authorized to honour any instruction dated prior to the change of signature and subsequently presented.
- 3.4 You authorize your authorized representatives ("Authorized Representatives") to give us instructions of any nature relating to your accounts and our services. You agree that any instructions given or purported to be given to us by the Authorized Representatives shall at all times be binding on you whether or not the instructions were actually authorized.
- 3.5 The Authorized Representatives shall have full authority to deal with us until we have received effective written revocation of their authority pursuant to such procedures as we may prescribe and until we have been able to act on the revocation.
- 3.6 You agree to ratify all acts and instructions given by the Authorized Representatives.
- 3.7 Your instructions, as understood and acted on by us, are binding on you. We are not responsible to verify the identity or authority of the person giving any instruction or the authenticity of any instruction. We may at our discretion require evidence of identity from any person.
- 3.8 We may regard your instructions as received by us (including by our computer or message recording system) as being what you intended to send. We may regard your instruction (which duplicates another instruction) as a separate instruction, unless we actually knew that it was a duplicate.
- 3.9 In general, an instruction once given and accepted cannot be altered or cancelled, except in respect of a securities transaction which has not yet been effected.
- 3.10 We need not act on any instruction if it is not, in our opinion, practicable or reasonable to do so. We may decline to act on your instructions without giving any reason and without any liability.
- 3.11 If an instruction is received outside our business hours for relevant transactions, your account may be debited on the same day, but the instruction may not be processed until our next banking day.
- 3.12 An instruction may be partially executed if it cannot be fully executed. An instruction or part not executed by the day's close of business (or, if earlier, close of trading) will lapse, unless otherwise agreed.

4. Password

- 4.1 On accepting your application or when a service is offered by us, we will supply you with a password to access the service. One password may be used to access all your accounts through the same service or medium. Different passwords with different levels of authority may, when this service is available, be generated by your master password for business accounts. "Password" includes personal identification number (PIN), logon ID, login password and any code, number, card, security token, device or any one-time password (OTP).
- 4.2 Your password is an important means of protection for you. You will keep it secret to yourself (or, if you are a corporate body, your Authorized Representatives only). You will use all reasonable care to prevent unauthorized use of your password. Your password may be sent to you at your own risk. Please change your password after you have accessed a service for the first time.
- 4.3 You will contact us as soon as reasonably practicable by telephone (Report Loss Hotline: 852 3711 7900) or by any other method notified by us if you find or believe that your password has been compromised, lost or stolen or that unauthorized transactions have been conducted over your accounts. You will confirm your report to us in writing within 24 hours of the occurrence of such an event. We may without liability take any action following receipt of a report reasonably believed by us to be genuine.
- 4.4 If you are using ATM Service, Phone Banking Service, NET Banking Service, Mobile Banking Service, E-statements/E-advices Service or CMB Wing Lung Corporate NET Banking Service, you must contact us as soon as reasonably practicable by telephone (Report Loss Hotline: 852 3711 7900) or by any other method notified by us if you find or believe that any of your secret codes or device has been compromised, lost or stolen, or that unauthorized transactions have been conducted over your account(s). You will confirm your report to us in writing within 24 hours of the occurrence of such an event. We may without liability take any action following receipt of a report reasonably believed by us to be genuine.
- 4.5 We may regard an instruction given by any person with the use of your password as conclusively binding on you. This is so

notwithstanding different requirements in your mandate or other arrangements. Your liability continues, when you notify us to terminate your use of a service, until we have a reasonable opportunity to terminate access by your password. If the option is provided by us, a password for one channel may be used to apply for other services or for use on other channels, and any such application is binding on you.

- 4.6 You will be liable for all losses if you act fraudulently or with grossly negligence, such as failing to safeguard properly or knowingly allow the use by others of your password, or failed to comply with your obligations under Conditions 4.2, 4.3 and 4.4. You would not otherwise be responsible for any direct loss suffered by you as a result of unauthorized transactions conducted through your account. This Condition does not apply (a) unless the unauthorized instruction was given electronically, (b) to you unless you are private individual (excluding sole traders, partnerships, clubs and societies) or (c) to unauthorized transactions conducted through plastic cards which may be used to pay for goods and services or to withdraw cash.
- 4.7 An instruction given by the use of your password is valid and binding on you, although your mandate for the account may require a particular signature or joint signatures, or different signatures may be specified for different accounts.
- 4.8 All holders of an account are jointly and severally responsible for an instruction given by the use of a password.
- 4.9 Changes in the Authorized Representatives of your account will not affect operation by your password. If you wish, you must change your password immediately.

5. Deposits

- 5.1 We may require a minimum balance to be maintained in your account over such periods as determined by us. Balances below the minimum will not earn interest, and may be subject to a charge in the amount determined by us. We may limit the amount that may be deposited.
- 5.2 Deposits not made in cleared funds may not be drawn or used and do not become effective until the proceeds have been unconditionally received by us. Such deposits are accepted at our discretion and only for collection. Our and third parties' charges will be debited from the collection proceeds. Acting reasonably, we are not liable for any loss or destruction in the process of collection or otherwise or for any loss arising from any failure or delay to present an item.
- 5.3 Items drawn on overseas drawees may be given immediate value subject to a charge in the amount determined by us (which includes interest to cover the period until cleared funds are received). Deposits funded by overseas items may not be withdrawn once deposited until after a period determined by us.
- 5.4 We may recover from you any loss arising from the non-payment of an item including any drawing against the item. We may reverse any credit entry and levy a charge. We may, at your risk, return an unpaid item by post to you.
- 5.5 Deposits in foreign currency notes are at our discretion and subject to charges.
- 5.6 Items including cash deposits received after our daily cut-off time are deemed to be processed on the following banking day or as otherwise required by any applicable clearing house rules.
- 5.7 Deposit by a cheque is accepted only for collection and may not be withdrawn or used until cleared funds have been unconditionally received by us. Acting reasonably, we are not liable for any loss or destruction in the process of collection or for any loss arising from any failure or delay in presenting a cheque. Unless specifically instructed, we will not arrange for protest or similar actions to be taken. We may recover from you any loss and reasonable expense arising from the non-payment of a cheque whether or not it has been drawn against. We may reverse any credit entry and levy charges. We may return an unpaid cheque by post to you at your risk.
- 5.8 Unless there are exceptional circumstances beyond the Bank's control such as when a Black Rainstorm warning is issued or a typhoon signal No. 8 or above is hoisted, the proceeds of a cheque drawn on a local bank will normally be available for drawing after 3:30 p.m. on the second Business Day following the Business Day on which the cheque is deposited with the Bank for collection, except that proceeds of cheques deposited with the Bank on a Saturday will be available for drawing after 3:30 p.m. on the second Business Day immediately following the Saturday and proceeds of cheques deposited with the Bank on a Business Day immediately preceding a Saturday will be available for drawing after 3:30 p.m. on the Business Day immediately following the Saturday.

6. Withdrawals / Funds transfers

- 6.1 Withdrawals can only be made against cleared funds.
- 6.2 Withdrawals in cash or by electronic or other automated means are subject to the limits determined by us. An instruction to transfer funds received after our daily cut-off time will be debited to your account at the time the instruction is received, and be processed for transfer on our next banking day. A payment for same day value is also subject to applicable cut-off time at its destination. Date of value is dependent on the geographical location of the destination and is subject to our discretion. We may from time to time vary the daily cut-off time without notice or responsibility to you.
- 6.3 We need not make any payment from your account if there are insufficient available funds for a full payment or if our requirements (including amount limits or restrictions as to the office from which withdrawals may be made) are not complied with. If a transfer is made without sufficient available funds, you will repay to us on demand the resulting debit together with interest thereon at the rate determined by us.
- 6.4 A withdrawal by a withdrawal instruction purporting to be signed by you is deemed to be made to you personally.
- 6.5 Funds will be remitted to a foreign place in the particular currency as instructed by you. Another currency conversion may take place at the payment destination according to the practice of our correspondent or the beneficiary's bank. A draft or cashier order may be drawn on another city by reason of our operational requirements. The holder of the draft or cashier order is responsible for due presentment and protest. Charges will be deducted before payment to the beneficiary. You remain responsible for all charges of our correspondents, agents and ourselves. All charges paid are not refundable. We and our correspondents and agents owe no duty to the beneficiary and any nominated order party.
- 6.6 Payment of a draft or cashier order may be refused if it has in any way been altered or mutilated.
- 6.7 Requests to stop or vary a payment or for a refund will only be processed after production of satisfactory document of identity and authorization including evidence of loss (where applicable) and an indemnity satisfactory to us. We are not responsible if the payment cannot be stopped or varied. A refund may only be made after our correspondent has confirmed that the payment instruction has been effectively cancelled. A refund may be made in Hong Kong dollars at our buying rate for the payment currency if the payment currency is not Hong Kong dollars, less all charges.
- 6.8 We may at our discretion repay the credit balance in your account together with interest in the currency of your account or in Hong Kong dollars or both. We may make payment by telegraphic transfer or by a draft drawn on a bank in the country of the currency.
- 6.9 You agree to accept consequences arising from your own omission to give complete and accurate particulars of your identity including the loss of right for refund and that we shall not be accountable to you for the refund in the event that your identity cannot be verified to our satisfaction. We shall not be liable for any loss caused by any incorrect or incomplete information provided by you.
- 6.10 If the outward remittance cannot be processed by the details provided by you, we reserve the right not to accept an application for the purchase of the outward remittance at our sole discretion.
- 6.11 We may send any message relative to the telegraphic transfer in explicit language, code or cipher and at your sole risk. Acting reasonably, we shall not be liable for any delay, misunderstanding, misinterpretation, errors, neglect or default which may occur in the transmission of the message or otherwise.
- 6.12 Withdrawals of foreign currency notes (whether or not from a foreign currency account) are at our discretion and subject to charges.
- 6.13 If there are insufficient funds in your account to settle a foreign exchange transaction, we may at our option at any later time apply the full amount of the currency bought by you to purchase the currency ("Currency X") payable by you at our spot rate for selling Currency X at the time of such application. If the amount of Currency X so purchased is less than the amount payable by you under the foreign exchange transaction, you will on demand pay to us the shortfall. We are not liable for any loss suffered resulting directly or indirectly from any instructions not carried out by us due to insufficient funds in your account. Notwithstanding such shortage of funds, we may at our sole discretion carry out any instructions without prior approval from or notice to you, and you are fully responsible for any resulting overdraft, advance or debit.
- 6.14 Any rate or other quotation provided by us is only indicative, unless otherwise expressly stated, and may be changed without notice until we have confirmed acceptance of your offer. Unless otherwise expressly stated, the prices payable by you do not include, and you will in addition pay, applicable fees and expenses.
- 6.15 We are entitled to effect any payment and to require you to effect any payment in any currency as we may prescribe. Where a conversion of one currency into another currency is required, such conversion shall be effected at the rate determined by us to be prevailing in the relevant exchange market at the relevant time, such determination to be conclusive and binding on you. Acting reasonably, we are not liable for any exchange rate losses resulting from any such foreign exchange transactions and dealings.

- 6.16 It is your responsibility to determine independently market prices and rates, to verify any information and/or report before replying or acting on it and to seek independent professional advice on legal, tax and other issues in connection with information we provide, these Conditions, and any transactions and dealings.
- 6.17 Funds transfer between your accounts on any day may at our discretion be processed on the day or on the next banking day.
- 6.18 You confirm that your remittances of funds will comply with all applicable legal and regulatory requirements in the country where the remittance (or each part of it) is to be received.
- 7. Termination**
- 7.1 You may terminate your account at any time when your account has a zero balance and no outstanding transactions and obligations, or terminate a service, by giving at least 30 days' prior written notice to us. Terminating a service will not by itself close your account with us. Where we have provided you with a security token, you must return the security token to us upon such termination.
- 7.2 We may at any time, by notice to you at least 30 days' notice or upon your request a longer period of notice where it is practicable to do so, close your account or terminate a service. The notice may take effect immediately in exceptional circumstances, e.g., where the account is being used or is suspected of being used for illegal activities. We may hold any credit balance in your account for your collection, credit the relevant amount (less our charges) to your other account, or discharge all our obligations by mailing to you a cashier order for the relevant account (less our charges).
- 7.3 Termination of an account or service will not affect accrued rights or subsisting transactions. We remain authorized to settle any transaction entered into before termination. Conditions 8 (Interest / payment / delivery), 10 (Limit of our liability), 11 (Your indemnity), 12 (Set-off and lien), 15 (Information) and 16 (Evidence) will survive termination.
- 8. Interest / payment / delivery**
- 8.1 Interest accrues on all sums owing from you from the due date or the date of advance to the date of actual repayment (before and after judgment) at the rate determined by us. Such interest is calculated on the basis of the actual number of days elapsed over a 360 or 365 day year according to our practice of calculating interest for the relevant currency and is deemed to be compounded monthly or at the intervals determined by us.
- 8.2 You will on demand repay to us all sums owing from you (whether or not due) or the part demanded, with interest thereon.
- 8.3 Payments will in ordinary course be debited from the account designated by you for the purpose (including a sub-account) which is denominated in the same currency. This also applies to "holds" on funds in your accounts. We will determine whether you have a sufficient balance or overdraft by reference to your designated account (or sub-account) in the payment currency. However we may put a "hold" on amounts in other currencies. If necessary, we may (but are not obliged to) convert an amount received or to be paid from one currency into another at our spot rate. We may, for the purpose of a calculation, notionally convert an amount from one currency into another at our spot rate.
- 8.4 Payments will be made to you subject to applicable laws and regulations and any required deduction or withholding.
- 8.5 You will pay us in freely transferable and cleared funds and in the manner reasonably notified by us. Deliveries of any property by either party will be made in the manner reasonably notified by us.
- 8.6 If on any date amounts would be payable in the same currency under 2 or more transactions by each party, then on such date, each party's obligation to pay such amounts will, at our option, be discharged, and the party by whom the larger amount would otherwise be payable will pay to the other party the excess of such amount over the smaller amount.
- 8.7 Payments by you will be made to us without any set-off, counterclaim or condition and free and clear of all present and future taxes, withholdings or deductions. If you are compelled by law to make any withholding or deduction, the sum payable by you will be increased so that the net amount actually received by us is the amount we would have received if there had been no withholding or deduction. You will duly pay the withheld or deducted amount to the appropriate tax authority and provide us with evidence of payment.
- 8.8 Payments by you will be made in the currency of the relevant liability. Any sum received by us in another currency only constitutes a discharge of your liability to the extent of the net amount of the currency of your liability which we are able to purchase with the amount received as soon as it is practicable to do so. You will, as a separate obligation and notwithstanding any judgment, indemnify us against any loss and reasonable expense.
- 8.9 Any sum received by us may be applied to reduce your liability in the order we deem appropriate, or be placed to a suspense account to preserve our right to prove for your entire liability.
- 8.10 We may, where necessary, convert one currency into another at our applicable exchange rate as determined by us.
- 8.11 A sum or an item received for your account may not be drawn against or used and does not earn interest until we have unconditionally received cleared funds or confirmed receipt of the item. We may debit your account with all losses and reasonable expenses, if the sum or item or part thereof is not actually received. You will bear the loss arising from any difference in exchange rates between the date of crediting your account and the date of the subsequent debit.
- 8.12 If not collected in person, your property and documents will be sent to you at your risk.
- 8.13 We may recover from you any erroneous payment.
- 8.14 In accordance with market practice, we may retain interest on amounts to be paid to you pending credit to your account, and on amounts to be paid on your behalf pending payment.
- 8.15 Any payment, delivery or determination, which would otherwise fall to be made on a non-banking day, will instead be made on our next banking day, unless otherwise agreed.
- 8.16 Cash will be paid to you after rounding down to the nearest ten cents (or, for Japanese yen or other foreign currency, to the nearest yen or unit in accordance with market practice). This constitutes full payment.
- 8.17 Unless otherwise agreed, any amount or item to be paid or delivered by us will only be paid or delivered in Hong Kong at our office at which the account is kept.
- 9. Statements of account**
- 9.1 For some types of accounts, we will send you a statement of your account at regular intervals. We may issue interim statements. No statement will be sent for a period when there is no transaction in your account (or, in relation to securities, where a statement is not required pursuant to relevant regulation). Please advise us immediately if you have not received your statement within 14 days of the day when your statement is scheduled to have been sent out by us.
- 9.2 You agree to examine each statement of your account carefully on receipt. If you discover any error, discrepancy, claim or unauthorized debit, you will notify us as soon as reasonably practicable and, in any event, within 90 days of receipt of the statement.
- 9.3 If you fail to advise us as required by Condition 9.1 or 9.2, all entries in the statement are conclusive and binding on you. However, you are not responsible for unauthorized transactions arising from (a) forgery or fraud of a third party in relation to which we have failed to exercise reasonable care or (b) forgery, fraud, default or negligence of our employees or agents. This Condition does not apply unless you are private individual (excluding sole traders, partnerships, clubs and societies).
- 9.4 We may correct any entry in a statement caused by our error or omission.
- 9.5 Any document may be sent to any of your last known addresses.
- 10. Limit of our liability**
- 10.1 Unless caused by our wilful misconduct or negligence, we are not liable for:
- any instruction which is not actually received by us;
 - any delay or interruption in accessing a service, or any failure to execute or error or delay in executing your instructions;
 - any inability to access a service;
 - any unauthorized interception, corruption, loss, error or delay of messages sent by us or our correspondent or agents through the internet, on telephone or by any other means, or any unauthorized access to a service or information;
 - any malfunctioning or failure of a service, computer, software or communications facilities;
 - any computer virus or similar problems in connection with a service; or
 - any loss or damage arising from termination of your account or any service provided to you.
- 10.2 We are not liable for any loss caused by any act or omission of any government or third party, or any other circumstances beyond our control. We are however accountable to you for our authorized agents (as described in the Code of Banking Practice) and service providers. We are not obliged to account to you if our relevant office or any correspondent or agent concerned is prevented from making payment to or for you.

- 10.3 We are in any event not liable for any indirect, special, incidental or consequential damages arising from the use of or inability to use a service.
- 10.4 Any information or recommendation provided by us is for your reference only. It is not an offer. We are not responsible for its accuracy, completeness or timeliness, or for any decision made with the information or recommendation. You acknowledge that we do not give any representation, guarantee or assurance as to any information or the outcome of any investment. Any price, rate or other quotation provided is only indicative, unless otherwise expressly stated, and may be changed without notice until we have confirmed acceptance of your offer. Unless otherwise expressly stated, the prices payable by you do not include, and you will in addition pay, applicable taxes, duties, levies, reasonable fees and expenses.
- 10.5 If we are found to be liable for any damages, our liability will be limited to the amount of the relevant transaction or, if less, your direct damages.
- 10.6 We are not liable for the act or omission of any third party including any goods or service provided by them. We may at your cost perform a service through a third party (and, if we do so, we will use reasonable efforts to appoint a reputable third party) and delegate our powers to a third party. We cannot be responsible to recover a payment you have made to another person, or to resolve a dispute between you and that person.
- 10.7 We need not verify the validity or genuineness of any documents and instruments which we reasonably believe to be genuine.
- 10.8 We do not guarantee receipt by you or us of any communications from or to our website or through other means, or the privacy or security of such communications during transmission. We will encrypt sensitive information such as personal information during transmission through the internet (but not emails).
- 10.9 In any event, our liability shall not exceed the amount of the relevant transaction or the amount of your direct damages, whichever is less.
- 10.10 Conditions 10 (Limit of our liability) and 11 (Your indemnity) apply to the extent permitted by applicable law. For example, in a case where the Control of Exemption Ordinance applies, Conditions 10 (Limit of our liability) and 11 (Your indemnity) will apply only in so far as they satisfy the requirement of reasonableness within the meaning of that Ordinance.
- 11. Your indemnity**
- 11.1 In the absence of our wilful misconduct or negligence, you will indemnify us on demand against any claim, liability or loss, or reasonable expense arising from your instructions or transaction, your account, the provision of a service to you, or these Conditions, and against all expenses (including legal fees) in reasonable amounts and reasonably incurred in the exercise or enforcement of our rights including recovering any sum owing from you or obtaining any advice we consider necessary in relation to the forgoing.
- 11.2 You will indemnify us on demand against any claim, liability or loss, or reasonable expense, arising from any breach by you of these Conditions or the terms of a transaction, or any tax or other levy in connection with your account or a service.
- 11.3 We may employ third party agencies to collect overdue sums from you.
- 12. Set-off and lien**
- 12.1 We may at any time, without prior notice, combine all or any of your accounts anywhere with us whether singly or jointly with others and all your liabilities (whether actual or contingent, primary or collateral, existing or future, matured or not, alone or jointly with others). For such purpose, we may convert any currency into any other currency at our spot rate, and reasonably estimate the amounts of future, contingent or unquantified liabilities. This is not intended to create a security interest.
- 12.2 We may apply any credit balance in your joint account to reduce any liability of one or more of the joint account holders to us.
- 12.3 We may debit one or more of your accounts with the amounts (or part thereof) payable by you.
- 12.4 You may not, without our consent, withdraw or otherwise deal with deposits and other sums payable by us, for so long as you have any present, future, actual or contingent liability (whether or not quantified) to us.
- 12.5 If you have any present, future, actual or contingent liability (whether or not quantified) to us, we may retain any property wherever deposited with or otherwise held by us for or in your name (alone or jointly with others) whether for safe custody or otherwise, and sell them or any part thereof at such price and on such terms as we determine whether by public auction, private treaty, tender or any other method reasonably determined by us. We may apply the net proceeds to reduce your liability.
- 13. Charges**
- 13.1 We may levy any charges (including deposit charges and (except for ATM cards) dormant account charges), fees and commissions in relation to your account or the provision of services to you. We may vary the amount of charges, fees or commissions, or their basis of calculation, upon not less than 30 days' prior written notice (or where a variation is not within our control, upon reasonable notice) to you. The current standard rates are set out in our schedule of fees published from time to time. The schedule of fees is available on request. All fees, charges and commissions payable to us shall be payable by you on demand.
- 13.2 Paid fees and charges are not refundable on early termination of a service. However if you terminate a service as a result of a change of these Conditions by us, we will refund a prorated portion of any fee expressed to be an annual or periodic fee paid for the service unless the amount to be refunded is minimal.
- 14. Changes**
- 14.1 We may vary the services available to you, the manner of operations, the daily cut-off times, the minimum or maximum amount of an instruction, or a maximum limit per day, or suspend or withdraw any service, without notice or liability. We may change our business hours or the hours during which a service is available. Services are provided subject to the conditions determined by us.
- 14.2 We may change any terms or conditions applicable to any service at any time by notice to you. At least 30 (or in the case of ATM cards, 60) days' notice will be given to you before any variation of the terms and conditions which affects fees and charges and your liabilities or obligations takes effect, unless such changes are not within our control. 14 days' notice will be given of other variations. Notwithstanding the foregoing, prior notice of any change to the provisions of the equity-linked deposits will be given in any event.
- 14.3 You will abide by the latest current version of the terms and conditions applicable to any service, although you may have received a previous version at the time of your application.
- 14.4 We shall notify you of any material change to our name, business address, registration status with the Securities and Futures Commission or CE number, or other changes as required under applicable laws and regulations. You agree to notify us of any material change to the information provided by you. In particular, you shall notify us as soon as practicable of any change to your address, telephone number, facsimile number or e-mail address.
- 15. Information**
- 15.1 We may use and disclose any information about you, your accounts, our services to you or any transaction with you (including, if you are an individual, your personal data) collected by us at any time for the purposes (including matching procedures, as defined in the Personal Data (Privacy) Ordinance) and to the persons (in or outside Hong Kong) as referred to in our current statement or policy on personal data.
- 15.2 You request us to contact you on any financial services we believe may be of interest to you.
- 15.3 You confirm that all information you give to us at any time is true and complete in all material respects. You will promptly notify us of any material change to that information. We are authorized to conduct credit and other enquiries to verify the information provided.
- 15.4 The ownership and all copyright and other intellectual property rights of any nature in or relating to our services, website, materials, software or documentation vest in us or, if provided by a third party, in that party. No right, licence or interest is granted to you except a licence to access solely for the purposes of our services.
- 15.5 In relation to any information or materials which you submit to us using our websites or through other means, you grant to us a worldwide royalty-free perpetual licence of any copyright and intellectual property rights in such information or materials for all purposes including the copying, transmission, distribution and publication thereof, unless restricted by applicable law. You agree that we shall not be under any obligation of confidentiality to you regarding any such information or materials unless otherwise expressly agreed or required by law.
- 15.6 You will not copy, disseminate, exploit or change any information (including software) provided by us or use them for any purposes other than for your own reference.
- 16. Evidence**
- 16.1 Our records (whether in paper, microfilm, electronic or any other form) of transactions with you and messages sent to or received from you (including exchange rates) are, save to the extent of manifest error, conclusive and binding on you. You agree that they shall be admissible in the courts as evidence of the existence of the transactions and messages, and of the facts contained in them, to the extent permitted by applicable law.
- 16.2 Our statement as to a rate, calculation or an amount due from you is (in the absence of manifest error) conclusive and binding on you.

- 16.3 We may destroy any instruments or documents relating to your account after recording them in a manner determined by us. Copies of our record of your document will be supplied on payment of a reasonable charge. Records will only be retained for the period determined by us.
- 16.4 We may correct any error in any document or record without prior notice.
- 17. Your representations**
- 17.1 You represent to us that:
- unless you have notified us otherwise in writing, you are the sole beneficial owner of your accounts, free from third party claims or interests and will enter into each transaction as principal and not as agent for any other person;
 - all documents you deliver to us are valid and complete;
 - you have made your own independent decision to enter into each transaction and as to whether the transaction is appropriate for you based upon your own judgment or upon advice from such third party adviser as you consider necessary; you understand and accept the terms and risks of the transaction and will not rely on our advice or recommendation;
 - you have full capacity and authority to perform your obligations under these Conditions and each transaction;
 - the performance and enforcement of your obligations will not violate any law or regulation; and
 - your obligations are legal, valid and enforceable in accordance with their terms.
- 17.2 If you hold a client account, you represent and undertake to us that:
- you have put in place reliable systems to verify client identity;
 - you have proper systems and controls to allocate funds in the pooled account to the individual underlying clients;
 - we may make reasonable enquiries about transactions passing through the accounts; and
 - you are satisfied as to the source of the funds used to open the account or passing through the account.
- 17.3 These representations are deemed repeated on the day each transaction is entered into and will survive termination of our services.
- 18. Our role**
- 18.1 We will use reasonable care in carrying out your instructions on your behalf (unless as act as principal in a transaction with you). Our responsibilities are limited to those expressly set out in these Conditions and our terms and conditions (if any) for the relevant service or transaction. These Conditions apply, to the extent possible, to transactions on your behalf as well as with us.
- 18.2 You authorize us and any person appointed by us to do everything reasonably necessary or desirable for all purposes connected with our services.
- 18.3 We may do or refrain from doing anything that we believe in good faith is required in order to comply with any law, regulation, rule, practice, custom or usage including the rules, codes, guidelines and practices of regulatory authorities, the Hong Kong Association of Banks, exchanges and clearing houses. All such actions and omissions bind you.
- 18.4 We may use the services of agents, brokers, custodians, nominees, correspondents, networks, exchanges, clearing houses and other persons to hold your property or to perform any services. They may be our affiliates. Their terms and conditions of service will apply to your transactions. You will pay their charges, and indemnify us against their reasonable claims. We will use reasonable care in selecting an agent. We will only appoint custodians qualified to act as such under applicable law.
- 18.5 We do not provide legal, financial or tax advice. You will obtain your own advice.
- 18.6 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 your financial situation, investment experience and investment objectives. No other provision of these Conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this condition.
- Note : "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.
- 19. Interpretation**
- 19.1 In the terms or conditions applicable to each account or service, unless the context otherwise requires:
- "banking days" exclude Saturdays afternoon and the days on which banks in the main financial centre for the currency and, where relevant, our overseas office are not open for business;
- "cheque" includes bill, draft, note, order and other payment instrument;
- "signature" includes a chop used as and in place of a signature;
- "our computer system" refers only to the computer equipment and software which are operated under our sole control;
- "including" is not a word of limitation;
- "person" includes any individual, partnership, sole proprietorship, club and society, association and corporation;
- "you" and all references to you include your successors in title and permitted assigns;
- "we" and all references to our bank include our successors in title and assigns;
- any reference to "writing" includes a message sent by or to our computer system;
- any determination of a matter, rate or amount may be made and changed by us from time to time;
- words importing the singular include the plural and vice versa. Any reference to one gender includes all genders. Headings are for ease of reference only
- 19.2 These Conditions are drafted in simple language, and are to be interpreted fairly and liberally. The rule of interpretation against the maker will not apply.
- 19.3 Unless expressly provided to the contrary in these Conditions, a person who is not a party to these Conditions has no right under the Contracts (Rights of Third Parties) Ordinance to enforce or to enjoy the benefit of any provision of these Conditions. Notwithstanding any provision of these Conditions, the consent of any third person who is not a party to these Conditions is not required to rescind or vary these Conditions at any time.
- 20. Miscellaneous**
- 20.1 Before using our service or opening an account, you will comply with our requirements. Each service is only available during the times and subject to the procedures and conditions determined by us. We may refuse access without liability.
- 20.2 These Conditions apply together with our terms, conditions, rules and regulations governing the account or service. The terms, conditions, rules and regulations governing an account or service prevail, if they conflict with these Conditions. These Conditions prevail over your mandate. These Conditions and the terms, conditions, rules and regulations applicable to each account or service apply to all outstanding and future transactions.
- 20.3 You will comply with our rules or regulations for your account or a service. We may change such rules or regulations by notice to you.
- 20.4 We and our affiliates may retain for our or their benefit, without duty to disclose or account, any profit, commission, fee or benefit from any transaction with or for you.
- 20.5 You will do everything reasonably required by us (at the time of or after accepting your instruction) before we execute your instructions.
- 20.6 We need not act until we have received all necessary instructions, funds, property and documents, but may do so. If we do so, we may charge interest and fees, and may terminate or close out any transaction (including a deposit) at your cost. We may on receipt of your instruction debit funds from your accounts, or put a "hold" in your accounts on funds and property, in the amounts reasonably estimated by us to be required to carry out your instruction. Our rights are not affected if we do not do so or by anything done or omitted by us in good faith.
- 20.7 You will only use our services for a lawful purpose.
- 20.8 When it is necessary in our view to protect our interests, we may (but is not obliged to) suspend or freeze any accounts or services. We may freeze your accounts if we have notice that a petition has been presented for your bankruptcy or liquidation, or that a meeting has been called to consider a resolution for your liquidation, or that your partnership has been dissolved, or of any analogous process under any law, or of any third party claim or of your death or mental incapacity, or if there appears in our opinion in good faith to be any irregularity in connection with your account.
- 20.9 You will, where necessary, obtain and maintain at your own cost suitable equipment, facilities and connections (including computer, software and communications connections) to access a service. You are responsible for all telephone, internet service and other charges incurred in using a service.

- 20.10 We may at any time recover from you any erroneous payment.
- 20.11 You may not without our prior consent assign, transfer or encumber your account or any transaction with us.
- 20.12 Our rights are not affected by your death, legal incapacity, bankruptcy or liquidation. Following our notice of your death or incapability, your account can only be operated by your personal or other legal representative upon production of such evidence as required by us.
- 20.13 If your account has more than one holder:
- the obligations of all account holders are joint and several;
 - instructions given by your Authorized Representative or with your password bind all account holders; an Authorized Representative and the signing arrangement may only be changed by all account holders;
 - (unless you are a partnership) upon the death of any account holder, any credit balance and property in the account may be paid or delivered in accordance with the instructions of the survivor after compliance with the Estate Duty Ordinance;
 - we may compromise, discharge or deal with one or more account holders, without affecting the liability of the other holder(s);
 - a notice to any one account holder is deemed effective notice to all holders;
 - we may credit any sum payable to one account holder to the account unless that holder has given other instructions to us;
 - payment or delivery of anything to any one of you discharges our obligations to all of you;
 - any one of you may, by written notice to us copied to the others of you, freeze the account. The account can only be reactivated by all of you; and
 - an account may only be closed in accordance with your authorized signing arrangement.
- 20.14 If you are a partnership:
- no restrictions in your partnership agreement will bind us, and your account will be governed by our documents; all partners, whether general, special or limited, will be jointly and severally responsible;
 - you will give us a new mandate and open a new account on admission of any new partner. Unless expressly released in writing, retiring partners will remain liable;
 - notwithstanding notice of any change in your constitution or dissolution, the remaining partners will have full powers to deal with your accounts in any way. We may open accounts for the new firm in the same name and collect for the new firm any payments designated for the old firm without enquiries; and
 - upon the death of any of you, the balance in the account will belong to the original partners and their estates.
- 20.15 If you hold your account for another person, you accept joint and several, personal responsibility in relation to your account, in addition to the responsibility of that other person. You confirm that you are fully authorized to open, operate and close the account. You will indemnify us against any liability, loss or expense arising from any transaction involving the account.
- 20.16 If your account is a trust account, you confirm that you are fully authorized under the trust to open, operate and close the account without restrictions.
- 20.17 Without affecting other methods of communications, any communication to you posted in our banking halls in Hong Kong or on our website, or sent to your latest address, email address or facsimile number on our record is deemed to be received by you, when posted in our banking halls or on our website or left at such address, or on despatch if sent by email or facsimile, or 2 days after posting or 7 days if posted to an overseas address, notwithstanding its return through the post, and notwithstanding the death or incapacity of the addressee. Any voice message left by us on your telephone recording system (whether or not actually retrieved by you) is deemed to be received by you when left. Any communication to us is effective only when actually received by us.
- 20.18 We may assign or transfer all or any of our rights and obligations.
- 20.19 Our rights are cumulative, may be exercised many times and are not exclusive of any rights or remedies provided by law.
- 20.20 A failure or delay in exercising any of our rights will not operate as a waiver, and a single or partial exercise of any of our rights will not preclude any further exercise of that right or the exercise of any other right.
- 20.21 If any term or condition or part thereof applicable to any service is invalid, all other terms and conditions remain in full force and effect.
- 20.22 The terms and conditions applicable to each service, and all transactions with you, are, unless otherwise expressly agreed, governed by law of the Hong Kong Special Administrative Region. The parties submit to the non-exclusive jurisdiction of the Hong Kong courts.
- 20.23 An account opened with our overseas office is governed by the law of the country where that office is situated and the relevant terms and conditions are construed in accordance with such law. You submit to the non-exclusive jurisdiction of the courts of such country.
- 20.24 A transaction in a foreign country is subject to the law and practice of that country.
- 20.25 The English version of all terms and conditions prevails over the Chinese version. The Chinese version is for reference only.

21. US Dollar / Euro / Renminbi clearing

- 21.1 You acknowledge that the operation of the US Dollar, Euro and Renminbi clearing systems in Hong Kong will be subject to their respective Clearing House Rules and the US Dollar Operating Procedures (as the same may be modified from time to time).
- 21.2 You agree that the Hong Kong Monetary Authority shall not owe any duty or incur any liability to you or other persons in respect of any claim, loss, damage or expense (including loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss) (even if the Hong Kong Monetary Authority knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by Hong Kong Monetary Authority bona fide or by any other parties concerned with any of the above Clearing Houses, or by any other person in the management, operation or use (including the termination and/or suspension of the settlement institution, the Clearing Facilities or any member) of any of the Clearing Houses or the Clearing Facilities or any part of any of them.

22. Stand Alone Notice

The Stock Exchange of Hong Kong Limited endeavours to ensure the accuracy and reliability of the information provided. But The Stock Exchange of Hong Kong Limited and we do not guarantee the accuracy or reliability of any information, and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

B. CURRENT ACCOUNT

- We are not responsible for any loss if you fail to comply with any of the following:
 - Cheques are encoded for your exclusive use and should not be used for another account.
 - Please draw cheques in non-erasable ink or ball-point pen in Chinese or English.
 - You will exercise due care in drawing cheques and will not draw cheques by a means or in a manner which may facilitate alteration, fraud or forgery. Write the amount, in words and figures, as close to each other and to the left-hand margin as possible so as to leave no space for insertions. Add "only" after the amount in words. Use only arabic numerals for figures. The space at the bottom of the cheque is for our use and should be left blank.
 - Please confirm any alteration on a cheque by your full signature. We are not responsible for losses from alterations which cannot be readily detected.
 - A cheque drawn payable to a payee or to his order will be payable to him or another person to whom he has endorsed the cheque. The cheque may be cashed. A "crossed" cheque would not be paid in cash to the holder. A "bearer" cheque is however payable to any person who presents the cheque to us. For your protection, please delete "or bearer" on and cross all cheques not personally delivered by you. Do not pre-sign a cheque in blank.
 - Please apply for a new cheque book by presenting a duly completed and signed Cheque Book Application Form to us. We may, in our discretion, refuse to issue a cheque book.
 - We may deliver a cheque book to you in person or, at your risk, hand it to the bearer of a Cheque Book Application Form or forward it by post to you according to your instructions. Please ensure the correctness of your mailing address and can receive the cheque book safely by mail.
 - On receiving a new cheque book, please check the cheque serial numbers, account number, your printed name and the number of the cheques. Please promptly report any irregularities to us.
 - Please keep your cheque books in a secure place and under lock.
- If you wish to stop payment, please give us full details of the cheque. Please immediately report to us the loss of any cheque (signed, blank or cheque books). We are not responsible for any payment made before we have a reasonable opportunity to act on your request to stop payment or your report of lost cheque. You will on demand indemnify us against any claim, liability or loss, or reasonable expense

arising from non-payment of any cheque countermanded by you.

3. We may return unpaid a cheque which is incorrectly completed, altered without your full signature, mutilated, post-dated or out-of-date. (the validity period of cheque will be 6 months).
4. If several cheques are presented for payment simultaneously, we may determine the order for payment at our discretion and without liability.
5. We may honour a cheque although your account will be overdrawn or an overdraft limit exceeded. We may levy a charge for a dishonoured cheque. We will notify you promptly when your account without pre-arranged credit facilities are overdrawn and the related fees and charges.
6. You may not overdraw your account or exceed an agreed overdraft limit without our prior agreement. Overdrafts are granted at our discretion. Interest and fees will be charged at the rate and in the manner we determine from time to time. We may at any time reduce, cancel, suspend or increase an overdraft facility, or demand immediate repayment of all outstanding amounts and interests.
7. We may at our discretion determine the maximum amount for which a cheque may be drawn.
8. We may on closing your account refuse, without liability, payment of any cheque subsequently presented.
9. You will return all unused cheques to us without delay on closure of your account.
10. You agree that:
 - (a) cheques drawn by you which have been paid may, after having been recorded in electronic form, be retained by the collecting bank or Hong Kong Interbank Clearing Limited ("HKICL") for such period as is stated in the rules relating to the operation of the Clearing House and after this, they may be destroyed by the collecting bank or HKICL as the case may be; and
 - (b) we are authorized to contract inter alia with collecting banks and HKICL in accordance with the terms in paragraph 10(a).
11. Interest accrues daily. If your overdraft account is denominated in:
 - (a) Hong Kong Dollars, Pound Sterling, Singapore Dollars or Thailand Baht, interest will accrue on the basis of a 365 day year;
 - (b) any other currency, interest will accrue on the basis of a 360 day year (or another basis we choose).
12. Uncleared funds are not counteracted towards the unused portion of overdraft facilities.

C. SAVINGS ACCOUNT

1. Interest accrues at such rate, if any, as determined by us. Interest will be credited to your account at the times determined by us.
2. Interest accrues daily. If the credit balance of your savings account is denominated in:
 - (a) Hong Kong Dollars, Pound Sterling, Singapore Dollars or Thailand Baht, interest will accrue on the basis of a 365 day year;
 - (b) any other currency, interest will accrue on the basis of a 360 day year (or another basis we choose).
3. If a passbook is issued for your account:
 - (a) The passbook should be presented for every deposit and withdrawal. Please do not write any entry in the passbook. Please examine the passbook after each transaction and before leaving the counter to ensure that proper entries have been made. Please promptly inform us of any error.
 - (b) If your passbook bears your black light signature, you may, at our discretion, make cash withdrawals from any of our branches in an amount not exceeding the maximum determined by us.
 - (c) The passbook is for your reference only and may not show the correct balance of your account as, for example, deposits or withdrawals may have been made without entry in the passbook. The balance of your account as shown in our records is the correct balance, except for any manifest error. The passbook should be presented to us when required for any interest or unposted items to be entered.
 - (d) Please keep your passbook under lock. Please immediately report loss of the passbook to us. We are not responsible for any payment made before we have a reasonable time to act on your report. A fresh passbook and account number may be issued subject to satisfactory indemnity, explanations and payment of our reasonable charges being given to us.
4. A third party may make withdrawals from a savings account with a passbook, if he proves his identity to our satisfaction and provides:
 - (a) the passbook;
 - (b) an original debit slip signed by you or your Authorized Representative; and
 - (c) an original letter to us signed by you or an Authorized Representative authorizing him to make the withdrawal.
5. We may allow transactions to be carried out over the counter or otherwise without the passbook being produced.
6. Passbooks are our property. They are not transferable. You should not tamper with them in any way.
7. If your account is a statement account, a statement of account will be sent to you every month or at such intervals as determined by us.
8. We may charge reasonable fees or the interest rate applicable may be zero if your account balance is less than the minimum required by us, or if your account is inactive for such time as we notify. Restrictions may apply to an inactive account.
9. In accordance with market practice, we may levy charges on credit balance. If an account is closed within such period of time as set by us from time to time, we may charge a reasonable fee.

D. FIXED, CALL AND PLEASURE SAVINGS DEPOSITS

1. Fixed (including swap), call and pleasure savings deposits may be made in the currency, minimum amounts and for the periods determined by us and as stated in a deposit confirmation / passbook / account statement issued by us.
2. Deposits in Hong Kong dollars may be made for same day value. Deposits in another currency may require 2 banking days' advance notice.
3. A deposit will be evidenced by a deposit confirmation / passbook / account statement issued by us. We may require surrender of the original confirmation in good order in order to withdraw the deposit. A new deposit confirmation will be issued for each renewal. Please examine deposit confirmations / passbook transaction entry carefully and notify us immediately of any error.
4. Deposits may not be uplifted before maturity except at our discretion. Early uplift may result in no interest being payable, and may be subject to a charge in the amount determined by us.
5. A fixed deposit and interest thereon are payable at the end of the fixed period. If the deposit is denominated in a foreign currency, 2 banking days' notice to us is required for its uplift. If you have not given us instructions for withdrawal or renewal, interest will only be payable after maturity at our discretion and at the rate determined by us.
6. Call deposits are repayable at the end of the agreed notice period after you have given to us a withdrawal notice. Interest on call deposits is calculated at the rate, if any, determined by us for the call period on a daily basis and credited on the day the deposit is uplifted.
7. Interest on a deposit is only payable at maturity and is calculated on the principal amount at the agreed rate for the number of days from the effective date of the deposit up to but excluding the maturity date.
8. If a deposit would otherwise mature on a non-banking day, the deposit is repayable on the next banking day.
9. We may (but are not obliged to) pay interest on a matured deposit that is not renewed or withdrawn, at our savings account rate or any other rate determined by us or renew the deposit for the same period at the rate for similar deposits quoted by us at close of business on the renewal date. A deposit to be automatically renewed will carry interest at the rate for similar deposits quoted by us at close of business on the renewal date.
10. Pleasure Savings Deposit
 - (a) The account holder shall choose the term for the deposit and the amount of monthly deposit at the time of opening the account and made deposits as scheduled. If any monthly deposit date falls on the bank holidays, the agreed deposit shall be made on the succeeding business day.
 - (b) No further deposit would be accepted by us if the account holder has not made any deposit for 6 months consecutively.
 - (c) The total amount of principal and interest payable at maturity will be stated in the passbook / account statement. If any instalment has not been paid on time, we may reduce the interest payable by an amount determined by us.

E. AUTOMATIC TELLER MACHINES ("ATM") SERVICE

1. We may issue a card (the "Card") at our absolute discretion so that you may obtain access to your designated account through such Automatic Teller Machines ("ATM"), point of sale terminals and other devices as advised by us from time to time. A Personal Identification Number (PIN) will be issued to you for using your Card. Different Cards may be used with different networks in different places for different purposes, as advised by us from time to time. You will comply with the limits, guidelines and advice from time to time issued by us in respect of the use of a Card. A Card does not entitle you to credit.

2. Your Card may only be used by you (its named holder) and is not transferable. The Card is our property. You will surrender the Card to us on request. You will remain responsible for all transactions on your Card before its return to us.
3. You authorize us to debit your relevant account with the amount of any transaction involving the use of the Card or PIN or both of them. You will designate a primary account to settle transactions effected through your Card. Where available, a secondary account may be designated and may in certain cases be in a currency different from that of the primary account. For a transaction effected through a Card which is denominated in a currency different from the currency of the relevant account linked to the Card, the transaction amount will be converted into the account currency at a rate determined by the network operator or by us. Such conversion will be conclusive and binding on you.
4. The deposit of a cheque or cash into an ATM is subject to our verification, which will be binding on you except for any manifest error. If we are aware of a discrepancy, we will notify you as soon as practicable. Verification may not take place on the day of deposit, and you will not be able to withdraw or use the funds before they are credited to your account. Cash or cheques deposited after our daily cut-off time are deemed to be received on the following banking day. Deposit of coins into an ATM is not allowed.
5. Withdrawals are subject to the limits set by us. An instruction to transfer funds received after our daily cut-off time may be debited to your account on the same day and processed for transfer on the next banking day. We need not make any payment from your account if there are insufficient available funds for a full payment. If a payment is made without sufficient available funds or beyond an overdraft limit, you will repay to us on demand the resulting debit together with interest thereon and charges.
6. In addition to the provisions of Section A, you authorize us to use and disclose your information to the banks, operators and other persons involved in the ATM and point of sale systems.
7. We may levy charges. A replacement Card may be issued subject to conditions and charges at the rate(s) published by us from time to time. A lost Card subsequently found may not be used without our prior agreement.
8. Cancelling a card does not cancel the account.
9. A customer advice issued by, and information shown on, an ATM or other terminal do not bind us.
10. If we are a party to a shared electronic system, we will not avoid liability to you in respect of any loss arising from the use of the Card either caused or contributed by another party to the system.
11. Holders of CMB Wing Lung ATM Card or Credit Card with deposit accounts can make fund transfer through JETCO ATM to deposits accounts of other JETCO member banks that provide Interbank Transfer Services. For details of JETCO member banks that provide such services, please refer to JETCO website: <http://www.jetco.com.hk>.
12. We may debit your accounts with the amount to be transferred immediately upon receipt of your Interbank Transfer requests.
13. The transferred funds will be credited to the transferee's account according to the schedule of the receiving bank. We shall not warrant and be responsible for the timelines of fund deposit.
14. We shall be under no responsibilities in any circumstances to request for refund of any transferred funds from the receiving bank and shall not be under all circumstances liable for the receiving bank's failure to credit the funds to the transferee's account due to any reasons.
15. You acknowledge the risks involved in fund transfer to third party accounts, and agree that we shall not be liable for any delay, failure of funds transfer or any errors in the absence of our negligence, willful misconduct or fraud.
16. If fund transfer cannot be successfully executed due to problems in inter-bank settlement, the debited funds will be returned to you.
17. We reserve the right to amend the terms and conditions, service charge, cut-off time, and transaction limit of the Interbank Transfer service. Please refer to the notice from time to time issued by us.
18. For fund transfer from accounts with other JETCO member banks to the account(s) maintained with us through ATM, we will credit the transferred fund account(s) in accordance with our practice and procedures, and such practice and procedures will be revised and determined by us from time to time at our sole discretion. We reserve the right to reverse any credit made to our account(s) at any time should the paying bank fail to make payments to us for any reason.
19. Upon acceptance of CMB Wing Lung Card or Credit Card with deposit accounts, the terms and conditions stated in these Conditions are deemed to be accepted by and are binding on you.
20. Provided that you have not acted fraudulently or with gross negligence or have not otherwise failed to inform us as soon as reasonably practicable after having found that your Card has been lost or stolen, your maximum liability in the event of such loss or theft of your Card shall not exceed HK\$500. This limit is confined to loss specifically related to the Card account and does not cover cash advances.
21. Provided that you have not acted fraudulently or with gross negligence or have not failed to inform us as soon as reasonably practicable after having found that your card(s) has been misused, you are not responsible for the loss incurred: (a) in the event of misuse when the card has not been received by you; (b) for all transactions not authorized by you after we have been given adequate notification that the card/Password has been lost or stolen or when someone else knows the Password; (c) when faults have occurred in the terminals, or other systems used, which cause you to suffer direct loss unless the fault was obvious or advised by a message or notice on display; and (d) when transactions are made through the use of counterfeit cards.

F. PHONE BANKING SERVICE

1. Phone Banking Service ("Phone Banking") is an automated service which enables our customers to access, by means of telephone, such services as specified by us from time to time. In this section:
 "Account" means an account nominated by you and accepted by us for access by Phone Banking Service;
 "Master Account" means the Account specified as such in the Phone Banking Service application form; and
 "Telephone Instruction" means an instruction given through Phone Banking.
2. We shall supply you with an initial Personal Identification Number ("PIN"). You may at any time alter the PIN through Phone Banking or apply to us in writing for the issuance of another PIN. For the purposes of these conditions the term "PIN" refers to the PIN currently designated by you or approved by us.
3. You acknowledge that Phone Banking is an additional service and shall not be considered as a substitute for other methods of effecting financial transactions. In the event that Phone Banking is not available for any reason (whether or not within our control), you shall have no claim whatsoever against us and shall use other available means to effect financial transactions.
4. You shall bear your own costs and expenses for obtaining and maintaining suitable equipment to access Phone Banking.
5. You may only access Phone Banking during the service hours specified by us from time to time.
6. A Telephone Instruction may not be acted on by us until confirmed by us. We may refuse to act upon a Telephone Instruction without assigning any reason therefor or may defer acting and seek further information with respect to the Telephone Instruction as we think fit.
7. We will transmit a confirmation upon receipt of a Telephone Instruction. You shall ensure that the confirmation agrees with the Telephone Instruction and shall transmit a re-confirmation within the time specified by us. A Telephone Instruction cannot be countermanded after it has been re-confirmed.

G. NET BANKING SERVICE / MOBILE BANKING SERVICE / WECHAT PAY SERVICES

1. **NET Banking Service / Mobile Banking Service**
- 1.1 NET Banking is an automated service which allows our customers to access financial services through the internet. Mobile Banking is an automated service which allows our customers to access financial services through selected models of mobile equipment.
- 1.2 Transactions and dealings effected by using the NET Banking web site or the Mobile Banking service are subject to these Conditions and other related terms and conditions issued by us from time to time. Where there is any discrepancy between these Conditions and the other related terms and conditions, these Conditions shall prevail for the purposes of the NET Banking services and Mobile Banking services.
- 1.3 NET Banking and Mobile Banking are only available in the places where we are authorized to providing the relevant services.
- 1.4 You may apply for NET Banking service either personally at our branch office, or online. If you choose to apply personally at our branch office, you must sign an application and obtain in person your Password from our designated office. We may reject your application, without giving any reason. It is important for your protection that you immediately change/assign your Password after you have accessed NET Banking for the first time. If you choose to apply online, you must follow the instructions on the NET Banking website and set a password.
- 1.5 Two-factor authentication by using a security token prescribed by us is mandatory for certain transactions notified by us from time to time. You must follow the directions and procedures as specified by us from time to time for token activation using the security token, failing which you may not be able to carry out transactions using the security token. You may request to replace a security token if it

malfunctions, runs out of battery or is lost. We will impose a service charge where the token is physically damaged, lost or if you fail to return the token to us upon termination of your NET Banking or Mobile Banking services (if applicable). You will not temper with, copy, exploit or otherwise deal with the security token except using it in accordance with these Conditions. Where we provide you with a security token, you agree to complete its activation process within the activation period where necessary.

- 1.6 Before you can access Mobile Banking, you must register for our NET Banking Service. We may reject your application without giving any reason.
- 1.7 You acknowledge that NET Banking and Mobile Banking are provided as an additional service or channel to receive instructions from you, and shall not be considered as a substitute for other accepted methods of giving instructions. You will use other methods or channels to give instructions to us if electronic services are not available.
- 1.8 Messages sent through NET Banking or Mobile Banking shall be treated as if they had been made in writing and signed by the sender. The parties waive any rights to contest the validity or enforceability of a contract effected through NET Banking or Mobile Banking on the ground that it was effected electronically.
- 1.9 As between the parties, a contract effected through NET Banking or Mobile Banking is concluded in Hong Kong and at the time when our final confirmation (showing a transaction number) of your instructions is dispatched by our computer system. If you do not receive such confirmation, you must subsequently check on the page "Net Transaction History" or "Transaction History" on the NET Banking web site, or the page "Account Transaction History" or "Transaction History" on the Mobile Banking webpage (as the case may be).
- 1.10 In general, an instruction once given and accepted cannot be altered or cancelled. However, an instruction to sell or buy securities and standing instructions may be altered or cancelled before execution.
- 1.11 Our computer data records of NET Banking transactions, Mobile Banking transactions and messages (including applicable exchange rates) are, save to the extent of manifest error, conclusive and binding on you. You agree that they shall be admissible in the courts as evidence of the existence of the transactions and messages, and of the facts contained therein, to the extent permitted by applicable law. Transactions and messages as shown on your computer are for your reference only.
- 1.12 All your instructions will be processed automatically by our computer system, without opportunity for oversight. You agree that any manual processing, for example, to complete a cashier order which you have purchased through NET Banking or Mobile Banking, will be a purely administrative task.
- 1.13 You are regarded as having received a communication when it is dispatched by our computer system or posted on our NET Banking web site or Mobile Banking webpage. The dispatch and receipt of communications through NET Banking or Mobile Banking are regarded to take place in Hong Kong.
- 1.14 You will not use NET Banking or Mobile Banking for any purpose other than to access an available service. You shall ensure that the content of a message sent by or on your behalf through NET Banking or Mobile Banking is not inconsistent with applicable law.
- 1.15 If your instruction has not been accepted by NET Banking or Mobile Banking for any reason (for example, insufficient account balance, or after cut-off time), please try again. NET Banking and Mobile Banking will not reprocess your instruction automatically. Our systems may process your instruction without checking even if it conflicts with other information.
- 1.16 We may download certain information including your identification data to your computer or access device, if allowed under our Privacy Policy statement. You acknowledge that certain transactions cannot be processed through NET Banking or Mobile Banking without the use of cookies.
- 1.17 Records will be retained in our system or website for the period determined by us.
- 1.18 You agree to comply with the operational instructions from time to time in force for NET Banking and Mobile Banking including those for security purposes. Please read these instructions, which set out fees and charges, and may affect your rights and obligations.
- 1.19 The NET Banking web site and Mobile Banking webpage are hosted by us and are connected to the internet via an independent service provider, which is not our agent for any purpose. We have used reasonable efforts to appoint a reputable provider, but otherwise do not assume any responsibility in respect of the provider. We make no representation that the material and information contained in the NET Banking web site or the Mobile Banking webpage is appropriate or available for use in other locations or jurisdictions.
- 1.20 The distribution of the NET Banking web site's materials and Mobile Banking webpage's materials may be restricted by law in certain jurisdictions. It is your responsibility to find out what those restrictions are and observe them.
- 1.21 The information and material on the NET Banking web site and the Mobile Banking webpage shall not be regarded as an offer, solicitation, invitation, advice or recommendation to buy or sell investments securities or any other instrument or bank product of us or any other issuer. The information and materials contained in the NET Banking web site and Mobile Banking webpage is provided for information only and should not be used as a basis for making business decisions. We may use any updated information available at the time of executing your instruction, and the resulting transaction will be binding on you notwithstanding that different information may have been provided on a NET Banking web site or Mobile Banking webpage.
- 1.22 Use of the products or services described at the NET Banking web site or the Mobile Banking webpage may not be permitted in some countries and if in doubt, you should check with your local legal advisor, regulator or authority before requesting information. We do not possess any licensing or regulatory status in any jurisdiction other than Hong Kong and we will not offer any of its products or services described herein to persons or entities resident in countries where licensing or registration under their local law is required for its provision of such products or services.
- 1.23 Products and services are available only at our discretion, subject to the products and services individual contractual terms and conditions on which they are offered and such products and services may be withdrawn or amended at any time without notice. The full range of products or services may not be available in all locations.
- 1.24 We may terminate your access to the NET Banking website and the Mobile Banking webpage and the use of NET Banking service and Mobile Banking service (a) for cause at any time with immediate effect by notice to you at the time of such termination or as soon as practicable thereafter; or (b) with notice to you of not less than 30 days (or such shorter period as we may in our reasonable discretion determine if such termination is due to circumstances beyond our reasonable control).
- 1.25 We reserve the right in our discretion to change any information or material contained on the NET Banking website, the Mobile Banking webpage and the provisions under which the NET Banking website and the Mobile Banking webpage is used provided that any change which affects fees and charges payable by you and/or your liabilities or obligations hereunder shall take effect only 30 days after such change has been notified to you (whether by posting on the NET Banking website, the Mobile Banking webpage or otherwise).
- 1.26 All holders of a joint account are jointly and severally responsible to us for an instruction given through NET Banking or Mobile Banking in respect of the account. Any requirement in the mandate for joint signatories shall be regarded as satisfied by the use on NET Banking or Mobile Banking of the correct Logon ID and Password for the account.
- 1.27 Changes in the Authorized Representatives of your account will not affect operation through NET Banking or Mobile Banking by using your Logon ID and Password. If you wish, you must change your Password immediately.
- 1.28 "Our computer system" refers only to the computer equipment and software which are operated under our sole control.
- 1.29 You will not remove, obliterate, alter, circumvent or interfere with the operation of our services or website. You will not alter any form or program downloaded by you without our consent.
- 1.30 You will obtain and maintain at your own cost suitable equipment, software and connection to the internet to access NET Banking and Mobile Banking. You are responsible for all telephone, internet service and other charges incurred in using NET Banking and Mobile Banking. We will not be responsible for any inability to access NET Banking or Mobile Banking or any incorrect representation of NET Banking or Mobile Banking on your screen, arising from your equipment, software or connection.
- 1.31 You acknowledge that each part of the NET Banking website and Mobile Banking webpages is the property of us or a third party, and is subject to the copyright and/or other intellectual property rights of us or any third party. No such rights are conferred or transferred to you. You will not (and will not attempt to) decompile, reverse engineer, translate, convert, adapt, modify, enhance, add to, delete or in any way tamper with, or gain unauthorised access to, any NET Banking website, Mobile Banking webpage, NET Banking or Mobile Banking.
- 1.32 You agree that we may displace details of any transaction or your accounts in a message sent to your mobile phone number.
- 1.33 You will not sell, disclose, publish, transmit, duplicate, reproduce, distribute, prepare derivative works based on, repost or otherwise use any NET Banking website or Mobile Banking webpage in any way for any public or commercial purpose.
- 1.34 Downloading or installing any program or data from and using NET Banking or Mobile Banking are at your own risk and we accept no liability for any loss, damage or expense arising directly or indirectly from any virus, trojan horse, worm, software bomb or any other software or program. You have sole responsibility for the protection and back-up of your data and equipment.
- 1.35 We do not warrant or guarantee the accuracy, reliability, adequacy, timeliness or completeness of any NET Banking website or Mobile

Banking webpage or that any information is fit for any purpose.

- 1.36 You should be aware that use of NET Banking or Mobile Banking will expose you to risks associated with mobile, computer-based or other electronic systems, the internet and other public networks, including disruption, interception, corruption, interruption or loss of transmissions, or suspension, unavailability, delay, malfunction, breakdown, inadequacy or failure of systems, hardware or software. The result of a failure may be that your order is not executed according to your Instruction or is not executed at all.
- 1.37 While we have endeavoured to ensure your personal information will be secured and confidential, we will not be liable for any loss, damage, interception or misuse of your information beyond our reasonable control.
- 1.38 We do not endorse any information or material supplied by any third party.

2. WeChat Pay Services

- 2.1 The WeChat Pay Services ("WeChat Pay Services") forms part of our Mobile Banking Services. Accordingly, for the purpose of this section G(2), references to "Mobile Banking" in Section G (NET Banking Services / Mobile Banking Services / WeChat Pay Services) of Part I (GENERAL CONDITIONS) of these Conditions include references to the WeChat Pay Services. This section G(2) is in addition, and without prejudice to, the other provisions of these Conditions.
- 2.2 The WeChat Pay Services utilizes a mobile application ("App") that may be developed and maintained by an independent service provider ("ISP").
- 2.3 In order to use the WeChat Pay Services, you will have to download the App directly from Apple App Store or Google Play. You will also need to register such number of personal accounts (as we may permit from time to time) with us as operative accounts and other information under the WeChat Pay Services and, if required, take other actions as may from time to time be required by us or the ISP. All transactions effected through the WeChat Pay Services will be shown in the account history of such operative accounts.
- 2.4 You acknowledge and agree to the disclosure by us to the ISP of all your data and information as may from time to time be required for the purposes of the WeChat Pay Services. We are not responsible for any use or other act or omission of the ISP in relation to your data and information.
- 2.5 By using the WeChat Pay Services, you agree that we may process and act, without any further enquiry, on any data, information and instructions transmitted to us via the App purportedly on your behalf. We are not responsible for the accuracy, completeness or timeliness of such data, information and instructions.
- 2.6 You acknowledge and agree that the WeChat Pay Services will permit direct access to your registered personal accounts, including payments, transfer of funds, browsing the history of your transactions and browsing account balances, etc. You acknowledge and agree that we may collect and store the unique identifier of your electronic device (i.e. SEID number) and type of electronic device to enable eligibility checking of the WeChat Pay Services for the purpose of account registration and maintenance. If you do not allow us to use such information, your application to register and use the WeChat Pay Services may not be accepted.
- 2.7 The ISP is not our agent for any purpose and is solely responsible for the functions and operations of its App which may be changed from time to time by the ISP. You may contact us for matters relating to registration, activation, suspension or de-registration of account for the WeChat Pay Services. You should contact the ISP for the use of the WeChat Pay Services or other related customer services.
- 2.8 We are not responsible for any loss, damage or expense arising from any malfunction, failure, unauthorized interception, corruption, loss, error or delay in connection with your use or operation of the App or from the App or from any act or omission of the ISP. We are not responsible for, or to resolve, any dispute between you and the ISP.
- 2.9 In the absence of our willful misconduct or negligence, you will indemnify us on demand against any claim, liability or loss, or reasonable expense arising from your use of the WeChat Pay Services or our acting on any data, information or instructions transmitted to us via the App purportedly on your behalf.
- 2.10 You agree to comply with all applicable laws and regulations, whether in or outside Hong Kong, in relation to your use of the WeChat Pay Services.
- 2.11 You may de-register and account for the WeChat Pay Services from the electronic device or in such other manner as specified by us or the ISP from time to time, provided that you shall remain liable for all transactions effected through the WeChat Pay Services notwithstanding such de-registration until all sums due under the account (whether or not posted to the account) are paid in full and you have duly complied with the Bank's requirements and paid all applicable fees and charges.
- 2.12 We may at our discretion restrict, suspend or de-register any registered account at any time without notice.

H. E-STATEMENTS / E-ADVISES SERVICE

1. The e-Statements / e-Advices service ("Service") is at all times provided to you if you :
- are a user of CMB Wing Lung NET Banking;
 - are a user of Mobile Banking;
 - possess a valid and up-to-date email address or a valid telephone number (as the case may be) that has sufficient capacity at all relevant times to receive the statement alert; or
 - possess a mobile device or telecommunications equipment capable of receiving and reading the e-statement, as determined by us from time to time.
2. We will send a statement alert to your designated email address or telephone number (as the case may be) via secured means. We may, in our discretion, send a message to your email address or telephone number (as the case may be) last registered with us to notify you that the e-statements / e-advices have been placed on your NET Banking account for your review and download. All e-statements and e-advices placed in your NET Banking account, or a statement alert sent or re-sent under the Service to your email address or telephone number (as the case may be), shall be deemed to be delivered to you. It is your responsibility to frequently and periodically check your email address or Mobile Banking app to acquire such notices.
3. Once you have registered with the Service, the corresponding statements and advices (i.e. in their paper form) will no longer be sent to your mailing address or by any other means unless otherwise stipulated. Your e-statements / e-advices may be reviewed on your NET Banking account, which will only be made available there for a designated period of time determined by us from time to time. Such contents and records shall be binding upon you irrespective of whether or not they have been reviewed and/or saved by you. These Conditions are not intended to and will not supersede or replace the existing general terms and conditions governing your Accounts and your use of other products and services offered by us. These Conditions shall be deemed and reviewed as supplementary to such general terms and conditions. In the event of inconsistency or conflict between these Conditions and other terms and conditions, these Conditions shall prevail where the service is concerned.
4. Once you have registered your account(s) for the Service, it is deemed that you agree and accept to receive the e-statements/e-advices which have been provided or to be provided from the account(s) by electronic means.
5. If you have registered for the Service which requires your acknowledgement/ response to the e-statements/e-advices from the account(s), you agree to download, store and print the corresponding documents and reply to us within a reasonable time.
6. During such time when you are registered with the Service, you may in addition request for the corresponding statement/ advice in paper form (irrespective of whether or not such e-statements / e-advices is still available on your NET Banking account), but such a request is at all times subject to the service charges as we shall determine from time to time.
7. You warrant that all particulars given to us for the purposes of or in connection with the Service are complete, accurate and up-to-date at all relevant time and undertake to notify us as soon as practicable of any changes thereto including, without limitation, your email address and telephone number.
8. You agree to open, read or access and carefully review and examine all e-statements / e-advices sent to you in a timely manner and advise us as soon as possible, of any errors, discrepancies, unauthorized transactions or other irregularities arising from whatever cause, including, without limitation, forgery, fraud, lack of authority or your negligence or negligence of another person(s)("Errors").
9. You agree that the e-statements / e-advices shall, as between us and you, be conclusive evidence as to the balance shown therein and that the e-statements / e-advices 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 in respect thereof unless you notify us of any such errors within 60 days where the e-statements / e-advices is a monthly credit card e-statements / e-advices and 90 days for all other e-statements / e-advices after we have sent the statement alert to your email address or telephone number (as the case may be).
10. After reviewing your e-statements / e-advices on your NET Banking Account, you may download, save or print out the related document as reference.
11. You understand that internet, mobile phone and email services may be subject to certain IT risks and disruption.
12. You shall bear any fees, charges or expenses which may be imposed by any telecommunications company (whether or not designated by

- us) providing or servicing your telecommunications equipment in connection with the Service.
13. We may re-send to the email address or telephone number (as the case may be) any statement alert which, in our opinion, has failed to reach you the first time we sent it. This will be done in accordance with our procedures for re-sending that statement alert, if any, as designated by us from time to time. If, in our opinion, the statement alert sent or re-sent further to your email address or telephone number (as the case may be) has failed to reach you, we may, in our sole discretion, notify you of the same using such means as we deem appropriate and you must comply with any instructions we may specify in such notices. We may, but shall not be obliged to, forward the corresponding statement or advice of that particular e-statements / e-advice to the mailing address you have last registered with us. We may also, in our sole discretion, stop sending the said e-statements / e-advice or even all other e-statements / e-advice in the future and we may dispose of the said statement alert as we shall decide including, without limitation, deleting or removing the same from our system and record.
 14. You may terminate the Service and any other related service (if applicable) by notifying us with at least of 3 business days in such manner as we may prescribe from time to time.

I. CMB WING LUNG CORPORATE NET BANKING SERVICES

1. CMB Wing Lung Corporate NET Banking is the automated internet banking services from time to time provided by us to you, which enable you to give instructions to, contract with, obtain information from and/or have access to or use any service provided by, us on or through the Website. In this section:
 - "Administrator" means any User who is appointed by you (or if allowed by us, other Administrator) as administrator to have access to and/or use the CMB Wing Lung Corporate NET Banking on your behalf.
 - "Authorizer" means any User who is appointed by the Administrator as authorizer to have access to and/or use the CMB Wing Lung Corporate NET Banking on your behalf.
 - "Company ID" means any identification phrase, name, code or number provided or accepted by us, or adopted by the you, as such for identifying you in your accessing and/or using CMB Wing Lung Corporate NET Banking.
 - "Electronic Instruction" means any instruction, request, application, message, data or communication given or delivered by you to us through the Website in respect of the CMB Wing Lung Corporate NET Banking.
 - "Logon ID" means, in relation to any User, any identification phrase, name, code or number provided or accepted by us, or selected or adopted by you or the User, as such for identifying the User in his accessing and/or using the CMB Wing Lung Corporate NET Banking on your behalf.
 - "Operator" means any User who is appointed by the Administrator as operator to have access to and/or use the CMB Wing Lung Corporate NET Banking on your behalf.
 - "Our Computer System" means any computer equipment and software for providing or otherwise in connection with the CMB Wing Lung Corporate NET Banking, which are operated under our control.
 - "Password" means any identification number, Security Code or any other password that is issued to or adopted by you or any User as such to enable you and/or the User to have access to and/or use the CMB Wing Lung Corporate NET Banking.
 - "Security Code" means a one-time password or identification number which is generated by a Security Device to enable a User to have access to and/or use the CMB Wing Lung Corporate NET Banking.
 - "Security Device" means any security token or any electric device which provides user identification, digital signature generation or other device, equipment, machine or method that designated by us for use by a User to generate a Security Code.
 - "User" means any Administrator, Authorizer, Operator or any other user who is authorized to have access to and/or use the CMB Wing Lung Corporate NET Banking on your behalf.
 - "Website" means the website or websites designated by us on or through which we may provide and/or you may have access to and/or use the CMB Wing Lung Corporate NET Banking.
 - "The Group" means CMB Wing Lung Bank Limited and its subsidiaries.
2. The scope and types of service made available by us, the applicable restrictions and transaction limits, the cut-off times and dates applicable to a particular type of service, the applicable service fees and other features in respect of the CMB Wing Lung Corporate NET Banking will be determined by us from time to time at our absolute discretion. We may at our discretion add to, modify, restrict or suspend the CMB Wing Lung Corporate NET Banking at any time without notice.
3. We may reject any of your applications or Electronic Instructions given through the CMB Wing Lung Corporate NET Banking or delay processing any such application or Electronic Instructions, without giving any reason.
4. We may suspend the CMB Wing Lung Corporate NET Banking from time to time for routine, non-routine or emergency maintenance but we may use our best endeavors to give you notice prior to the suspension where practicable.
5. You shall not use the CMB Wing Lung Corporate NET Banking for any purpose other than accessing and/or using an available service provided by us. You shall ensure that the contents of any Electronic Instruction sent through the CMB Wing Lung Corporate NET Banking will comply with and will not violate any applicable law.
6. We may appoint or engage any third party to provide any service of the CMB Wing Lung Corporate NET Banking and such party shall have the benefit of any provisions of these Conditions which limit our liability.
7. You agree to keep us indemnified against any claim, action, proceedings, liability, cost, expense, loss and damage suffered by us or any member of the Group arising from or in connection with (whether directly or indirectly) your improper or negligent use of the CMB Wing Lung Corporate NET Banking, or your failure to comply with any provision of these Conditions, or any other act or omission or circumstances arising out of or relating to these Conditions (other than such act or omission amount to our gross negligence or wilful misconduct).
8. These Conditions are additional to our other relevant terms and conditions governing the account or transaction or service effected through the CMB Wing Lung Corporate NET Banking. In case of any inconsistency between these Conditions and those terms and conditions and unless otherwise stated herein, the former shall prevail to the extent of inconsistency in respect of the transaction effected through the CMB Wing Lung Corporate NET Banking.
9. You, and you shall ensure that all Users, shall comply with all requirements, instructions or recommendations relating to security (including but not limited to the use, registration and activation of Company ID, Logon ID, Password, and/or Security Device) as we may prescribe from time to time in relation to the CMB Wing Lung Corporate NET Banking.
10. You agree to be responsible for the set-up, control and management of security measures in relation to the access to and use of the CMB Wing Lung Corporate NET Banking, especially security measures relating to control of computer or device use or computer anti-virus, Password, Security Device and information.
11. You hereby acknowledge receipt of our warning that Company ID, Logon ID, Password and Security Device are important means of protection for you. You shall, and shall ensure that all Users shall use all reasonable care to keep them secret and prevent unauthorized use thereof. You are responsible for the confidentiality and use of any Password and Security Device. You agree to hold us harmless if any other person uses or obtains possession of any Password and/or Security Device.
12. Whenever we provide you or any User with a Security Device, you shall ensure that the activation process is completed within the activation period where necessary. You must follow the directions and procedures as specified by us from time to time relating to device activation and access to the CMB Wing Lung Corporate NET Banking using the Security Device, failing which you may not be allowed to have access to the CMB Wing Lung Corporate NET Banking.
13. We grant you a non-exclusive, non-transferable licence to use the Security Devices for the sole purpose of facilitating your access to, and use of the CMB Wing Lung Corporate NET Banking. Neither you nor any User will acquire any rights whatsoever to any Security Device. All Security Devices shall at all times remain our property and shall be returned to us on demand and upon termination of the CMB Wing Lung Corporate NET Banking. We reserve the right to terminate, suspend, deactivate, decline to renew or replace any Security Device without notice. We make no warranty (express or implied) as to the quality, merchantability or fitness for purpose of any Security Device.
14. You may request us to replace a Security Device if it malfunctions, runs out of battery or is lost. We have the right to charge you a service charge if the Security Device is physically damaged or lost. You shall ensure that the Security Device is not tempered with, copied, exploited or otherwise dealt with except where it is used for accessing a service provided by us. We shall not be liable for any loss or damage suffered by you which directly or indirectly caused by your or any User's use of or inability to use the Security Device.
15. We may at any time modify all or any of the security procedures established for the CMB Wing Lung Corporate NET Banking, including, but not limited to, modification of the rules of operation, delivery of any Password or Security Device and authentication procedures.

16. You agree that our security procedures for the CMB Wing Lung Corporate NET Banking, in combination with your own security measures, are adequate for the protection of your and all Users' interests.
17. You shall notify us immediately by telephone at 852 3711 7900 if you or any User finds out or believes that any Company ID, Logon ID, Password or Security Device has been compromised, lost or stolen or that any unauthorized transaction has occurred. You shall confirm your report to us in writing within 24 hours thereafter. You shall be responsible for all unauthorized transactions involving the use of any such Company ID, Logon ID, Password or Security Device prior to our receiving such notice and we having a reasonable opportunity to take action in respect of such notice.
18. An Administrator is authorized by you to carry out the following functions and/or transactions on your behalf in respect of the CMB Wing Lung Corporate NET Banking:
- Gaining access to the CMB Wing Lung Corporate NET Banking;
 - Viewing, adding and deleting the registered service types or accounts in your name which may be accessed, effected or operated through the CMB Wing Lung Corporate NET Banking;
 - Viewing and reducing any transaction limit settings;
 - Viewing the profiles of any Administrator, Authorizer and Operator;
 - Setting up and editing the profiles of any Authorizer and Operator;
 - Suspending, activating and removing any Authorizer and Operator;
 - Setting up and editing the authorization limits and authorization class of any Authorizer;
 - Adding new Administrator, Authorizer or Operator;
 - Managing the usage ability of certain service types or accounts by any Authorizer and Operator (including the authority of viewing the balances of the registered accounts);
 - Viewing and editing any authorization matrix of service type;
 - Viewing any audit trail report;
 - Suspending and restoring the CMB Wing Lung Corporate NET Banking; and
 - Other functions we may specify from time to time.
- For the avoidance of doubt, subject to the above provisions of this Condition, we are entitled not to allow any Administrator to give any instructions for, or approve, any transactions by Electronic Instructions in such capacity.
19. Any Administrator, subject to Condition 18 and any contrary written instructions or mandate from you to us (other than by Electronic Instructions) specifically referring to the CMB Wing Lung Corporate NET Banking, is authorized by you to complete and sign any notice, application or document of whatever nature on your behalf in connection with the CMB Wing Lung Corporate NET Banking and any transaction contemplated by these Conditions.
20. An Authorizer is authorized by you to carry out the following functions and/or transactions on your behalf in respect of the CMB Wing Lung Corporate NET Banking:
- Gaining access to the CMB Wing Lung Corporate NET Banking;
 - Viewing information or transactions which are authorized in such capacity;
 - To give or approve any Electronic Instructions to us; and
 - Other functions we may specify from time to time.
21. An Operator is authorized by you to carry out the following functions and/or transactions on your behalf in respect of the CMB Wing Lung Corporate NET Banking:
- Gaining access to the CMB Wing Lung Corporate NET Banking;
 - Viewing information or transactions which are authorized in such capacity;
 - To give Electronic Instructions to us, subject to any necessary approval of Authorizer(s); and
 - Other functions we may specify from time to time.
22. It is your sole responsibility to define the profile of the Users, their appointment and their withdrawal, regardless as to whether or not any User is your employee or agent. You acknowledge and agree that the Users' profiles, their appointment and their withdrawal may be effected through an Administrator and you shall be bound by the designation of profiles, appointments and withdrawals of any User made by any Administrator from time to time. You shall ensure that, at all times, each User has the necessary powers and authorization required for accessing to and using the CMB Wing Lung Corporate NET Banking on your behalf. We shall in no event be liable for the lack of powers of any designated User. You agree to be bound by any use of the CMB Wing Lung Corporate NET Banking and any instruction and transaction given or made by any User. Any such instruction and transaction shall be deemed to have been given or made on your behalf.
23. All Electronic Instructions shall be valid and binding on you without any need of any further confirmation as if they were given in writing and signed by you. You waive any right to contest the validity or enforceability of a contract or transaction effected through the CMB Wing Lung Corporate NET Banking on the ground that it was effected electronically.
24. An Electronic Instruction given by the use of your or any User's Company ID, Logon ID, Password and/or Security Code is valid, deemed to be authorized by you and conclusively binding on you, regardless of whether your mandate for the account may require different authorizations, signatures or signing arrangement.
25. The authorizations given to any User to have access to and use the CMB Wing Lung Corporate NET Banking on your behalf are separate from, and will not be affected by any change in, other authorization or mandate given by you for any authorized signatory to operate any of your accounts.
26. You agree that any transaction alert delivered through any channels (including but not limited to email, phone, ATM) designated by us from time to time may be disclosed to any Administrator, Authorizer or Operator.
27. Any contract effected through CMB Wing Lung Corporate NET Banking is deemed to be concluded in Hong Kong. The transaction record may be found on the page "Online Transaction History" on the Website which is for your reference only.
28. Our computer data records of any Electronic Instructions and all related transactions and messages (including applicable exchange rates) are, save to the extent of manifest error, conclusive and binding on you. You agree that they shall be admissible in the courts as evidence of the existence of the transactions and messages, and of the facts contained therein, to the extent permitted by the applicable law. Transactions and messages as shown on your computer or access device are for your reference only.
29. All your Electronic Instructions will be processed automatically by Our Computer System. You agree that any manual processing, for example, to complete a cashier order which you have purchased through CMB Wing Lung Corporate NET Banking, will be a purely administrative task.
30. We are not obligated to check the authenticity, accuracy or completeness of any Electronic Instruction or the authority of the person giving it. We may regard an Electronic Instruction as valid and conclusively binding on you notwithstanding any error, inaccuracy, incompleteness, lack of clarity or fraud in the contents of or in connection with the Electronic Instruction. We shall not be liable for any loss or delay arising from or in connection with any such Electronic Instruction.
31. We may regard each of your Electronic Instruction as a separate Electronic Instruction notwithstanding that it is or appears to be a duplicate, unless within reasonable time we are informed by you in writing (other than by an Electronic Instruction) in advance that it is a duplicate and we have not acted or relied on it.
32. Any Electronic Instruction, once given, may not be amended, revoked or withdrawn without our consent. If you request us to modify or cancel any Electronic Instruction, we will make efforts to such request on a reasonable and commercially practicable basis. However, we are not obligated to comply with your such request.
33. We may at any time refuse to act on or delay acting on an Electronic Instruction without prior notice if:
- we suspect the authenticity of an Electronic Instruction or the authority of the person giving it;
 - we suspect or, in our opinion, consider that there is any error, inaccuracy, incompleteness, lack of clarity, illegality, fraud in the contents of or in connection with the Electronic Instruction or that the Electronic Instruction may have been withdrawn, revoked, ineffective or expired;
 - any applicable limit (including any transaction limit, limit on the authority of the relevant User or otherwise) imposed by us or you, whichever is lower, would be exceeded if we act on the Electronic Instruction;
 - your relevant account does not have sufficient fund to carry out the transaction pursuant to the Electronic Instruction; or

- (e) it would be inconsistent with any of our regular business practices or procedures for us to act on the Electronic Instruction.
34. Any Electronic Instruction received by us after our service cut-off time or outside our normal banking hours may not be processed by us until our next business day.
 35. The CMB Wing Lung Corporate NET Banking are only available and accessible in such countries and in such manner as determined by us from time to time at our absolute discretion. We shall not be liable for any loss or damage suffered by you as a result of your not being able to have access to or use the CMB Wing Lung Corporate NET Banking outside Hong Kong due to whatever reason.
 36. You acknowledge that the security and encryption measures used for accessing to or using the CMB Wing Lung Corporate NET Banking may be illegal in other jurisdictions outside Hong Kong. You must ensure that any use or access to the CMB Wing Lung Corporate NET Banking is permitted by the local law before you attempt to have access to or use the CMB Wing Lung Corporate NET Banking outside Hong Kong. We shall not be liable for any loss or damage suffered by you as a result of your not being able to legally have access to or use the CMB Wing Lung Corporate NET Banking in these jurisdictions.
 37. We will not be responsible for your failure to have access to or use the CMB Wing Lung Corporate NET Banking, or any incorrect information howsoever arising from your equipment, computer, device, software or connection.
 38. We shall in no event be liable for any loss, damage or expense arising from our not providing two-factor authentication for any services or transactions.
 39. Any hyperlink to other websites which may be available through the Website or the CMB Wing Lung Corporate NET Banking are provided for your convenience only. They are not our recommendation or endorsement of the websites. We will not verify their status or authenticity and we are not responsible for any content of such websites.
 40. We shall not be liable for any loss or damage caused by any equipment, device, software or information manufactured or provided by any third party in relation to the access to or use of the CMB Wing Lung Corporate NET Banking.
 41. Where we are negligent or commit a wilful misconduct, we shall only be liable for direct and reasonably foreseeable loss and damage (if appropriate) you suffer arising directly and solely therefrom.
 42. We shall not be liable for any loss or damages suffered by you arising from or in connection with the quality and use of the Security Device.
 43. The Website is hosted by us and is connected to the Internet via an independent service provider, which is not our agent for any purpose. We have used reasonable efforts to appoint a reputable service provider, but will not assume any responsibility for any act or omission of the service provider.
 44. You may terminate the CMB Wing Lung Corporate NET Banking available to you at any time by notifying us. This will not terminate your accounts with us.
 45. We may terminate the CMB Wing Lung Corporate NET Banking available to you at any time, without giving any reason. Our notice of termination dispatched through the CMB Wing Lung Corporate NET Banking or made available on an attempted access with your Company ID, Logon ID, Password and/or Security Code shall have immediate effect.
 46. If either we or you terminate the CMB Wing Lung Corporate NET Banking available to you, you must return all Security Devices to us immediately upon such termination, otherwise we may charge you all the related service charges and fees. The licence granted by us under Condition 13 in respect of any Security Device shall be automatically terminated upon termination of the CMB Wing Lung Corporate NET Banking.
 47. Termination of the CMB Wing Lung Corporate NET Banking available to you will not affect any accrued rights or obligations. Condition 28 shall survive termination. Any transaction which has been initiated prior to the termination date that has not been fully executed, will not be rescinded (unless we, in our sole discretion, determines otherwise) and shall remain subject to these Conditions until fully completed.
 48. Where you are a partnership, your agreement under these Conditions will continue in force notwithstanding any change of name of the partnership, admission of new partner(s) or any partner ceasing to be a member of the partnership by reason of death or otherwise.
 49. You agree to comply with any operational instruction from time to time specified by us for CMB Wing Lung Corporate NET Banking. These instructions may be posted by us on or via the "Smart Tips" and "Related Links" sections or any other section in the Website. You shall read and understand these instructions which may be amended from time to time.
 50. Where you are a partnership, these Conditions shall be binding on you notwithstanding any change of name of the partnership, admission of new partner or any partner ceasing to be a member of the partnership by reason of death or otherwise.
 51. Where you are an association or a limited company, you warrant and represent that you have been duly incorporated in accordance with the law of the place of incorporation and is in good standing (if applicable).
 52. We may dispatch or allow download of certain information including your or any User identification data to your or any User's computer or access device, if allowed under our Privacy Policy statement.
 53. You are deemed to have received a communication from us when it has been dispatched by Our Computer System or available on the Website. The dispatch and receipt of communications through the CMB Wing Lung Corporate NET Banking are regarded as taking place in Hong Kong.
 54. Any communication to you is deemed to be received by you:
 - (a) at the time of personal delivery or on leaving it at the address last notified in writing to us, if by personal delivery;
 - (b) 48 hours or 7 days (if overseas address) after sending it by post to the address last notified in writing to us; and
 - (c) immediately after transmitting it to the facsimile, telex number or e-mail address last notified in writing to us, if by facsimile, telex or e-mail.
- If any of your communication address or number is changed, you must inform us in writing immediately.
55. Any communications sent by you to us shall only be treated as received by us on actual receipt.
 56. You acknowledge and authorize us to disclose to any third party any information in relation to you and your accounts in order to execute any Electronic Instruction or comply with the order of any court, government agency or other lawful authorities anywhere in the world. We will not otherwise disclose such information to any party other than the members of the Group without your approval.

J. RENMINBI ACCOUNTS

1. General

- (a) Customers opening a Renminbi deposit account with our Head Office or branches in Hong Kong are not allowed to withdraw/ deposit at mainland branches of our Bank.
 - (b) Cross-border Overdraft on Renminbi account is not available.
 - (c) Interest on Renminbi deposit account is calculated on the basis of 360 days a year.
 - (d) Our Bank only accepts Renminbi cash withdrawal and deposit in note form with denominations of RMB10, 20, 50 and 100. Damaged notes will not be accepted for deposit.
 - (e) Please contact our Bank in advance for cash withdrawal in large quantities.
- 1.1 You:
- (a) shall comply with all laws of Hong Kong and mainland China, and all regulations, rules and other requirements of any regulator or other authority in Hong Kong or mainland China, which are applicable to RMB services for customers in your category or your type of account. For example, you shall ensure that remittances to and from mainland China through your accounts are in compliance with applicable laws, regulations and rules in mainland China, and you shall obtain any approval required from the authorities in mainland China in respect of your remittance to mainland China. If a remittance is rejected, charges will remain payable;
 - (b) shall, within the time required by us, provide all such information and documents in connection with your account and transactions as may be required by us;
 - (c) shall comply with all rules, conditions and requirements from time to time applied by us for the purposes of RMB services for customers in your category or your type of account; and
 - (d) agree that different restrictions and requirements may apply to different categories of customers or different types of accounts.
- 1.2 We may:
- (a) take any action, with or without notice to you, to comply with any requirements of the clearing institution for RMB clearing and settlement services in Hong Kong, any agent bank in mainland China through which we conduct RMB clearing and settlement

- services, or any regulator or other authority in Hong Kong or mainland China;
- (b) provide any information about you, your accounts and transactions to any entity referred to in paragraph (a) above;
- (c) delay or decline, without giving reason and without liability, to execute any of your instructions or to accept any RMB deposit; and
- (d) at any time in any way vary, suspend, withdraw or terminate all or any part of the RMB services, or impose any conditions or restrictions, whether or not any such action applies to any other customers.

1.3 Currency conversion services (between RMB and other currencies) are provided at our sole discretion.

2. Renminbi accounts of Hong Kong residents

2.1 Hong Kong Identity Card holders (age of 18 years or above) may apply to open RMB deposits accounts.

2.2 You agree that the operation of the account will be subject to the restrictions from time to time imposed by us (which restrictions may have immediate effect if so required by any regulator or other authority in mainland China or Hong Kong or by the clearing institution for RMB clearing and settlement services in Hong Kong) including:

- (a) remittances to mainland China may only be made to an account in your name, and is subject to such limit as may from time to time be imposed plus any unused funds previously remitted from the banks in mainland China;
- (b) RMB cheques on your RMB current account can be issued for the purpose of making payments for your personal consumer spending (Consumer spending does not cover: (i) expenditure for purchasing fixed assets or financial assets and (ii) expenditure for settlement of cross-border trade) in Guangdong Province (including Shenzhen). Use of RMB cheques in Hong Kong shall comply with the usual banking practices in Hong Kong. Use of RMB cheques in Guangdong Province (including Shenzhen) is subject to such limit which may from time to time be imposed ("Cap"). No cheque may be transferable and can only be deposited into the payee's account;
- (c) any one cheque for payment in Guangdong Province (including Shenzhen) exceeding the Cap will be bounced and a relevant handling fee will be charged;
- (d) no cross-border overdraft facility is allowed on a RMB current account;
- (e) if a number of cheques for payment in Guangdong Province (including Shenzhen) are received by us on a particular day that in aggregate exceed the Cap, we may bounce any of the cheques and a relevant handling fee will be charged; and
- (f) the validity period of each RMB cheque will be 6 months.

(Relevant handling fee please refer to *General Banking and CMB Wing Lung Sunflower Service Charges*.)

2.3 You will not issue any RMB cheque on your RMB current account other than for the above purpose and shall use your best endeavours to ensure that the aggregate payments for your personal consumer spending in Guangdong Province (including Shenzhen) from your RMB current account will not exceed the Cap per day.

3. Renminbi accounts of non-Hong Kong residents

3.1 Only non-Hong Kong residents, as determined by us from time to time and who have complied with such conditions as may prescribed by us, are eligible to apply for the opening of such accounts.

3.2 You agree that the operation of the account will be subject to the restrictions from time to time imposed by us (which restrictions may have immediate effect if so required by any regulator or other authority in Hong Kong or mainland China or by the clearing institution for RMB clearing and settlement services in Hong Kong) including that cheques cannot be used in mainland China.

3.3 You shall promptly inform us if you become a holder of a Hong Kong Identity Card. Your accounts will thereafter be changed to accounts for Hong Kong Identity Card holders, without affecting the completion of existing transactions.

K. CREDIT FACILITIES

1. At your request, we can provide a range of credit facilities based on your asset value to suit your financial needs. We may request you to sign the relevant documents for our credit assessment and at our own discretion, make the credit facilities available to you or for your account. Please refer to the terms and conditions of the relevant credit facilities documents for details.

L. E-CHEQUES AND E-CHEQUE DROP BOX SERVICES

1. Applicability and Definitions

1.1 The provisions of Section B (Current Account), Part I, the provisions of Section J (Renminbi Accounts), Part I and the other provisions of these Conditions, to the extent that they are relevant and not inconsistent with the provisions in this Section, apply to e-Cheques and our e-Cheques Services.

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

- (a) "Bills of Exchange Ordinance" means the Bills of Exchange Ordinance (Cap. 19, Laws of Hong Kong), as may be amended from time to time.
- (b) "Clearing House" means Hong Kong Interbank Clearing Limited and its successors and assigns.
- (c) "Deposit Channel" means any channel offered by us from time to time for presentment of e-Cheques for deposit.
- (d) "e-certificate" means a certificate recognized by the Clearing House from time to time for the purpose of issuing e-Cheques that is issued by a certification authority acceptable to us.
- (e) "e-Cheque" means a cheque (including a cashier's order), issued in the form of an electronic record (as such term is defined in the Electronic Transactions Ordinance (Cap. 553, Laws of Hong Kong)) with an image of the front and back of the e-Cheque or e-cashier's order (as the case may be). e-Cheques may be issued in Hong Kong dollars, US dollars and Renminbi.
- (f) "e-Cheque Drop Box" or "e-Cheque Drop Box Service" means an electronic drop box provided by the Clearing House that accepts presentment of e-Cheques in respect of which an e-Cheque Drop Box user must register an e-Cheque Drop Box Account with the Clearing House before presenting e-Cheques to a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.
- (g) "e-Cheque Drop Box Account" means a user account for the e-Cheque Drop Box Service, and for which each user must register with the Clearing House before using the e-Cheque Drop Box for presenting e-Cheques for deposit into a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.
- (h) "e-Cheque Drop Box Terms" means all the terms and conditions prescribed by the Clearing House from time to time for governing the e-Cheque Drop Box Service provided by the Clearing House and the use of the e-Cheque Drop Box Service.
- (i) "e-Cheques Issuance Services" and "e-Cheques Deposit Services" mean the services offered by us to customers from time to time for issuing e-Cheques (including any services relating to e-certificates) and depositing e-Cheques respectively, and "e-Cheques Services" means collectively the e-Cheques Issuance Services and the e-Cheques Deposit Services.
- (j) "Industry Rules and Procedures" means the rules and operating procedures governing the handling of e-Cheques developed and/or adopted by the Clearing House and the banking industry from time to time.
- (k) "Payee Bank" means the bank at which a Payee Bank Account is held.
- (l) "Payee Bank Account" means, in respect of each e-Cheque presented for deposit using the e-Cheques Deposit Services, the bank account of the payee of the e-Cheque into which the e-Cheque is to be deposited which may be a sole name (including an account in the name of an organization) or a joint name account of the payee.
- (m) "Payer Bank" means the bank which digitally signed an e-Cheque created by its customer.
- (n) "you" means each customer to whom we provide e-Cheques Services and, where the context permits, includes any person authorized by the customer to sign e-Cheques on behalf of the customer from time to time.

2. Nature and Scope of e-Cheques Services

2.1 We may provide e-Cheques Services at our discretion. If we provide e-Cheques Services to you, you may issue e-Cheques and deposit e-Cheques, subject to our discretion to delay or decline, without giving reason and without liability, to issue any e-Cheques or to accept for deposit or presentment or pay any e-Cheques. In order to use the e-Cheques Services, you have to provide such information and documents and accept such terms and conditions which may be required or prescribed by us and the Clearing House respectively from time to time. You may also be required to sign forms and documents prescribed by us from time to time.

2.2 e-Cheques Issuance Services allow you to issue e-Cheques drawn on us, in accordance with Condition 3 below.

2.3 e-Cheques Deposit Services allow you and other persons to present e-Cheques (whether payable to you and/or any other holder of the Payee Bank Account) for deposit with us (as Payee Bank), using the e-Cheque Drop Box Service offered by the Clearing House or using our

- Deposit Channels, in accordance with Condition 4 below.
- 2.4 We may provide e-Cheques Services relating to e-Cheques that are issued in any currency specified by us from time to time, including Hong Kong dollars, US dollars or Renminbi.
- 2.5 We have the right to set or vary from time to time the conditions for using the e-Cheques Services. These conditions may include the following (or any of them):
- (a) the service hours of the e-Cheques Services (including cut-off times for issuing, countermanding or presenting e-Cheques);
 - (b) any maximum total amount or total number of e-Cheques in any currencies or for any cross-border payments which you may issue in any specified period;
 - (c) the identity of any counterparties including the Payee Banks; and
 - (d) any fees and charges payable by you for the e-Cheques Services.
- 3. e-Cheques Issuance Services**
- 3.1 Format of and steps for issuing an e-Cheque
- (a) You are required to issue an e-Cheque in the format with such layout specifications and following the steps and inputting the details prescribed by us from time to time (some of which may be mandatory or optional). You are not allowed to add to, remove from or modify the contents, format, layout or image of an e-Cheque.
 - (b) Each e-Cheque must be signed by you (as payer) and by us (as Payer Bank) with our respective digital signatures in the sequence set by us, except that the payer's digital signature may not be required for an e-Cheque that is a cashier's order.
 - (c) Where you draw an e-Cheque on a joint account, you are solely responsible for ensuring that the e-Cheque is signed by such person(s) following such signing arrangement as authorized by the joint account holders for signing e-Cheques from time to time.
 - (d) Where you are a corporation or any other entity, you are solely responsible for ensuring that each e-Cheque is signed on your behalf by such person(s) following such signing arrangement as authorized by you for signing e-Cheques from time to time.
- 3.2 e-certificate
- (a) Your digital signature on an e-Cheque must be produced by an e-certificate that is valid (and not expired or revoked) at the time of producing that digital signature.
 - (b) Your digital signature on an e-Cheque may be produced by either a general purpose e-certificate or a specific usage e-certificate.
 - (c) If you choose to produce your digital signatures by a general purpose e-certificate, you are required to maintain a valid general purpose e-certificate on an on-going basis in compliance with Condition 3.2(a) above.
 - (d) We may provide services relating to the specific usage e-certificate at our discretion. Our services may include applying for, holding, maintaining, renewing, revoking and managing (or any of the above) a specific usage e-certificate on your behalf. If we provide such services and you choose to produce your digital signatures by a specific usage e-certificate, you direct and authorize us to:
 - (i) provide such services in the scope and manner set by us from time to time, which may include holding the specific usage e-certificate and the corresponding key and/or password for you, and effect and produce your digital signatures on e-Cheques on your behalf as instructed by you from time to time; and
 - (ii) take all necessary steps (including providing all necessary information and personal data to the certification authority issuing the specific usage e-certificate) for purposes relating to the specific usage e-certificate.
 - (e) In applying for a specific usage e-certificate for you, we are entitled to rely on the information provided by you. You are solely responsible for providing us with correct and up-to-date information. If we obtain a specific usage e-certificate based on incorrect or outdated information provided by you, you are still bound by any e-Cheque signed by digital signatures produced by that e-certificate.
 - (f) An e-certificate is issued by the relevant certification authority. You are bound by the terms and conditions specified by that certification authority in relation to your e-certificate. You are solely responsible for performing your obligations under those terms and conditions.
- 3.3 Sending e-Cheques to payees
- (a) Once you confirm to issue an e-Cheque, we will generate the e-Cheque file. You may download the e-Cheque file for delivery to the payee yourself. Alternatively, we may send the e-Cheque file to the payee by electronic means on your behalf, if we offer this service.
 - (b) You should not issue an e-Cheque (or instruct us to issue an e-Cheque on your behalf) to a payee unless the payee agrees to accept e-Cheques. You are solely responsible for:
 - (i) before issuing an e-Cheque (or instructing us to issue an e-Cheque on your behalf) to a payee, informing the payee that he may agree or decline to accept the e-Cheque;
 - (ii) using secured electronic means and taking appropriate email encryption and other security measures in sending the e-Cheque file; and
 - (iii) providing us with correct and up-to-date contact information of a payee to enable us to send the e-Cheque file to the payee by electronic means on your behalf, if we offer this service.
 - (c) The e-Cheque file will be regarded as having been delivered to the payee upon our sending it to the payee by electronic means using the payee's contact information provided by you. We do not have any duty to verify whether the payee has actually received the e-Cheque file. We advise you to check with the payee whether he has actually received the e-Cheque file, whether it is sent by you or by us.
- 3.4 Waiver of presentment requirements
- Each e-Cheque is only required to be presented by sending it in the form of an electronic record in accordance with the Industry Rules and Procedures. We are entitled to pay each e-Cheque against presentation of its electronic record in that manner without requesting any other form of presentation. Without reducing the effect of Condition 3.1(a) above and Conditions 5.1 and 5.2 below, you expressly accept the waiver of presentment requirements set out on an e-Cheque from time to time.
- 4. e-Cheques Deposit Services**
- 4.1 The e-Cheques Deposit Services may allow presentment of e-Cheques for deposit with us (as Payee Bank) using the e-Cheque Drop Box Service provided by the Clearing House or using our Deposit Channels.
- 4.2 e-Cheque Drop Box Service
- (a) The e-Cheque Drop Box Service is provided by the Clearing House. You are bound by the e-Cheque Drop Box Terms in relation to your use of the e-Cheque Drop Box Service. You are solely responsible for performing your obligations under the e-Cheque Drop Box Terms.
 - (b) In order to use the e-Cheque Drop Box Service, you are required by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with one or more Payee Bank Account for presenting e-Cheques. You are allowed by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with a Payee Bank Account that is your same-name account or an account other than your same-name account. You are responsible for the presentment of all e-Cheques by you or any other person using your e-Cheque Drop Box Account (including presentment of any e-Cheques to a Payee Bank Account other than your same-name account).
 - (c) Any issue relating to the use of the e-Cheque Drop Box Service should be handled in accordance with the e-Cheque Drop Box Terms. We may (but have no obligation to) provide reasonable assistance to you. In particular, we do not have the electronic record or image of any e-Cheque deposited using the e-Cheque Drop Box Service. On your request, we may (but have no obligation to) provide the date, e-Cheque amount, e-Cheque number, payee name and any other information agreed by us relating to an e-Cheque deposited using your e-Cheque Drop Box Account.
 - (d) We give no representation or guarantee, whether express or implied, relating to the availability, quality, timeliness or any other aspect of the e-Cheque Drop Box Service provided by the Clearing House. Unless otherwise stated in the e-Cheque Drop Box Terms, you bear the responsibilities and risks relating to the use of the e-Cheque Drop Box Service. We are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the use of the e-Cheque Drop Box Service.
- 4.3 Our Deposit Channels

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

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

5.1 Handling of e-Cheques

You understand that we and other banks have to follow the Industry Rules and Procedures in the handling, processing, presentment, payment, collection, clearance and settlement of e-Cheques drawn by you or payable to you. Accordingly, we are entitled to pay and collect e-Cheques for you in the following manner even if the Bills of Exchange Ordinance may not expressly provide for presentment of e-Cheques or may specify other manner for presentment of cheques:

- (a) pay any e-Cheque drawn by you on us upon presentment of that e-Cheque to us in accordance with the Industry Rules and Procedures; and
- (b) collect any e-Cheque payable to you by presenting that e-Cheque to the Payer Bank in accordance with the Industry Rules and Procedures.

5.2 Restriction of our liability

Without reducing the effect of the provisions of these Conditions:

- (a) we are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the use of the e-Cheques Services or the handling, processing, presentment, payment, collection, clearance or settlement of e-Cheques issued by you or presented by you or any other person using the Deposit Channels provided by us to you, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from our negligence or wilful default or that of our officers, employees or agents;
- (b) in particular and for clarity, we are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the following (or any of them):
 - (i) use of the e-Cheque Drop Box Service by you or any other person, or the e-Cheque Drop Box Terms;
 - (ii) your failure to comply with your obligations relating to the e-Cheques Services, including your obligation to safeguard against issuance of e-Cheques by unauthorized persons;
 - (iii) presentment of any e-Cheque issued by you or payable to you in accordance with the Industry Rules and Procedures despite the provisions of the Bills of Exchange Ordinance; and
 - (iv) any failure or delay in providing the e-Cheques Services, or any error or disruption relating to the e-Cheques Services, caused by or attributed to any circumstance beyond our reasonable control; and
- (c) in no event will we be liable to you or any other person for any loss of profit or any special, indirect, consequential or punitive loss or damages.

5.3 Your confirmation and indemnity

- (a) You accept the restriction of liabilities and disclaimers imposed by us and the Clearing House in relation to the e-Cheques Services and the services provided by the Clearing House respectively. You accept and agree to bear the risks and the liabilities for issuing and depositing e-Cheques.
- (b) Without reducing the effect of any indemnity given by you under these Conditions or any other rights or remedies that we may have, you will indemnify us and our officers, employees and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by us or any of them and all actions or proceedings which may be brought by or against us or any of them as a result of or in connection with our provision of the e-Cheques Services or your use of the e-Cheques Services.
- (c) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from our negligence or wilful default or that of our officers, employees or agents.
- (d) The above indemnity shall continue to have effect after the termination of the e-Cheques Services.

M. AUTO-SWEEPING SERVICES

1. Auto-Sweeping Services ("Service") may be provided if the designated same name same currency current account is overdrawn or has exceeded its overdraft limit. We will automatically transfer sufficient funds from your designated same name same currency savings account on the same banking day to cover the deficit. You shall on demand pay to us the overdrawn amount or the amount exceeding the pre-arranged overdraft limit (including all charges and overdraft interest). Interest shall accrue on all sums advanced from the date of advance to the date of actual repayment (before and after judgment) at such rates as we may determine and be calculated on the basis of the actual number of days elapsed.
2. The Service is only applicable for funds transfers from the designated same name same currency savings account to the designated same name same currency current account and subject to sufficient funds being available in that designated same name same currency savings account and the terms and conditions we prescribe from time to time.
3. The Service will not be activated if no sufficient funds are available in the designated same name same currency savings account or the overdrawn amount exceeds the pre-designated overdraft limit. We reserve the right to cancel, terminate or change the Service or vary any terms thereof at any time at our discretion.
4. Subject to any agreement with you and the relevant terms and conditions from time to time applicable, overdraft facilities in the designated same name same currency current account may be provided to you. We reserve the right to cancel, terminate or change the overdraft facilities or vary any terms thereof at any time at our discretion.
5. The Service will not be activated if the designated same name same currency current account or designated same name same currency savings account is not in normal status.
6. If the designated same name same currency current account or designated same name same currency savings account is closed, the Service will be automatically terminated without notice.

N. CMB WING LUNG ALL-IN-ONE CARD SERVICES

1. Our General Conditions for Accounts and Services generally applies to all accounts (including current account(s), savings account(s), fixed deposits account(s) and Pleasure Saving Account(s)) and services offered under CMB Wing Lung All-In-One Card Services.
2. We may issue a card under CMB Wing Lung All-In-One Card Services ("CMB Wing Lung All-In-One Card"). Your usage of CMB Wing Lung All-In-One Card offered by us is subject to our General Conditions for Accounts and Services.
3. We have the right to add other banking facilities and services to the CMB Wing Lung All-In-One Card Services from time to time which will be subject to the relevant terms and conditions.
4. We have the right to do the following (all or any of them) from time to time without prior notice:
 - (a) introduce new (or types of) accounts or services to CMB Wing Lung All-In-One Card Services;
 - (b) vary, suspend or withdraw any existing (or existing type of) accounts or services offered under CMB Wing Lung All-In-One Card Services (including not accepting a deposit); and
 - (c) specify or vary the scope and extent of the accounts or services offered under CMB Wing Lung All-In-One Card Services.
5. In the event that you have not specified any account(s) to be credited/debited for any transaction(s) pursuant to or as a result of an instruction in respect of the CMB Wing Lung All-In-One Card Services, the credit/debit will be entered by us into any one or more of your current, savings and fixed deposit account(s). If the transaction is in foreign currency, entries will be made in your foreign currency savings account(s).
6. A consolidated statement of accounts in connection with the CMB Wing Lung All-In-One Card Services ("All-In-One Card Account Statement") will be provided by us. The All-In-One Card Account Statement is subject to our General Conditions for Accounts and Services. The All-In-One Card Account Statement will be sent to you at regular intervals, unless otherwise determined by us or there has been no transaction on the accounts or no services were effected since the last statement. The All-In-One Card Account Statement may, in addition to information on the accounts and services, include such information (as determined by us at our sole discretion) of any other services, products and accounts of the type(s) selected by you which are maintained with or provided by us from time to time.
7. Interest of the account(s) under the CMB Wing Lung All-In-One Card Services accrues at such rate, if any, as determined by us. Interest will be credited to your account(s) under the CMB Wing Lung All-In-One Card Services at the times determined by us. Interest accrues daily. If the credit balance of your savings account(s) or current account(s) is/are denominated in:

- (a) Hong Kong Dollars, Pound Sterling or Singapore Dollars or Thailand Baht, interest will accrue on the basis of a 365 day year; and
(b) any other currency, interest will accrue on the basis of a 360 day year (or another basis we choose).

O. CMB WING LUNG GLOBAL CASH MANAGEMENT SERVICES

1. The provisions of Section I (CMB Wing Lung Corporate NET Banking Services) and Section P (U-BANK@WLB Services) will apply to the CMB Wing Lung Global Cash Management Services (in this section, the "CMB Wing Lung Global Cash Management Services") to that extent applicable. In the event of any inconsistency, the provisions of this Section O will prevail.
2. The CMB Wing Lung Global Cash Management Services provides such functions as from time to time notified by us. It enables your designated related companies to access your account information, and (if so authorised by you) to transfer funds from your accounts, with instructions that the related companies may send to us through China Merchants Bank ("CMB") or by any other means as specified by us from time to time. You and your designated related companies will need to complete such applications and provide such information and documents as may be required by us and CMB respectively.
3. You will be able to make payments and transfers to other parties using the CMB Wing Lung Global Cash Management Services. Payments and transfers may be made to registered and unregistered persons subject to the provisions herein and within the General Conditions for Accounts and Services.
4. You can nominate persons to become registered persons by providing us with the person's details as may be required by us from time to time in order to facilitate any payments or transfers by you to such persons. Such details may include but are not limited to the nominated person's name, identification document number, corporate registration number (if any), and bank account details (including but not limited to the bank and bank account name).
5. Payments and transfers can be made to unregistered persons through the CMB Wing Lung Global Cash Management Services by providing us with any details of the unregistered person and payment or transfer as may be required by us from time to time, at the time of that payment or transfer.
6. Payments facilitated by the Faster Payment System can be made through the CMB Wing Lung Global Cash Management Services. Such payments will be subject to the terms and conditions of Section Q (Faster Payment System Service).
7. If you are our pre-existing corporate customer and have already opened fixed deposits with us, you may also open further fixed deposits with us through the CMB Wing Lung Global Cash Management Services from time to time, subject to the provisions relating to such deposits under Section D (Fixed, Call and Pleasure Savings Deposits).
8. If you are our pre-existing customer of our physical cash pool services, you will be able to access these services through the CMB Wing Lung Global Cash Management Services as well. Your use of the physical cash pool services will be subject to Physical Cash Pool Agreement and the Terms and Conditions for Physical Cash Pool therein and any other relevant terms and conditions as stated by us from time to time.
9. Foreign exchange transactions ("FX Transactions") conducted through the CMB Wing Lung Global Cash Management Services will be completed in accordance with "Part IV: Foreign Exchange Transactions" of the General Conditions for Accounts and Services. Additionally, the provisions under Clause 15 of Section P (U-BANK@WLB Services) will apply to any foreign exchange transaction conducted through the CMB Wing Lung Global Cash Management Services.
10. By using the CMB Wing Lung Global Cash Management Services, you authorise us to provide to CMB any information relating to you and your accounts as requested by CMB, to act on CMB's instructions to transfer funds from your accounts, and to take any action as may be required to give effect to an instruction received from CMB through the CMB Wing Lung Global Cash Management Services, in each case without further enquiry or authority.
11. Through the CMB Wing Lung Global Cash Management Services, your designated related companies may copy and download your account information including transaction information.
12. If your related companies allow you to access their accounts with CMB through the CMB Wing Lung Global Cash Management Services, our responsibilities will be limited to transmitting your instructions to CMB for their action. Your access of those accounts and your instructions may be subject to the provisions and requirements under any terms and conditions related to those accounts from CMB, as well as the relevant legal requirements of any relevant jurisdiction in which that account resides.
13. CMB may from time to time request us to conduct know-your-client procedures on you and you may be required to provide relevant information to us for our further handling and/or transfer to CMB as necessary.
14. We will have no responsibility for any information provided or not provided to CMB, for acting on any instruction received from CMB, for any act or omission of CMB, for any information provided or not provided by CMB, or for any act or omission on your part in reliance on any information provided to or by CMB or any instruction given through us to CMB (or through CMB to us). This includes any losses suffered by you from any unauthorised access of your services and/or accounts with CMB.
15. You agree to comply with our and CMB's rules, procedures and requirements (as amended by us or it respectively from time to time) for the use of the CMB Wing Lung Global Cash Management Services.
16. You acknowledge that information provided to CMB will become subject to, and may be disclosed to third parties pursuant to, the laws and regulations of the People's Republic of China, including the rules and requirements of the regulators in the People's Republic of China. Further, CMB, the People's Bank of China, China Banking Regulatory Commission and other relevant governmental and regulatory authorities, and their respective officers and agents, may at any time visit our offices to inspect and review the data, services, systems and facilities provided by us for the purposes of the CMB Wing Lung Global Cash Management Services.

P. U-BANK@CMBWLB SERVICES

1. U-BANK@CMBWLB Services is an internet banking service provided by us to corporate customers and institutions. In this section: References to "you" or "your" refer to your corporation or institution. Where appropriate, the term also includes your subsidiaries and related companies that have been allowed by you to access their accounts via the U-BANK@CMBWLB Services ("Members", which expression includes such subsidiaries and related companies as well as you).
"Administrator" means a User who is appointed by you as administrator to have access to and use U-BANK@CMBWLB Services on your behalf.
"Authorizer" means a User who is appointed by the Administrator as an authorizer to have access to and/or use U-BANK@CMBWLB Services on your behalf.
"Checker" means a User who is appointed by the Administrator as a checker to have access to and/or use U-BANK@CMBWLB Services on your behalf.
"Electronic Instruction" means any instruction, request, application, message, data or communication given or delivered by you to us through U-BANK@CMBWLB Services.
"Group ID" means any identification phrase, name, code or number provided or accepted by us, or adopted by you, for identifying you for the purposes of U-BANK@CMBWLB Services.
"Logon ID" means, in relation to a User, any identification phrase, name, code or number provided or accepted by us, or selected or adopted by you or the User, for identifying such User for the purposes of U-BANK@CMBWLB Services.
"Operator" means a User who is appointed by the Administrator as an operator to have access to and/or use U-BANK@CMBWLB Services on your behalf.
"Our Computer System" means any computer equipment and software for providing or otherwise in connection with U-BANK@CMBWLB Services, which are operated under our control.
"Password" means any identification number, Security Code or any other password that is issued to or adopted by you or any User to give Electronic Instructions.
"Security Code" means a one-time password or identification number which is generated by a Security Device to enable a User to give Electronic Instructions.
"Security Device" means any security token or any electric device which provides User identification, digital signature generation or other device, equipment, machine or method that is designated by us for use by a User to generate a Security Code.
"User" means any Administrator, Authorizer, Checker, Operator or any other user who is authorized to have access to and/or use U-BANK@CMBWLB Services on your behalf.
"Website" means the website or websites designated by us on or through which you may have access to and/or use U-BANK@CMBWLB Services.
"The Group" means CMB Wing Lung Bank Limited and its subsidiaries.

2. The scope and types of service made available by us, the applicable restrictions and transaction limits, the cut-off times and dates applicable to a particular type of service, the applicable service fees and other features in respect of U-BANK@CMBWLB Services will be determined by us from time to time at our absolute discretion. We may at our discretion add to, modify, reduce, restrict or suspend U-BANK@CMBWLB Services at any time without notice. We have the right to charge or vary fees for the use or termination of the U-BANK@CMBWLB Services in accordance with Clause 13, Section A, Part I of the General Conditions for Accounts and Services.
3. U-BANK@CMBWLB Services will permit a corporation or institution to operate the accounts and access the services under the U-BANK@CMBWLB Services of all accounts opened by itself and its Members (where applicable) with us. If you have authorized certain Members to access the U-BANK@CMBWLB Services, you confirm that they have been duly authorized to access such services. Where the Members have authorized you to represent all Members for all purposes of U-BANK@CMBWLB Services, you confirm that they have duly authorized you to represent them for such services. You confirm that any User who operates or manages any client account of a corporation or institution which is a licensed corporation under the Securities and Futures Ordinance, is an authorized representative of such licensed corporation authorized to deal with such client account.
4. You represent that you and/or your Members (where applicable) have full authority to apply for the U-BANK@CMBWLB Services, including, obtaining and providing the relevant corporate resolutions and/or SWIFT authorisations, and that your Members have consented to the operation of their respective accounts through your appointed Users for the purposes of the U-BANK@CMBWLB Services. Your Group ID will serve as the consolidated ID for the accounts your institution and its Members hold with us.
5. To operate U-BANK@CMBWLB Services, you will appoint one or more Administrators, who may from time to time appoint one or more Authorizers, Checkers or Operators and prescribe their powers, functions, term, Login ID, Password, accessible accounts and other particulars as appropriate.
6. You may appoint up to such number of Administrators as we may permit from time to time. If there is more than one Administrator, the Administrators and each of them will be authorized to act with the powers and in the manner designated by you. In this Section P, references to Administrator refer to the Administrator(s) acting in accordance with such powers and manner. Notwithstanding the foregoing, any Electronic Instruction given with the Logon ID of any one Administrator will be treated as fully authorized by you.
7. The Administrator will be authorized by you to have overall management of the use of U-BANK@CMBWLB Services, including:
 - (a) registering accounts of you and your Members to be operated through U-BANK@CMBWLB Services and setting any transaction limit for each account through U-BANK@CMBWLB Services;
 - (b) appointing, removing, suspending and reactivating Authorizers, Checkers and Operators, setting and resetting their Passwords, and specifying their scope of authority;
 - (c) setting any operational or other matters or perimeters that may be set for the purposes of U-BANK@CMBWLB Services;
 - (d) giving any notice, application or communication on your behalf in connection with U-BANK@CMBWLB Services and any transaction through U-BANK@CMBWLB Services;
 - (e) giving or authorizing any Electronic Instruction;
 - (f) viewing all financial and transactional information through U-BANK@CMBWLB Services; and
 - (g) such other functions as we may specify from time to time.
8. Any Authorizer, Checker and Operator will be authorized by the Administrator for the day-to-day operation of U-BANK@CMBWLB Services on your behalf, and their functions, powers and term of appointment will be designated by the Administrator from time to time, including:
 - (a) viewing financial and transactional information through U-BANK@CMBWLB Services;
 - (b) giving or authorizing any Electronic Instruction; and
 - (c) such other functions as we may specify from time to time.
9. We are authorized to treat, without any enquiry, any Electronic Instruction given with your Group ID as a duly authorized instruction given on your or the relevant Member's (where applicable) behalf.
10. We are authorized to treat, without any enquiry, any Electronic Instruction given with a Logon ID as given by the relevant User on your or the relevant Member's (where applicable) behalf.
11. We may reject any of your applications or Electronic Instructions given through U-BANK@CMBWLB Services or delay processing any such application or Electronic Instructions, without giving any reason.
12. We may suspend U-BANK@CMBWLB Services from time to time for routine, non-routine or emergency maintenance but we may use our best endeavors to give you notice prior to the suspension where practicable.
13. You shall not use U-BANK@CMBWLB Services for any purpose other than accessing and/or using an available service provided by us. You shall ensure that the contents of any Electronic Instruction sent through U-BANK@CMBWLB Services and your use of the U-BANK@CMBWLB Services will comply with and will not violate any applicable law.
14. We may appoint or engage an agent or third party to facilitate the provision of all or any part of U-BANK@CMBWLB Services. We shall use reasonable care in selecting such agent or third party, but we shall not be liable for any loss, damage, delay or failure to perform occasioned by the acts or omission of any such third party or agent.
15. You agree to keep us indemnified against any claim, action, proceedings, liability, cost, expense, loss and damage suffered by us or any member of the Group arising from or in connection with (whether directly or indirectly) your improper or negligent use of U-BANK@CMBWLB Services, or your failure to comply with any provision of these Conditions, or any other act or omission or circumstances arising out of or relating to these Conditions (other than such act or omission amount to our gross negligence or wilful misconduct).
16. These Conditions are additional to our other relevant terms and conditions governing the account or transaction or service effected through U-BANK@CMBWLB Services. In case of any inconsistency between these Conditions and those terms and conditions and unless otherwise stated herein, the former shall prevail to the extent of inconsistency in respect of the transaction effected through U-BANK@CMBWLB Services. For the avoidance of doubts, any FX Transaction (as defined in Part IV of these Conditions) carried out through U-BANK@CMBWLB Services shall also be subject to the terms and conditions of Part IV of these Conditions, where applicable. In addition, the following clauses apply only to the FX transactions carried out through U-BANK@CMBWLB Services:
 - (a) Exchange rate: We may at our discretion indicate to you an exchange rate or a FX Transaction through U-BANK@CMBWLB Services. You may offer to enter into a FX Transaction with us at such rate within the time limit notified by us, subject to any conditions as we may impose from time to time.
 - (b) Pre-approved rate: You may also request us to provide a rate for a FX Transaction. We may at our discretion provide an indicative rate to you through U-BANK@CMBWLB Services or such other means as we determine from time to time. You may offer to enter into a FX Transaction with us at the indicative rate within the time limit notified by us, subject to any conditions as we may impose from time to time.
 - (c) Confidentiality: You undertake that you will keep all exchange rates for FX Transactions indicated or provided by us confidential, not disclosed to or be available in any way to any other person. All rates indicated or provided by us to you are personal to you.
 - (d) Spot FX Transactions: A spot FX Transaction will be concluded upon our acceptance of your instructions (which constitutes an offer) to enter into the FX Transaction.
 - (e) Authorized Person: Each of your Authorized Persons (as defined in Part IV of these Conditions) shall have full authority, by using his Password to give Electronic Instructions to us, to act for you in all respects, including to enter into any FX Transactions on your behalf and give any instructions on your behalf to us in connection with any FX Transactions. Any signing arrangement of you will not apply to any instructions given (subject to our agreement) by telephone or other means where the signature of the Authorized Person(s) is not provided, and we are authorized to execute such instructions by any one Authorized Person.
17. You, and you shall ensure that all Users, shall comply with all requirements, instructions or recommendations relating to security (including to the use, registration and activation of Group ID, Logon ID, Password, and/or Security Device) as we may prescribe from time to time in relation to U-BANK@CMBWLB Services.
18. You agree to be responsible for the set-up, control and management of security measures in relation to your company's or institution's, your Member's (where applicable), and your User's access to and use of U-BANK@CMBWLB Services, especially security measures relating to the use of computer or device, computer anti-virus, Password, Security Device and information. You also agree to be responsible for determining your signing arrangements and transaction approval arrangements, and agree to inform us as soon as possible if there are any changes to these arrangements by the usual forms as provided by us from time to time.

19. You hereby acknowledge receipt of our warning that Group ID, Logon ID, Password and Security Device are important means of protection for you. You shall, and shall ensure that all Users shall use all reasonable care to keep them secret and prevent unauthorized use thereof. You are responsible for the confidentiality and use of any Password and Security Device. You agree to hold us harmless if any other person uses or obtains possession of any Password and/or Security Device.
20. Whenever we provide you or any User with a Security Device, you shall ensure that the activation process is completed within the activation period where necessary. You must follow the directions and procedures as specified by us from time to time relating to device activation and access to U-BANK@CMBWLB Services using the Security Device, otherwise you may not be allowed to have access to U-BANK@CMBWLB Services.
21. We grant you a non-exclusive, non-transferable licence to use the Security Devices for the sole purpose of facilitating your access to, and use of U-BANK@CMBWLB Services. Neither you nor any User will acquire any rights whatsoever to any Security Device. All Security Devices shall at all times remain our property and shall be returned to us on demand and upon termination of U-BANK@CMBWLB Services. We reserve the right to terminate, suspend, deactivate, decline to renew or replace any Security Device with or without prior notice to you or any User, and without giving any reason therefor. You shall procure that the Users shall not after the termination of U-BANK@CMBWLB Services use the Security Device, and you shall forthwith return the Security Devices to us upon termination of U-BANK@CMBWLB Services. We make no warranty (express or implied) as to the quality, merchantability or fitness for any particular purpose of the U-BANK@CMBWLB Services or any Security Device.
22. You may request us to replace a Security Device if it malfunctions, runs out of battery or is lost. We have the right to charge you a service charge if the Security Device is physically damaged or lost. You shall ensure that the Security Device is not tampered with, copied, exploited or otherwise dealt with except where it is used for accessing a service provided by us. We shall not be liable for any loss or damage suffered by you which directly or indirectly caused by your or any User's use of or inability to use the Security Device.
23. We may at any time modify all or any of the security procedures established for U-BANK@CMBWLB Services, including modification of the rules of operation, delivery of any Password or Security Device and authentication procedures.
24. You agree that our security procedures for U-BANK@CMBWLB Services, in combination with your own security measures, are adequate for the protection of your and all Users' interests.
25. We shall have no duty to verify or investigate the identity or authority of the person giving an Electronic Instruction if the correct Security Code is used. Neither shall we assume any duty or liability for verifying the propriety or integrity of any Electronic Instruction given by the Administrators or Users. You understand, acknowledge and accept that:
 - (a) the only purpose of the Security Code(s) is to determine the authenticity and not to determine the accuracy of, nor discover errors in, any Electronic Instruction or content of the information, transmitted, through U-BANK@CMBWLB Services and you shall be solely responsible for the duplication of any of your instructions and for the completeness and accuracy of the contents of your instructions and their transmission to us;
 - (b) that the procedure of authentication and verification through any Security Code constitutes a commercially reasonable and acceptable security procedure;
 - (c) the entry of correct Logon ID and corresponding Security Code on U-BANK@CMBWLB Services constitutes evidence of the authenticity of the data or Electronic Instructions and authority of the originator of such data or Electronic Instructions which we may rely and act upon;
 - (d) that we will rely on any Security Code as if it were your name and signature; and
 - (e) that no procedure has been established to discover transmission errors or in the content of the information accessed or Electronic Instructions. You acknowledge and confirm that you are responsible for putting in place adequate internal control, security procedures and measures to prevent the Security Code and/or Security Device from leakage or unauthorized use or misuse by any person.
26. We are under no obligation or duty concerning the allocation or use of any Security Code or Security Device by you to any person or selection of the User(s) by you. You acknowledge that we are not obliged to ascertain the identity of any User(s) or to ascertain whether any Security Code or Security Device is being actually used by you or the User(s) for you. You accept the sole responsibility for the security measures and all arrangements controlling the use of any Security Code or Security Device.
27. We may reject any access to U-BANK@CMBWLB Services and all requests for information or transmittal of information or instructions which do not comply with the authentication procedure as determined by us from time to time. We shall not incur any liability, and you agree to indemnify, release and hold us harmless if we reject any access, inquiry and/or instruction as herein indicated.
28. It is your sole responsibility to define the profile of the Users, their appointment and their withdrawal, regardless as to whether or not any User is your employee or agent. You acknowledge and agree that the Users' profiles, their appointment and their withdrawal may be effected through an Administrator and you shall be bound by the designation of profiles, appointments and withdrawals of any User made by any Administrator from time to time. You shall ensure that, at all times, each User has the necessary powers and authorization required for accessing to and using U-BANK@CMBWLB Services on your behalf. We shall in no event be responsible for ensuring that proper authorization has been obtained by each and every of the Users nor liable for the lack of powers of any designated User. We may treat the Electronic Instruction as valid and binding on you notwithstanding any error, fraud, forgery, lack of clarity in terms of the Electronic Instructions. You agree to be bound by any use of U-BANK@CMBWLB Services and any instruction and transaction given or made by any User. Any such instruction and transaction shall be deemed to be given or made on your behalf.
29. Clause 4, Section A, Part I of the General Conditions for Accounts and Services, setting out the terms in relation to the handling, use and security of passwords, shall be applicable to the U-BANK@CMBWLB Services.
30. All Electronic Instructions shall be valid and binding on you without any need of any further confirmation as if they were given in writing and signed by you. You waive any right to contest the validity or enforceability of a contract or transaction effected through U-BANK@CMBWLB Services on the ground that it was effected electronically.
31. An Electronic Instruction given by the use of your or any User's Group ID, Logon ID, Password and/or Security Code is valid, deemed to be authorized by you and conclusively binding on you, regardless of whether your mandate for the account may require different authorizations, signatures or signing arrangement.
32. The authorizations given to any User to have access to and use of U-BANK@CMBWLB Services on your behalf are separate from, and will not be affected by any change in, other authorization or mandate given by you for any authorized signatory to operate any of your accounts.
33. You agree that any transaction alert delivered through any channels (including email, phone, or SMS) designated by us from time to time may be disclosed to any User.
34. Any contract effected through U-BANK@CMBWLB Services is deemed to be concluded in Hong Kong. The transaction record may be found on the "Transaction History" or relevant section in U-BANK@CMBWLB Services which is for your reference only.
35. Our computer data records of any Electronic Instructions and all related transactions and messages (including applicable exchange rates) are, save to the extent of manifest error, conclusive and binding on you. You agree that they shall be admissible in the courts as evidence of the existence of the transactions and messages, and of the facts contained therein, to the extent permitted by the applicable law. Transactions and messages as shown on your computer or access device are for your reference only. Additionally, any certification or determination by the Bank of a rate, amount or other thing under this Section P and the U-BANK@CMBWLB Services is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
36. All your Electronic Instructions will be processed automatically by Our Computer System. You agree that any manual processing, for example, to complete a cashier order which you have purchased through U-BANK@CMBWLB Services, will be a purely administrative task.
37. We are not obligated to check the authenticity, accuracy or completeness of any Electronic Instruction or the authority of the person giving it. We may regard an Electronic Instruction as valid and conclusively binding on you notwithstanding any error, inaccuracy, incompleteness, lack of clarity or fraud in the contents of or in connection with the Electronic Instruction. We shall not be liable for any loss or delay arising from or in connection with any such Electronic Instruction.
38. We may regard each of your Electronic Instruction as a separate Electronic Instruction notwithstanding that it is or appears to be a duplicate, unless within reasonable time we are informed by you in writing (other than by an Electronic Instruction) in advance that it is a duplicate and we have not acted or relied on it.
39. Any Electronic Instruction, once given, may not be amended, revoked or withdrawn without our consent. If you request us to modify or cancel any Electronic Instruction, we will make efforts to such request on a reasonable and commercially practicable basis. However, we are not obligated to comply with such a request.
40. We are entitled to refuse to carry out an Electronic Instruction if it does not comply with any applicable law or is not in accordance with

the normal uses and banking practices. We may at any time refuse to act on or delay acting on an Electronic Instruction without prior notice if:

- (a) we suspect the authenticity of an Electronic Instruction or the authority of the person giving it;
- (b) we suspect or, in our opinion, consider that there is any error, inaccuracy, incompleteness, lack of clarity, illegality, fraud in the contents of or in connection with the Electronic Instruction or that the Electronic Instruction may have been withdrawn, revoked, ineffective or expired;
- (c) any applicable limit (including any transaction limit, limit on the authority of the relevant User or otherwise) imposed by us or you, whichever is lower, would be exceeded if we act on the Electronic Instruction;
- (d) the relevant account does not have sufficient funds to carry out the transaction pursuant to the Electronic Instruction;
- (e) the relevant account has been suspended, closed, frozen or otherwise made unusable for any reason; or
- (f) we know of or suspect of a breach of security.

Notwithstanding the foregoing, we are under no duty to investigate the authenticity or authority of the User effecting the Electronic Instructions and shall not be liable for any loss, damage, expenses or liability whatsoever suffered by you by reason of any inaccurate, inadequate or incomplete Electronic Instructions in any way.

41. We will only act upon or carry out an Electronic Instruction in so far as it is practicable or reasonable for us to do so and in accordance with our regular business practices and procedures. Any Electronic Instruction received by us after our service cut-off time or outside our normal banking hours may not be processed by us until our next business day.
42. U-BANK@CMBWLB Services is only available and accessible in such countries and in such manner as determined by us from time to time at our absolute discretion. We shall not be liable for any loss or damage suffered by you as a result of your inability to have access to or use U-BANK@CMBWLB Services outside Hong Kong due to whatever reason.
43. You acknowledge that the security and encryption measures used for accessing to or using U-BANK@CMBWLB Services may be illegal in other jurisdictions outside Hong Kong. You must ensure that any access to or use of U-BANK@CMBWLB Services is permitted by the local law before you attempt to have access to or use U-BANK@CMBWLB Services outside Hong Kong. We shall not be liable for any loss or damage suffered by you as a result of your inability to legally have access to or use U-BANK@CMBWLB Services in these jurisdictions.
44. We cannot guarantee that the U-BANK@CMBWLB Services we provide are free from computer viruses or other destructive or disruptive features which may adversely affect your own mobile phone, hardware, software, system or equipment. We will not be responsible for your failure to have access to or use U-BANK@CMBWLB Services, or any incorrect information howsoever arising from your equipment, computer, device, software or connection.
45. We shall in no event be liable for any loss, damage or expense arising from our not providing two-factor authentication for any services or transactions.
46. Any hyperlinks to other websites which may be available through the Website or U-BANK@CMBWLB Services are provided for your convenience only. They are not our recommendation or endorsement of the websites. We will not verify their status or authenticity and we are not responsible for any content of such websites.
47. We shall not be liable for any loss or damage caused by any equipment, device, software or information manufactured or provided by any third party in relation to the access to or use of U-BANK@CMBWLB Services.
48. Where we are negligent or commit a wilful misconduct, we shall only be liable for direct and reasonably foreseeable loss and damage (if appropriate) you suffer arising directly and solely therefrom.
49. We shall not be liable for any loss or damages suffered by you arising from or in connection with the quality and use of the Security Device.
50. The Website is hosted by us and is connected to the Internet via an independent service provider, which is not our agent for any purpose. We have used reasonable efforts to appoint a reputable service provider, but will not assume any responsibility for any act or omission of the service provider.
51. You may terminate the U-BANK@CMBWLB Services available to you at any time by giving not less than 30 days' written notice to us. This will not terminate your accounts with us. You understand, agree and acknowledge that all outstanding instructions for the use of the U-BANK@CMBWLB Services shall be cancelled upon termination of the U-BANK@CMBWLB Services.
52. We may terminate the U-BANK@CMBWLB Services available to you at any time by written notice to you. In particular we may immediately terminate U-BANK@CMBWLB Services if you breach any of your obligations under these Conditions. Our notice of termination dispatched through U-BANK@CMBWLB Services or made available on an attempted access with your Group ID, Logon ID, Password and/or Security Code shall have effect when it has been dispatched by Our Computer System or made available on the Website.
53. If either we or you terminate U-BANK@CMBWLB Services available to you, you must return all Security Devices to us immediately upon such termination, otherwise we may charge you all the related service charges and fees. The licence granted by us under Condition 21 in respect of any Security Device shall be automatically terminated upon termination of U-BANK@CMBWLB Services.
54. Termination of U-BANK@CMBWLB Services available to you will not affect any accrued rights or obligations. Condition 32 shall survive termination. Any transaction which has been initiated prior to the termination date that has not been fully executed, will not be rescinded (unless we, in our sole discretion, determines otherwise) and shall remain subject to these Conditions until fully completed.
55. You agree to comply with any operational instruction from time to time specified by us for U-BANK@CMBWLB Services. These instructions may be posted by us on or via the "Smart Tips" and "Related Links" sections in U-BANK@CMBWLB Services. You shall read and understand these instructions which may be amended from time to time.
56. Where you are a partnership, these Conditions shall be binding on you notwithstanding any change of name of the partnership, admission of new partner or any partner ceasing to be a member of the partnership by reason of death or otherwise.
57. You warrant and represent that you have been duly incorporated in accordance with the law of the place of incorporation and are in good standing.
58. We may dispatch or allow download of certain information including your or any User identification data to your or any User's computer or access device, if allowed under our Privacy Policy statement.
59. You are deemed to have received a communication from us when it has been dispatched by Our Computer System or available on the Website. The dispatch and receipt of communications through U-BANK@CMBWLB Services are regarded as taking place in Hong Kong.
60. Any communication to you is deemed to be received by you:
 - (a) at the time of personal delivery or on leaving it at the address last notified in writing to us, if by personal delivery;
 - (b) 48 hours or 7 days (if overseas address) after sending it by post to the address last notified in writing to us; and
 - (c) immediately after transmitting it to the facsimile number, e-mail address or mobile number last notified in writing to us, if by facsimile, e-mail or SMS.

If any of your communication address or number is changed, you must inform us in writing immediately.

61. Any communications sent by you to us shall only be treated as received by us on actual receipt.
62. You acknowledge and authorize us to disclose to any third party any information in relation to you and your accounts in order to execute any Electronic Instruction or comply with the order of any court, government agency or other lawful authorities anywhere in the world. We will not otherwise disclose such information to any party other than the members of the Group without your approval.

Q. FASTER PAYMENT SYSTEM SERVICE

1. Bank Services relating to Faster Payment System

- 1.1 We provide the Bank Services to you to facilitate payments and funds transfers using the Faster Payment System. The Faster Payment System is provided and operated by HKICL. The Bank Services are therefore subject to the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time. This Section Q governs our provision to you and your use of the Bank Services. The Bank Services form part of our banking services. This Section Q supplements and forms part of our General Conditions for Accounts and Services ("Existing Terms"). The provisions of the Existing Terms continue to apply to the Bank Services to the extent that they are relevant and not inconsistent with the provisions in this Section. Unless otherwise specified, the provisions of this Section prevail if there is any inconsistency between them and the provisions of the Existing Terms with respect to the Bank Services.
- 1.2 By requesting us to register any Proxy ID for you in the HKICL FPS or to set up any eDDA for you using the HKICL FPS, or by initiating any payment or funds transfer using the HKICL FPS, you will be regarded as having accepted and will be bound by the provisions of this Section. You should not request us to register any Proxy ID or set up any eDDA for you and should not initiate any payment or funds transfer using the HKICL FPS unless you accept the provisions of this Section.

- 1.3 In this Section, the following terms have the following meanings:
- “Addressing Service” means a service provided by HKICL as part of HKICL FPS to facilitate customers of Participants to use predefined Proxy ID instead of account number to identify the destination of a payment or funds transfer instruction and other communications for the purpose of HKICL FPS.
- “Bank Services” means the services (including the QR Code Services) provided by us to you from time to time to facilitate payments and funds transfers using HKICL FPS and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time.
- “CB” means a bank that has been authorised by the People’s Republic of China to provide clearing and settlement services for Renminbi in Hong Kong, and which for the time being is Bank of China (Hong Kong) Limited. All references to CB refer to CB in its capacity as clearing bank.
- “CHATS” means the computer based Clearing House Automated Transfer System in Renminbi provided, owned, operated and managed in Hong Kong by HKICL.
- “CHATS Member” means banks (including CB in its capacity as a CHATS Member) and other institutions which, in the case of other institutions, have been permitted by CB and the Hong Kong Monetary Authority to participate in CHATS and which, in case of banks (including CB in its capacity as a CHATS Member) and other institutions, have agreed with CB and HKICL to be bound by the Clearing House Rules. For the avoidance of doubt, this term does not include CB acting in its capacity as the clearing bank.
- “Clearing House” means the medium and the location owned, provided, operated and managed by HKICL which is available (i) to Participants for the processing of FPS Instructions in Renminbi through HKICL FPS in accordance with the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time; and (ii) to CHATS Members for the processing of CHATS Transactions (as defined in the Clearing House Rules) and other payments in Renminbi through CHATS.
- “Clearing House Rules” means the Clearing House Rules in relation to the operation of CHATS as amended from time to time by HKICL with prior approval of CB and the Hong Kong Monetary Authority.
- “Default Account” means the account maintained by you with us or any other Participant and set as the default account for receiving payment or funds using HKICL FPS or (if and to the extent specified or permitted by the rules, guidelines and procedures of HKICL) for debiting payment or funds using HKICL FPS.
- “eDDA” means a direct debit authorisation set up by electronic means using HKICL FPS.
- “eDDA Service” means a service provided by HKICL as part of HKICL FPS to facilitate customers of Participants to set up direct debit authorisation.
- “FPS Facilities” means all premises, personnel, machinery, equipment, facilities, software, operational and processing systems, computer systems including HKICL FPS, arrangements and procedures for or in relation to HKICL FPS in accordance with the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time.
- “FPS Identifier” means a unique random number generated by HKICL FPS to be associated with the account of a customer of a Participant.
- “FPS Instruction” means any instruction generated by HKICL FPS or input by a Participant or CB to HKICL FPS for (i) the effecting of any transaction; or (ii) the setup, amendment or cancellation of records in relation to the Addressing Service or the eDDA Service.
- “HKICL” means Hong Kong Interbank Clearing Limited and its successors and assigns.
- “HKICL FPS” or “Faster Payment System” means the Faster Payment System and related facilities and services provided, managed and operated by HKICL from time to time for (i) processing direct debits and credits, funds transfers and other payment transactions and (ii) exchanging and processing instructions relating to eDDA Service and Addressing Service.
- “Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.
- “Participant” means a participant of HKICL FPS which may be a bank or other financial institution, a retail payment system operator, a licensed stored value facility, or any other person accepted by HKICL as a participant of HKICL FPS from time to time.
- “Proxy ID” means the identifiers which may be accepted by HKICL for registration in the Addressing Service to identify the account of a customer of a Participant, including the mobile phone number or email address of the customer, or the FPS Identifier.
- “QR Code Services” means the QR code and the associated payment and funds transfer services provided by us to you from time to time.
- “Regulatory Requirement” means any law, regulation or court order, or any rule, direction, guideline, code, notice or restriction (whether or not having the force of law) issued by any regulatory authority, governmental agency (including tax authority), clearing or settlement bank or exchange, or industry or self-regulatory body, whether in or outside Hong Kong, to which HKICL, we or any other Participant or the respective affiliates or group companies, or you are subject or are expected to comply with from time to time.
- 2. Scope of Bank Services and conditions for use**
- 2.1 We provide the Bank Services to you to facilitate payment and funds transfer using the Faster Payment System and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time. We have the right to set or vary from time to time the scope of the Bank Services and the conditions and procedures for using the Bank Services. In order to use the Bank Services, you have to accept and follow these conditions and procedures.
- 2.2 We may provide the Bank Services to facilitate payment and funds transfer in any currency specified by us from time to time, including Hong Kong dollars and Renminbi.
- 2.3 In order to enable us to handle an instruction for you in relation to payment or funds transfer using HKICL FPS, you have to provide or input the necessary information and complete the process by such means or in such manner prescribed by us from time to time.
- 2.4 All payment or funds transfer transactions using HKICL FPS will be processed, cleared and settled under the interbank clearing and settlement arrangements including without limitation the arrangements in relation to the Faster Payment System agreed by the Participants and HKICL from time to time.
- 2.5 We reserve the right to suspend or terminate the Bank Services in whole or in part at any time without giving notice or reason.
- 2.6 The Bank Services are subject to charges at such rates as prescribed by us or any other Participants from time to time. You are fully responsible for such charges.
- 3. Addressing Service - registration and amendment of Proxy ID and related records**
- 3.1 In order to use the Addressing Service to receive payment or funds transfer using HKICL FPS, you have to register your Proxy ID in the HKICL FPS. We have discretion as to whether to offer the FPS Identifier as Proxy ID to you.
- 3.2 Registration and amendment of Proxy ID and related records in the HKICL FPS must be done in accordance with the applicable rules, guidelines and procedures imposed by HKICL from time to time. In order to enable us to register or amend Proxy ID or any related records for you, you have to provide or input the necessary information and complete the registration process by such means or in such manner prescribed by us from time to time.
- 3.3 At any time where the same Proxy ID is registered by you for more than one account (whether maintained with us or with any other Participant), you must set one account as the Default Account. By instructing us to set or change the Default Account for you, you consent and authorise us to submit the request on your behalf to HKICL FPS to override the existing Default Account registered in HKICL FPS.
- 4. eDDA Service**
- In order to enable us to handle a request for you in relation to eDDA setup, you have to provide or input the necessary information and complete the process by such means or in such manner prescribed by us from time to time. The prescribed process may include requiring the relevant parties to set up the eDDA using their respective account numbers or customer identification numbers or codes. For the avoidance of doubt, a Proxy ID is not intended for verifying eDDA setup. Any amendment of a Proxy ID and the related records or termination of a Proxy ID after an eDDA setup will not affect that eDDA.
- 5. Your responsibility**
- 5.1 Present genuine owner or authorised user of Proxy ID and accounts
- You can only register your own Proxy ID for your own accounts or set up eDDA for your own accounts. You must be the present genuine owner or authorised user of each Proxy ID and each account provided to us for registration in the Addressing Service and the eDDA Service. By instructing us to register any Proxy ID or any account for you in relation to the Faster Payment System, you confirm that you are the present genuine owner or authorised user of the relevant Proxy ID or account. This is particularly important for mobile phone numbers as they may be recycled in Hong Kong.
- 5.2 Proxy ID
- Any Proxy ID to be registered by you for the Addressing Service must satisfy any applicable requirements imposed by HKICL from time

to time. For example, HKICL may require the mobile phone number or email address to be registered as Proxy ID to be the same number or address registered by you as contact information on our records at the relevant time. You understand and agree that we, other Participants and HKICL have the right and discretion without giving notice to deregister any Proxy ID that is not correct or up-to-date in accordance with available information without your consent.

5.3 Correct information

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

5.4 Timely updates

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

5.5 Change of Default Account

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

5.6 Transactions binding on you

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

5.7 Use Bank Services responsibly

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

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

5.8 Other obligations regarding payments and funds transfers

Any instruction given by you in relation to the Bank Services will be handled by us in accordance with this Section and the applicable provisions in the Existing Terms. You have to comply with the other obligations with respect to payments, funds transfers and direct debit authorisations, including without limitation maintaining sufficient funds in the relevant accounts for settling payment and funds transfer instructions from time to time.

5.9 You are responsible for your authorised persons

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

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

6. Our responsibility and restriction of liability

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

6.2 Without reducing the effect of Condition 6.1 above or the provisions of the Existing Terms:

- (a) we are not liable for loss, damage or expense (including without limitation, loss of business, loss of business opportunity, loss of profit, special indirect or consequential loss, even if we knew or ought reasonably to have known of their possible existence) of any kind or nature which you or any other person may incur or suffer in whatever manner directly or indirectly arising from or in connection with the use of the Bank Services or the processing or execution of instructions or requests given by you in relation to the Bank Services or HKICL FPS, or anything done or omitted to be done by us bona fide or by the Hong Kong Monetary Authority, CB, HKICL, any Participant or any other person in the management, operation or use (including without limitation, the termination and/or suspension of CB, the FPS Facilities or any Participant) of the Clearing House and/or the FPS Facilities or any part of them, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from our negligence or wilful default or that of our officers, employees or agents;
- (b) we shall not owe any duty or incur any liability to you or other persons in respect of any claim, loss, damage or expense (including without limitation, loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss) (even if we knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly by the giving of any consent, notice, advice or approval in relation or pursuant to the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time;
- (c) for clarity, we are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with one or more of the following:
 - (i) your failure to comply with your obligations relating to the Bank Services; and
 - (ii) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS, or arising from any circumstances beyond our reasonable control; and
- (d) in no event will we, our affiliates or group companies, our licensors, and our and their respective officers, employees and agents be liable to you or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages (whether or not they were foreseeable or likely to occur).

6.3 Your confirmation and indemnity

- (a) Without reducing the effect of any indemnity given by you under the Existing Terms or any other rights or remedies that we may have, you will indemnify us and our officers, employees and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by us or any of them and all actions or proceedings which may be brought by or against us or any of them as a result of or in connection with our provision of the Bank Services or your use of

the Bank Services.

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

7. Collection and use of Customer Information

7.1 For the purposes of using the Bank Services, you may be required to provide us with the personal data and other information relating to one or more of the following persons from time to time:

- (a) yourself;
- (b) the recipient of any payment or funds transfer to be made by you, or the counterparty of any eDDA to be set up by you; and
- (c) where you are a company, a corporation, or a sole proprietorship or partnership firm or any other unincorporated body, any of your directors, officers, employees, authorised persons and representatives,

all personal data and information provided to us or compiled by us from time to time in connection with the Bank Services are collectively referred to as "Customer Information".

7.2 You agree (and, where applicable, for and on behalf of each of your directors, officers, employees, authorised persons and representatives) that we may collect, use, process, retain or transfer any of the Customer Information for the purposes of the Bank Services. These purposes include without limitation one or more of the following:

- (a) providing the Bank Services to you, maintaining and operating the Bank Services;
- (b) processing and executing your instructions and requests in relation to the Bank Services from time to time;
- (c) disclosing or transferring the Customer Information to HKICL and other Participants for their use for the purpose of the operation of HKICL FPS;
- (d) meeting the requirements to make disclosure under any Regulatory Requirements; and
- (e) purposes relating to any of the above.

7.3 You understand and agree that the Customer Information may be further disclosed or transferred by HKICL, us or any other Participants to their customers and any other third parties who are users of HKICL FPS for the purposes of providing and operating the Addressing Service and the eDDA Service.

7.4 If the Customer Information includes personal data or other information of any person other than yourself (including any persons specified in Conditions 7.1(b) or 7.1(c) above), you confirm that you will obtain and has obtained the consent from such person regarding the use (including disclosure and transfer) of his/her personal data and other information by HKICL, us and the other Participants as specified in this Condition.

8. QR Code Services

8.1 This Condition 8 applies to the use of the QR Code Services, together with the Existing Terms and any other terms and conditions that apply to the mobile application ("App") through which you access the QR Code Services.

8.2 Using the QR Code Services and your responsibility

- (a) The QR Code Services allow you to scan a QR code provided by us or by another person to automatically capture the payment or funds transfer data without the need for manually entering the data. Any QR code provided by another person must meet the specifications and standards prescribed by HKICL in order to be accepted. You are fully responsible for ensuring that the captured data is accurate and complete before confirming any payment or funds transfer instruction. We are not responsible for any error contained in such payment or funds transfer data.
- (b) The QR Code Services can be used on a mobile device running an operating system supported and specified by us from time to time.
- (c) Updates to the QR Code Services may be issued periodically through the supplying app store for the App. For some devices, updates will be downloaded automatically. For other devices, you will need to download the updates yourself. Depending on the update, you may not be able to use the QR Code Services until the latest version has been downloaded. You are fully responsible for ensuring the latest version has been downloaded to your mobile device for the purpose of using the QR Code Services.
- (d) The QR Code Services are intended for use by our customers only. We have the right to cancel your account for the App and/or block you from accessing the QR Code Services if we discover that you are not eligible to use the QR Code Services.
- (e) The QR Code Services are not intended for use in any jurisdiction where their use would be contrary to any law or regulation of that jurisdiction or where we are not licensed or authorised to provide the QR Code Services.
- (f) You must comply with all applicable laws and regulations that govern your download of the App, or access or use of the App or the QR Code Services.

8.3 Security

- (a) You must not use the QR Code Services on any device or operating system that has been modified outside the mobile device or operating system vendor supported or warranted configurations. This includes devices that have been "jail-broken" or "rooted". A jail broken or rooted device means one that has been freed from the limitations imposed on it by your mobile service provider and the phone manufacturer without their approval. The use of the QR Code Services on a jail broken or rooted device may compromise security and lead to fraudulent transactions. Use of the QR Code Services in a jail broken or rooted device is entirely at your own risk and we will not be liable for any losses or any other consequences suffered or incurred by you as a result.
- (b) You are fully responsible for all instructions or requests given by you or any other person authorised by you during the use of the QR Code Services.
- (c) You are fully responsible for ensuring that the information shown or stored on your mobile device is kept secure.
- (d) If you know or suspect that any other person knows your security details, or has used or tried to use them, or if your mobile device is lost or stolen, you must notify us as soon as reasonably practicable.

8.4 Our responsibility and restriction of liability

- (a) While we make commercially reasonable efforts to provide the QR Code Services, we are not liable for any failure to provide the QR Code Services.
- (b) The QR Code Services are provided on an "as is" basis with no representation, guarantee or agreement of any kind as to their functionality. We cannot guarantee that no viruses or other contaminating or destructive properties will be transmitted or that no damage will occur to your mobile device in the use of the QR Code Services. We are not responsible for any loss you may incur as a result of your use of the QR Code Services.
- (c) You understand and agree that:
- (i) You use the QR Code Services at your sole risk. To the maximum extent permitted by law, we expressly disclaim all warranties and conditions of any kind, whether express or implied.
- (ii) You download or obtain any material or information through the use of the QR Code Services at your sole risk and discretion. You are solely responsible for any damage to your computer or other device or loss of data resulting from downloading, obtaining or using such material or information.
- (d) For the avoidance of doubt, nothing above is intended to exclude or restrict any condition, warranty, right or liability which may not be lawfully excluded or restricted.

PART II: SECURITIES SERVICES

- A. General Conditions
- B. Securities Trading Services
- C. Securities Savings Scheme
- D. Margin Trading Services
- E. New Issue Financing
- F. Custody Services

Section A applies, to the extent applicable, to all accounts with and all facilities and services provided by us in relation to Securities (as defined below).

A. GENERAL CONDITIONS

1. Definitions

In this Part, except where the context otherwise requires:

"Account" means the account(s) maintained with us for the purposes of Transactions; "Cash Account" means an Account for cash trading and "Margin Account" means an Account for margin trading.

"Automated Securities Service" means any facility provided by us from time to time which enables you to give instructions relating to any Transaction via tone-in phone.

"Banking Day" means a day (other than a Saturday) on which licensed banks in Hong Kong are open for normal banking business and trading in Securities on the relevant Exchange is conducted.

"CCASS" means the Central Clearing and Settlement System established and operated by HKSCC.

"CCASS Nominee" means the nominee company of HKSCC or such other person appointed by HKSCC to perform the nominee service in CCASS.

"Clearing House" means any relevant clearing houses in or outside of Hong Kong, including the HKSCC.

"Counter Trading Service" means a facility provided by us which enables you to give instructions relating to any Transaction over the counter at any of our branches.

"Electronic Trading Service" means any facility provided by us from time to time which enables you to give instructions relating to any Transaction via electronic or telecommunications media (including through the use of interactive television, systems, computers, machines, terminals or any other electronic or telecommunications devices as we may from time to time prescribe), and including the Automated Securities Service, the Internet Trading Service and the Mobile Phone Trading Service.

"Event of Default" means an event specified in Condition 6 (Events of Default), Section A, Part III (Wealth Management Services), and also:

- (a) the levying of any attachment against any Account; and
- (b) any other matter or event including any regulatory requirements or the nature of the instructions given by you which we in good faith believe might expose us to any claim, liability, loss or expense of any nature.

"Exchange" means any stock exchange or market or over-the-counter market acceptable to us, including the HKSE.

"Facilities" means the Counter Trading Service, the Electronic Trading Service, the Phone-in Trading Service and any other means or facilities as may be provided by us from time to time which enable you to give instructions relating to Transactions to us.

"Fund" means unit trust, mutual fund, collective investment scheme or other similar investment.

"Fund Manager" means the manager, custodian, trustee or other relevant person in relation to the Fund.

"HKSCC" means the Hong Kong Securities Clearing Co. Ltd.

"HKSE" means The Stock Exchange of Hong Kong Limited.

"Margin Facilities" means all or any of the margin facilities made available or granted to you from time to time by us whether in the form of overdraft facilities or pursuant to the use of a credit card or any other form of credit or credit facility (subject to the limit set by us from time to time) including all amounts debited by us to the Settlement Account in accordance with these Conditions.

"Mobile Phone Trading Service" means any facility provided by us in conjunction with mobile phone operators from time to time which enables you to give instructions relating to any Transaction via mobile phone.

"Phone-in Trading Service" means any facility provided by us from time to time which enables you to give instructions relating to any Transaction via telephone.

"Securities" means any shares, stocks, debentures, warrants, options, loan stocks, Funds, bonds, notes, equity-linked notes or derivative instruments or products (whether the underlying asset is securities, indices or other property) of or issued by any body, whether incorporated or unincorporated, or by any government authority, whether or not traded on an Exchange, and acceptable to us.

"Settlement Account" means any account(s) in your name with us to hold funds or through which credit facilities (including facilities granted through the use of a credit card) are made available to you by us for the purchase of Securities, as notified by you to us in the Account Mandate or otherwise, and "Hong Kong Dollar Settlement Account" means the Settlement Account in Hong Kong dollars and "Foreign Currency Settlement Account" means the Settlement Account in a foreign currency.

"Services" means any or all of the services provided by us pursuant to this Part and any other services agreed from time to time between you and us.

"SFC" means the Hong Kong Securities and Futures Commission.

"SFO" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

"Stock Broker" means any stock broker, underwriter, dealer or agent (including any of our member) selected by us for effecting or implementing any instructions relating to the Transactions for you.

"Transaction" means any agreement to purchase, invest in, subscribe, sell, exchange or otherwise dispose of any Securities and generally to deal in any Securities.

2. Power and Responsibility

2.1 For all Transactions, unless otherwise indicated on the contract note or otherwise notified to you, we act as your agent. Nothing in this Part constitutes ourselves or our nominee or sub-custodian your trustee nor constitutes a partnership between us and you. These Conditions apply, to the extent possible, to Transactions on your behalf as well as with us.

2.2 We or our nominee or sub-custodian may refrain from taking any step to protect or enforce your rights under any Transaction effected on your behalf or in connection with any Securities until we or our nominee or sub-custodian has been indemnified and secured to our satisfaction against any costs, losses, expenses or liabilities (including legal fees on a solicitor and own client basis) which we or our nominee or sub-custodian might sustain or incur as a result, provided that such indemnity shall not extend to any consequence arising solely from our, our nominee or sub-custodian's negligence or wilful misconduct.

2.3 We or our nominee or sub-custodian shall not be responsible for the adequacy, accuracy or completeness of any representation, warranty, statement or information relating to any Securities or Transactions or any notice, document or instrument delivered to us.

2.4 The term "Settlement Account" used in this Part means: (i) with respect to Transactions effected in Hong Kong dollars, the Hong Kong Dollar Settlement Account only and we shall not be obliged to take into account any credit balance in the Foreign Currency Settlement Account in the performance of our duties under this Part; and (ii) with respect to Transactions effected in any currency other than Hong Kong dollars, the Foreign Currency Settlement Account only and we shall not be obliged to take into account any credit balance in the Hong Kong Dollar Settlement Account in the performance of our duties under this Part.

2.5 Acting reasonably, we may sell your Securities or any part of them to raise any amounts for the purposes of the Services.

2.6 We are not obliged to purchase any Securities from you, whether or not we have sold them to you or bought them for you.

2.7 We need not enquire whether the manager of any Securities or other relevant person is performing its duties.

3. Commissions, Expenses and Charges

3.1 You shall pay or reimburse us within such period as we may notify you commissions, fees and charges at such rates and in such manner as may be set out in our schedule of fees applicable from time to time, together with all purchase payment, subscription moneys, scrip fees for new certificates, stamp duties, charges, levies, taxes, interest, custodial expenses and other fees and expenses in connection with the Account, Transactions or Services.

- 3.2 We shall be entitled to debit the amount referred to in Condition 3.1 to, in case you have opened a Cash Account, the Settlement Account or in case you have opened a Margin Account, the Margin Account; or if there are insufficient funds in the Settlement Account or insufficient available Margin Facilities in the Margin Account, as the case may be, to any of your accounts with us whether savings, current, fixed deposit (matured or not) or deduct the same from the proceeds of any Transaction.
- 3.3 We reserve the right to charge interest on all overdue balances owing by you to us until actual payment in full by you (before and after judgment) at such rate as may be specified by us from time to time. Such interest shall accrue from day to day and shall be payable on the last day of each calendar month or upon demand by us.
- 3.4 We shall be entitled without having to make any prior disclosure to you to accept and receive for our own benefit any rebate, benefit, allowance, brokerage or commission and any other advantage for all Transactions effected for you from any Stock Broker, nominee, sub-custodian or other person.

4. Acknowledgement and Covenants; Representations and Warranties

- 4.1 You waive all rights and remedies in law or equity against us if they are inconsistent with our powers, rights and duties set out hereunder.
- 4.2 You represent and warrant to us that:
- (a) You have absolute beneficial title to all Securities deposited with or delivered to us whether for safe custody, selling or otherwise, which are free and clear of and not subject to any charge, lien, trust, negative pledge or other adverse interest and claim (other than the security created under these Conditions) and all such Securities are regular, valid and acceptable in accordance with the prevailing market practice and we shall be under no obligation to recognize any right or interest which any person other than you may have in such Securities. You shall indemnify us against any claim, liability or loss, or reasonable expense which we may suffer or sustain in relation to such Securities.
- (b) All such Securities are fully paid and that there are no moneys or liabilities outstanding or payable in respect of such Securities.
- 4.3 If any of the representations or warranties in Condition 4.2 is untrue, we shall have the right to require you to replace the Securities deposited. We may at any time purchase replacement Securities and the cost and expenses of such purchase shall be borne by you.
- 4.4 You understand and acknowledge that the offering of Securities in Hong Kong or elsewhere may be subject to selling restrictions contained in the relevant offering document. You agree that you will observe the selling restrictions contained therein (to the extent applicable to you) and will not give any instructions to us to effect any Transaction in circumstances where such Transaction will be prohibited by the selling restrictions. If you are in any doubt, you should check with your local legal adviser, regulator or authority before giving the instructions.
- 4.5 You acknowledge and agree that:
- (a) we do not act as your investment or other adviser in relation to any Transaction;
- (b) we have not made, and will not be deemed to have made, any representations or recommendations to you in respect of any Securities or Transaction.
- 4.6 You agree and confirm that:
- (a) you are not relying on any communication (whether written or oral) from us as investment advice or as a recommendation to enter into any Transactions, it being understood that any information and explanations relating to any Securities shall not be considered investment advice or recommendation to enter into any Transaction; you have not received from us any assurance or guarantee as to the expected results of any Transaction;
- (b) where applicable, you have read, understood and agreed to be bound by the relevant offering and constitutive documents, application form and procedures;
- (c) you are capable, on your own behalf or through independent professional advice, of assessing the merits of and understanding, and understand and accept, the conditions of this Part and that you are also capable of assuming, and are prepared to assume, the risks of all Transactions entered into by you;
- (d) you have reviewed and will review carefully your financial needs and investment objectives before entering into any Transaction and you have made your own independent decision to enter into each Transaction and as to the legality and suitability of the Transaction based upon your own judgment and upon advice from such independent professional advisers as you have deemed necessary;
- (e) you have evaluated for yourself or relied on the advice of such independent advisers as you have deemed necessary regarding the financial, market and other risks in, and the consequences of, entering into any Transaction and any legal, regulatory, tax, accounting, financial and other issues in connection with any Transaction and Securities;
- (f) you will enter into each Transaction as principal and not for the benefit or account of any other person, unless you have notified us otherwise in writing; and
- (g) all documents and instruments delivered by or on your behalf to us are valid and complete.
- 4.7 You will be responsible for filing tax and other returns, reports and disclosure of interests in respect of all Transactions and your Securities.

5. Facilities

- 5.1 All instructions relating to Securities or Transactions may be given by you through such Facility and in such manner as prescribed by us from time to time. Subject to restrictions that may be imposed by us from time to time in our discretion, you may give instructions through one Facility and inquire, amend or cancel such instructions via other Facilities, provided that any amendment or cancellation may not be possible once we or our agent has effected the Transaction for and on your behalf.
- 5.2 If the Authorized Representatives or signing arrangement for your Account is the same as your Hong Kong Dollar Settlement Account, any revocation of or change in the authority of the Authorized Representatives or the signing arrangement in respect of the Hong Kong Dollar Settlement Account shall automatically apply to your Account.
- 5.3 You consent to using the various media offered by the Facilities for communication or transmission of data or information. In particular, you consent to the use of electronic media for the purpose of giving instructions to and other communications with us (including instructions given through any Electronic Trading Services) and authorize us to accept electronic instruction and other communication from you as the original instruction or communication from you.
- 5.4 If you experience any problems in reaching us through any particular method, you should attempt to use alternate methods to communicate with us. The Facilities will not reprocess your instructions automatically. However, you must note that if you have given the same instruction through more than one Facility, we will treat the duplicate instruction as a separate instruction unless we are actually informed by you that the instruction was a duplicate before the instruction is executed.
- 5.5 We shall not be deemed to have received your instructions or agreed to execute your orders unless and until we have issued an acknowledgement or confirmation by such means as determined by us from time to time (including posting on a section of our website designated for your access). You shall immediately notify us in writing if:
- (a) an instruction has been placed through the Facilities but you have not received an order number;
- (b) an instruction has been placed through the Facilities but you have not received an acknowledgement or an accurate acknowledgment (in hard copy or by electronic or verbal means) of the instruction or of execution; or
- (c) you have received acknowledgment (in hard copy or by electronic or verbal means) of execution for an instruction which you did not place.

If you fail to notify us in writing within 90 days of the occurrence of any of the above events, you shall be deemed to have accepted the Transaction and neither we nor any of our officers, employees or agents will have any liability to you or to any other person.

- 5.6 Without prejudice to any other conditions of this Part, you agree that certain information accessible on our website is provided or compiled by the HKSE or HKEx Information Services Limited, its holding companies and/or any subsidiaries of such holding companies or other information providers pursuant to agreements between us and such information providers. While the information providers endeavour to ensure the accuracy and reliability of the information provided, the information providers and we do not guarantee the accuracy or reliability of any information and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions. The information providers may issue directions to us from time to time and you shall provide such assistance as we may reasonable require to enable us to comply with such directions. Without the prior approval of the information providers, you shall not, with respect to any information provided by such information providers:
- (a) disseminate any such information to any third party;
- (b) use or permit the use of any such information for any illegal purpose;
- (c) use any such information other than in the ordinary course of your business (which shall not include dissemination of any such information to third parties); and

- (d) use any such information to establish, maintain or provide or to assist in establishing, maintaining or providing any trading floor or dealing service for transactions outside the HKSE.

You shall comply with such reasonable directions issued by the information providers from time to time concerning the permitted use of information provided by such information providers.

5.7 We may provide to the information providers:

- (a) information regarding the media by which you received information, the number of persons or devices (and its type) permitted by you to access information within and outside Hong Kong; and
- (b) your name and address in the event that we or the information providers suspect that you have breached these Conditions.

You agree to permit the information providers and us to inspect your premises and records in order to ascertain whether the licence fees applicable to you are properly accounted for, or whether you have been using information contrary to these Conditions.

5.8 We may record conversations with you without warning. Our record may be used as evidence of the contents of the conversation.

6. Client Identification

6.1 You agree that, in relation to a Transaction where we have received an enquiry from any regulator in Hong Kong including the HKSE and the SFC (“**Hong Kong Regulators**”), the following conditions of this Condition 6 shall apply.

6.2 Subject as provided below, you shall, immediately upon request by us, inform the Hong Kong Regulators of the identity, address, occupation and contact details (“**Relevant Particulars**”) of the client for whose account the Transaction was effected and (so far as known to you) the person with the ultimate beneficial interest in the Transaction and any third party who originated the Transaction. If your client is located in a foreign country or place, you confirm that this Condition is binding under the relevant foreign law.

6.3 If you effected a Transaction for an investment fund or scheme or discretionary account or trust, you shall, immediately upon request by us, inform the Hong Kong Regulators of the Relevant Particulars of the scheme, fund, account or trust and, if applicable, the person who, on behalf of such scheme, fund, account or trust, instructed you to effect the Transaction. In addition, you shall immediately inform us if your discretion in respect of any Transaction effected for such scheme, fund, account or trust has been overridden and, upon request by us, immediately inform the Hong Kong Regulators when your discretion was overridden and of the Relevant Particulars of the person(s) who gave the overriding instructions.

6.4 If you are aware that your client is acting as intermediary for underlying clients (“**Ultimate Client**”), and you do not know the Relevant Particulars of the Ultimate Client, you confirm that:

- (a) you have arrangements in place with your client which entitle you to obtain such information from your client immediately upon request; and
- (b) you will, on request from us, promptly request such information from the client on whose instructions the Transaction was effected, and provide the information to the Hong Kong Regulators immediately upon receipt.

6.5 You confirm that, where necessary, you have obtained all consents or waivers from your clients or other relevant persons, to release to the Hong Kong Regulators the information referred to in Conditions 6.2, 6.3 and 6.4.

6.6 This Condition 6 shall continue in effect notwithstanding the termination of your accounts.

7. Event of Default and Disposal of Securities

7.1 If an Event of Default occurs, without prejudice to any other rights or remedies that we may have against you and without further notice to you, we shall be entitled to, to the extent permitted under applicable laws:

- (a) immediately close all or any Account;
- (b) cancel any or all outstanding orders or any other commitments on your behalf;
- (c) close out any or all Transactions, cover any of your short positions through the purchase of Securities on the relevant Exchange or liquidate any of your long position through the sale of Securities on the relevant Exchange; and/or
- (d) sell or otherwise dispose of any or all of your Securities, on such terms as we may determine in good faith, in settlement of any liability owed by or on your behalf to us, our nominee or sub-custodian, or any of our member.

7.2 In the event of any sale pursuant to this Condition 7:

- (a) we shall not be responsible for any loss arising out of any such sale and whether or not a better price might have been obtained if we have used reasonable endeavors to sell or dispose of the Securities or any part thereof at the then available market price; and
- (b) you shall pay to us any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by you to us.

7.3 The proceeds of sale shall be applied in the following order and any residue shall be paid (without interest) to the person entitled to it:

- (a) payment of all reasonable costs and expenses including legal fees, stamp duty, commission and brokerage properly incurred by us in transferring and selling all or any of the Securities or properties in the Account or in perfecting title thereto;
- (b) payment of all interest due; and
- (c) payment of all monies and liabilities due, owing or incurred by you to us.

8. Miscellaneous

8.1 We shall provide you with a confirmation promptly after effecting a Transaction. Confirmations, reports and statements of your Transactions are subject to Condition 9 (Statements of account) of Section A, Part I (General Conditions).

8.2 When effecting Transactions for you, we or our associates may have a material interest in relation to the Transaction or Securities concerned. For example, we or our associates may (a) effect Transactions with you as principal, (b) effect Transactions where we or an associate has a position in the Securities or is involved as underwriter, sponsor or otherwise, or (c) match your order with those of other customers. If we have an actual or potential conflict of interest in relation to a Transaction, we will not advise or deal in relation to the Transaction unless we have disclosed that conflict to you and have taken all reasonable steps to treat you fairly. We may have existing or future commercial or banking relationships with any person involved in the issue or management of any Securities or their affiliates, and will pursue actions which we deem appropriate to protect our interests, without obligation to disclose or account to you, and regardless of whether such action might adversely affect you.

8.3 Upon termination of an Account, all amounts owing by you in connection with the Account will become immediately payable. We may close out and liquidate any or all Transactions in connection with the Account in accordance with Condition 7 (Event of Default and Disposal of Securities) of Section A, Part II (Securities). After deducting amounts owing to you, the Securities (if any) in the Account may be collected by you at your sole risk and expense. Acting reasonably, we will have no liability for any loss or damage arising from any delivery to you.

8.4 You will promptly sign an order when required by us to confirm any oral order.

8.5 Our employees and representatives are not allowed to accept appointment as your agent to operate your Account in a discretionary manner.

8.6 We may set limits on the size of the contracts you may establish. We will notify you of the limits and any change in writing.

8.7 We may take the opposite position to your order.

8.8 If the Securities are traded on more than 1 Exchange, we may (acting reasonably) execute a Transaction on any of the Exchanges, unless otherwise specifically agreed.

B. SECURITIES TRADING SERVICES

1. Instructions

1.1 All instructions for effecting Transactions which are: (a) at the available market price, shall be at the price or prices obtainable by the Stock Broker at the stock market; and (b) at a set price or for a limit, shall be at the price set or at the limit or above for selling Securities and at the price set or at the limit or below for buying Securities; and the instructions will not be effected if the foregoing conditions cannot be attained. You acknowledge and agree that due to market conditions, the Stock Broker may not be able to obtain the best price for you whether in respect of selling or buying Securities.

1.2 Unless the duration of the instruction is specified by you and accepted by us, an instruction for effecting Transactions not executed or in case of partial execution, for the part not executed shall (unless otherwise notified to you by us) automatically lapse and be of no effect by the end of the trading day of the relevant Exchange. For the avoidance of doubt, any instruction received by us after the end of a trading day of the relevant Exchange shall be carried forward for execution on the next trading day of that Exchange. Instructions received by us after the end of a trading day of the relevant Exchange may not be executed at the opening market price on the next

trading day of that Exchange due to, among other reasons, the time it takes to process and execute the instructions.

- 1.3 Instructions for effecting Transactions of a specified quantity may be partially executed. Such portion executed shall be binding on and be accepted by you. If the duration of the instruction is not specified, the portion not executed shall automatically lapse and be of no effect as provided in Condition 1.2. If the duration of the instruction is specified, the portion not executed shall stay effective until the earlier of execution or expiry of the instruction or cancellation by you or such period as determined from time to time by us. If an instruction cannot be executed or wholly executed, we shall be under no obligations to notify you immediately.
- 1.4 Your instructions may be given by us to any Stock Broker, and your applications to a Fund Manager may be given by us, in your name or in our or our nominee's name as we may think fit. Your instructions and applications may be aggregated together with instructions or applications for our or our other customers' accounts. We have no further obligations following transmission of your order or application to the Stock Broker or Fund Manager. Unless otherwise agreed with you in writing, we are not required to take any action to collect any sums payable in respect of your Securities or to inform you if any payment becomes due or overdue or if any action is required in respect of your Securities.
- 1.5 Where your order is aggregated with those of other customers, we may allocate any Securities acquired amongst you, the other customers and us on such basis as we reasonably deem equitable.
- 1.6 Notwithstanding any other conditions hereof, you acknowledge that due to market conditions, instructions may not be able to be carried out by the Stock Broker, applications to the Fund Manager may be rejected by the Fund Manager (although it has been accepted by us), and applications for new issues may not be successful at all or only in part.
- 1.7 Where applicable, including in connection with any Fund, before giving any instruction to purchase or deal, you will have read, understood and agreed to be bound by the relevant offering and constitutive documents, application form and procedures. You will ensure that your instructions conform to the applicable requirements. We are not responsible to check if this is the case, and are authorized at our discretion to reject any instruction, to transmit it to the Fund Manager or other person as appropriate without change, or to make any necessary changes to conform with the applicable requirements, without reference to you.
- 1.8 You shall ensure that, at the time you instruct us to buy or sell Securities:
- (a) in the case of purchase, you have sufficient cleared funds in your Settlement Account or sufficient available Margin Facilities in your Margin Account to meet the cost of buying the Securities (including stamp duties, levies, commissions and all transaction-related charges and expenses);
 - (b) in the case of sale:
 - (i) you have deposited or arranged for the relevant Securities to be deposited with or transferred to us in time for settlement; and/or
 - (ii) you have duly signed or caused to be signed the instrument of transfer and sold notes or such other documents or evidence of title relating to such Securities as will enable the same to be freely transferred,

in both cases, where the Securities are delivered to us in physical scrip form we may, in order to ascertain the genuineness of the Securities, before effecting the sale hold the Securities for a reasonable time or, after effecting the sale, hold the sale proceeds for a reasonable time before crediting the amount to your account. Short-selling is not allowed.

- 1.9 Immediately upon receipt of an instruction to buy or sell Securities, we may:
- (a) in the case of purchase, where you have a Cash Account, earmark or hold a sum against the credit balance in the Settlement Account or, where you have a Margin Account, earmark a sum against the available Margin Facilities in the Margin Account, equal to 100% of the value of the Securities (or such other amount as we in our reasonable discretion think necessary) together with stamp duties, levies, commissions and all transaction-related charges and expenses until it has been confirmed by us that the instruction has actually been effected in full or in part or not at all, in which case we may release such sum earmarked or held by us which are in excess of the cost of the Securities purchased; and
 - (b) in the case of sale, where you have a Cash Account, earmark or hold a sum against the credit balance in the Settlement Account or, where you have a Margin Account, earmark a sum against the available Margin Facilities in the Margin Account, of not less than 100% or any percentage of the value of the sale order (as estimated by us in our discretion), or such other amount as we in reasonable discretion think necessary together with stamp duties, levies, commissions and all transaction-related charges and expenses, until (i) the Securities to be sold have been deposited or transferred to us or our nominee or sub-custodian; or (ii) it has been confirmed by us that the instruction cannot be effected.
- 1.10 Whether or not you have complied with Condition 1.8, we may in our discretion carry out your instructions to buy or sell Securities without further notice to you, in which case:
- (a) in the case of purchase, you shall, where you have a Cash Account, place sufficient cleared funds into the Settlement Account as soon as possible after your giving of the relevant instructions, or, where you have a Margin Account, make such payments or deposit of additional Collateral (as defined in Section D (Margin Trading Services)) as we may in our discretion determine and require in accordance with Section D (Margin Trading Services), for the purposes of settlement of the Transaction; and
 - (b) in the case of sale, you shall deposit or arrange for the relevant Securities to be deposited with or transferred to us in time to settle the Transaction.

In any event, you are responsible for all settlement and all other obligations arising in connection with any Transaction entered into pursuant to your instructions.

- 1.11 Unless you notify us otherwise in relation to a Transaction, you confirm that all your sell orders in respect of Securities at or through HKSE will be "long sales". You undertake to notify us at the time of placing a sell order if it relates to Securities which you do not own but have a right to obtain, i.e. involves short selling, and at the same time to provide us with the requisite assurance that the sale is "covered".
- 1.12 We will credit your account with securities, proceeds, refunds, and income only after actual receipt by us and after deducting reasonable expenses. We may credit any one or more of your accounts. Unless it forms part of the services that we have agreed with you in writing, we may (but are not obliged to) take action to collect securities or money due to you. If not collected in person, delivery of securities to you will be at your risks.
- 1.13 References to instructions to buy or sell Securities include, where the context permits, applications to the Fund Manager to redeem, transfer or convert units of Funds held by us for you, and applications for Securities pursuant to Condition 2 (Subscription for Securities in Public Offerings).

2. Subscription for Securities in Public Offerings

- 2.1 We may (but are not obliged to) accept your application for Securities in a new listing or issue or sale (the "New Issue") on the HKSE as your agent. If we accept, you authorize us to make such application on your behalf at any time on or before the closing time for making applications.
- 2.2 If you request us to apply for Securities in a New Issue on your behalf, you shall familiarize yourself with all the terms and conditions governing such New Issue (including terms and conditions relating to application and settlement arrangements), and agree to be bound by and comply with, and authorize us to apply for Securities in the New Issue in accordance with, all such terms and conditions.
- 2.3 You agree to provide such information, make such representations, warranties and undertakings and take such steps as may be required in connection with any such application. By requesting us to apply for Securities in a New Issue on your behalf, you are deemed to have made such representations, warranties and undertakings as may be required in respect of the relevant application, and to have authorized us to make them on your behalf to the issuer or sponsors of the New Issue or other relevant person. You acknowledge and agree that you may be liable in damages to other persons affected by any breach of such representations, warranties and undertakings and without limiting the effect of any other conditions in this Part, you agree to indemnify us against any claim, liability or loss, or reasonable expense which we may suffer, sustain or incur as a result of such breaches provided that such indemnity will not extend to any consequence arising solely from our negligence or wilful misconduct.
- 2.4 You agree that any application for Securities in any New Issue by us at your request will be the only application made by you or on your behalf. You authorize us to represent and warrant to the HKSE and any other relevant person to that effect, and acknowledge that such representation and warranty will be relied upon.
- 2.5 If we or our agent makes a bulk application for our own account, on your behalf and/or on behalf of our other customers, you agree:
- (a) that such bulk application may be rejected for reasons unrelated to your application, and neither we nor our agent will, in the absence of negligence or wilful misconduct, incur any liability arising from such rejection; and
 - (b) to fully indemnify us against any claim, liability or loss, or reasonable expense which we may suffer if such bulk application is rejected due to breach of your representations, warranties or undertakings or other factors relating to you. You acknowledge that you may also be liable to other persons affected by such breach or factors.

2.6 In the event that the application for Securities is unsuccessful or partially unsuccessful and all or some of the application money is refunded, you authorize us or our nominee or sub-custodian to receive the amount refunded and, unless specifically requested by you and agreed by us, such amount shall be credited into, where you have a Cash Account, the Settlement Account or, where you have a Margin Account, the Margin Account and you authorize us to complete the application so as to require the refunded money to be dealt with in the manner stipulated herein.

3. Settlement

3.1 Transactions completed by us as your agent shall be settled 2 trading days after your trade is executed or such other time as determined by us or the relevant Exchange or Clearing House (the "Settlement Date").

3.2 Without limiting Conditions 1.8, 1.9 and 1.10, you shall, where you have a Cash Account, make available to us sufficient cleared funds in the Settlement Account, or where you have a Margin Account, ensure that there are sufficient available Margin Facilities in the Margin Account or Securities in the Account for settlement of the transaction on demand or without demand within 24 hours of giving the instructions to us. If you fail to fulfil your settlement obligations by the time specified above, we are authorized to:

(a) in the case of purchase, transfer or sell any Securities in the Account (including the purchased Securities) as necessary to satisfy your settlement obligations; and

(b) in the case of sale, purchase on your behalf such Securities as necessary to satisfy your settlement obligations.

You shall fully indemnify us on demand against any claim, liability or loss, or reasonable expense which we may incur, suffer or sustain in connection with such sale or purchase or any default in performance of your settlement obligations save to the extent of our negligence or wilful misconduct.

3.3 In effecting any instruction to sell Securities on your behalf, we are authorized to appropriate, withdraw and/or apply the relevant quantity of appropriate Securities from the pool of Securities you deposited with us so as to enable us to complete the sale.

3.4 With respect to Securities purchased on your behalf, we are authorized without prior notice to you to transfer and hold such Securities upon receipt pursuant to Section F (Custody Services).

3.5 With respect to Securities sold on your behalf, the net proceeds of sale after deducting all brokerage, commission, stamp duty, transaction and other levies, fees and reasonable expenses incurred in connection with the sale shall first be applied towards payment of any indebtedness due and owing to us and the surplus (if any) shall be credited into the Settlement Account or Margin Account.

C. SECURITIES SAVINGS SCHEME

1. Definitions

In this Section, unless the context otherwise requires:

"Instructions" means your instructions to us to purchase Securities at regular monthly intervals in accordance with the conditions of this Section.

"Payment Date" means such day of each month as may be determined by us from time to time upon prior notice to you, on which the aggregate of the purchase prices for all Securities to be purchased under subsisting Instructions shall be debited by us from the Settlement Account, or if such day is not a banking day, the next following banking day.

"Securities" means such Securities as we may from time to time specify.

"Transaction Date" means, in respect of each calendar month, the second banking day after the Payment Date for that calendar month.

2. Scope of Service

2.1 You may, from time to time, give Instructions to us. Each Instruction must be given in such form and manner as we may specify from time to time and must state: (a) the type of Securities to be purchased; (b) the sum to be invested by you each month for the purchase of such Securities; and (c) such other information as we may require (whether generally or in any particular case). We may, at our discretion, decide whether or not to accept any Instruction.

2.2 If we accept an Instruction, we shall be authorized to purchase the relevant Securities specified by you in such Instruction as your agent in accordance with the conditions of this Section.

2.3 On each Transaction Date, we shall, at our discretion, determine the number of units of the Securities selected by you in each subsisting Instruction which could be purchased on that Transaction Date at the prevailing market price on the relevant Exchange with an amount not exceeding your monthly contribution relating to such Securities as stated in that Instruction. We shall use our reasonable endeavour to purchase for your account such number of units of the Securities, having regard to the board lot size or other prescribed denomination for trading of such Securities on the relevant Exchange, provided that we shall in no event be obliged to purchase Securities in odd lots or otherwise in amounts other than the relevant trading denomination. We shall have reasonable discretion to determine the time to place the order for the Securities, the manner of bidding for the Securities and the bid price to be submitted for the Securities.

2.4 You acknowledge that prices of Securities may fluctuate substantially on and within each trading day, and there is no assurance that we shall be in a position to obtain the best price for the relevant Securities on any Transaction Date. You acknowledge that the amount of Securities actually purchased by us for your account each month shall depend on, among other things, the prevailing price of the Securities at the time the order is successfully executed and is not within our control. There can be no assurance that there will be liquidity on the relevant Exchange for the Securities selected by you. By reason of the rapid changes in the prices of Securities, lack of sellers for certain Securities or overwhelming demand for certain Securities on the relevant Exchange that frequently take place, or other reasons beyond our reasonable control, there may, on occasions and despite our reasonable endeavours, be failure on the part of us to purchase any of the Securities selected by you. You acknowledge that we will place an order for the purchase of the relevant Securities for your account on the Transaction Date only and at the bid price reasonably determined by us to be appropriate taking into account the market conditions on that date and/or at the time of order execution, and that such order will lapse to the extent it is unfulfilled at the end of the official trading day of the relevant Exchange on that date. You acknowledge and agree that we shall have no liability for any losses or damages that you may suffer or incur by reason of our failure to acquire any Securities for your account save to the extent of our negligence or wilful misconduct.

2.5 Your instructions may be aggregated together with instructions for our or our other customers' accounts. We may allocate any Securities acquired amongst you, the other customers and us on such basis as we reasonably deem equitable.

2.6 In the event that trading on the relevant Exchange in any of the Securities selected by you in an subsisting Instruction is suspended on the Transaction Date of any month, the following conditions shall apply:

(a) if the suspension occurs before we have effected the purchase, we shall effect the purchase of Securities for your account as soon as practicable after the Securities resume trading on the relevant Exchange; and

(b) if the suspension occurs after we have effected the purchase, you shall be bound by the executed Instruction.

2.7 We shall not be obliged to give any advice to you as to the selection of Securities to be purchased by you.

3. Settlement Account

3.1 For the purpose of this Section, you may by notice in writing to us in such form and manner as we may specify from time to time specifying the number of a new Settlement Account (which must be a bank account maintained by you with us) change the bank account which is to be the Settlement Account. Such notice shall take effect only upon confirmation by us in writing.

3.2 You must maintain the Account for the purposes of this Section. We will not purchase any Securities on your behalf if the Account is terminated for any reasons.

3.3 The term "Settlement Account" in this Section means:

(a) with respect to Instructions for purchase of Securities that are traded and settled in Hong Kong dollars, the Hong Kong Dollar Settlement Account only. You must not designate a Settlement Account which is denominated in a foreign currency and we shall not be obliged to take into account any credit balance in any foreign currency account maintained with us when effecting Instructions; and

(b) with respect to Instructions for purchase of Securities that are traded and settled in currency other than Hong Kong dollars, the Foreign Currency Settlement Account only. You must not designate a Settlement Account which is denominated in Hong Kong dollar and we shall not be obliged to take into account any credit balance in any Hong Kong dollar account maintained with us when effecting Instructions.

4. Payment

4.1 You agree to make a monthly contribution to your Settlement Account of the total amount specified in all of your subsisting Instructions and otherwise ensure that the Settlement Account shall have sufficient cleared funds to pay for your aggregate monthly contributions for each month on the relevant Payment Date.

- 4.2 You authorize us to debit the Settlement Account for all of your monthly contributions for the purchase of Securities under this Section on each Payment Date. We shall not be obliged to purchase any Securities for any month in which the Settlement Account does not have sufficient cleared funds to pay for your aggregate monthly contributions for that month.
- 4.3 You shall pay all claims, liabilities and losses, and all reasonable expenses in connection with these Conditions, including the purchase price of Securities and all reasonable expenses, trading fees, commissions, stamp duty, tax and levy incurred in the purchase of Securities for your account, and we are authorized to apply your monthly contributions towards the foregoing payments. Any of your monthly contribution received by us which is not applied towards such payments shall be refunded, without interest, to the Settlement Account.
- 4.4 We may terminate any or all of your subsisting Instructions, in whole or in part, without prior notice to you if the Settlement Account does not have sufficient cleared funds for payment of your aggregate monthly contributions for 3 consecutive months.
- 5. Instructions**
All instructions from you to us in connection with this Section shall be given by you in such manner and by such time as may be approved by us from time to time. Instructions to terminate or vary any subsisting Instruction must be received by us at least 5 banking days prior to the next Payment Date. Otherwise, Instructions may be executed and all conditions hereof shall apply to such Instructions, without any liability on our part.
- 6. Custody of Securities**
Securities purchased for your account shall be registered and held in safe custody in accordance with Section F (Custody Services).
- D. MARGIN TRADING SERVICES (For Margin Account Customers only)**
- 1. Definitions**
In this Section, except where the context otherwise requires:
"Charge" means the charge over the Collateral pursuant to this Section.
"Collateral" means your Securities and other assets charged to us under this Section.
- 2. Credit Facilities**
- 2.1 We may, in our discretion, grant to you Margin Facilities in an amount not exceeding a prescribed percentage (as determined by us from time to time in our discretion) of the market value of the Collateral maintained with us, as determined by us from time to time in our discretion. Margin Facilities shall be subject to these Conditions. We shall be entitled to revise in any way the amount, terms and conditions of the Margin Facilities from time to time in our discretion.
- 2.2 You authorize us to draw on the Margin Facilities to settle any amounts due and owing to us in respect of any Transactions executed on your behalf or in connection with any Services provided by us.
- 2.3 You agree to pay immediately in full and on demand any amount owing to us under the Margin Facilities.
- 2.4 Without prejudice to Condition 2.3, you shall on demand immediately make such payment or deposit with or transfer to us or our nominee or sub-custodian such additional cash and/or Securities approved by us in such amount as we may in our discretion determine so as to provide adequate security in respect of the Margin Facilities. Any failure by you to comply with this Condition will constitute an Event of Default.
- 2.5 Margin Facilities are only available at our discretion and may be varied in any way, withdrawn or cancelled by us at any time without notice or liability.
- 2.6 You agree to pay interest to us in respect of any debit balance on the Margin Account and any amount otherwise owing to us at such rate as may be determined from time to time by us. Such interest shall accrue from day to day (before and after judgment) and shall be payable on the last day of each calendar month or on demand.
- 2.7 Subject to restrictions imposed by us from time to time in our discretion, you may transfer funds from the Settlement Account to the Margin Account or vice versa.
- 3. Collateral**
- 3.1 In consideration of our granting Margin Facilities to you or continuing to grant Margin Facilities to you from time to time, you, as beneficial owner, charge to us by way of first fixed charge all Securities and other assets including credit balances in your accounts with us which are now or which shall at any time hereafter be deposited with us or our nominee or sub-custodian by you, or shall come into our or our nominee or sub-custodian's possession, custody or control for any purpose, including additional or substituted Securities, as continuing security for the payment and satisfaction of all monies and liabilities of any nature absolute or contingent which are now or at any time hereafter owing or outstanding, or may become owing or outstanding, by you to us together with interest (at a rate to be determined by us in our discretion from the due date until actual payment before and after judgment) and expenses (including legal costs) and the due and punctual performance and observance by you of all obligations contained in these Conditions.
- 3.2 The Collateral includes:
- (a) all your rights, title and interest in and to the Securities which shall at any time hereafter and from time to time be purchased or held by us or our nominee or sub-custodian for or on your account, together with all dividends or interest paid or payable on and all stocks, shares, rights, monies or other property accruing or offered at any time by way of redemption, substitution, bonus, preference, option or otherwise to or in respect of any of the Securities and all allotments, accretions, offers, rights, distributions, benefits and advantages at any time accruing, made, offered or arising in respect of any of the same; and
- (b) all and any funds standing to the credit of the Settlement Account and the Margin Account and all funds held by us for or on your account from time to time.
- 3.3 Nothing in this Part shall be construed as placing on us any liability in respect of any calls, instalments or other payments relating to any Collateral, and you shall indemnify us in respect of all calls, instalments or other payments relating to the Collateral.
- 3.4 The Charge shall be a continuing security and shall cover and secure the ultimate balance from time to time owing by you to us, notwithstanding the insolvency or liquidation or any incapacity or change in your constitution or status or any intermediate settlement of account or any matter. The Charge is in addition to, and independent of, any guarantee, security, right or remedy now or hereafter held by or available to us.
- 3.5 You represent and warrant to us that during the continuance of the Charge, you have and will maintain unencumbered and absolute title to the Collateral (subject only to the Charge).
- 3.6 You undertake to us that during the continuance of the Charge, you shall:
- (a) deposit with us or to our order, all certificates, instruments and evidence of title to the Collateral, together, where appropriate, with all forms of transfer as we may from time to time require; and
- (b) at any time and from time to time upon request by us execute and procure your nominee to execute such legal or other mortgages, do all such transfers, powers of attorney, acts and things and give such notices, orders and directions as we may require in respect of the Collateral for the purposes of perfecting the Charge.
- 3.7 You will do or permit to be done everything which we may from time to time require to be done for the purpose of enforcing our rights and will allow your name to be used as and when required by us for that purpose.
- 3.8 You authorize us (with full power of substitution) and in your name or otherwise on your behalf and as your act to sign, deliver, perfect and do all instruments, acts and things which may be required or which we believe in good faith to be proper or expedient for carrying out any of your obligations or for exercising any of our powers or for giving to us the full benefit of this security. You ratify and confirm and agree to ratify and confirm any instrument, act or thing which we or our substitute may do.
- 3.9 Throughout the continuance of the Charge, we shall be entitled to refuse any withdrawal of the Collateral.
- 3.10 We or our nominee or sub-custodian may exercise at our discretion (in your name or otherwise at any time whether before or after any demand for payment hereunder and without any further consent or authority on your part) in respect of the Collateral, any voting rights, all rights and powers given to trustees under Sections 11(4) and (5) of the Trustee Ordinance in respect of securities or property subject to a trust, and all rights and powers as if we were the sole beneficial owner thereof.
- 3.11 We shall not be under duty to present any interest coupon or any bond or stock which may be called or drawn for repayment or redemption, or to pay any call or instalment which may become payable on or to accept any offer relating to the Collateral, or to notify you of any of such matters or of any communications received by us in respect of the Collateral.
- 3.12 All expenses (including legal costs) reasonably incurred under this Part by us or in connection with the Charge or the Collateral, including all costs in proceedings for enforcement of the Charge or for obtaining payment of the moneys hereby secured shall be recoverable from you as a debt, and may be debited to any of your accounts with us, and shall be charged on the Collateral.

4. Disposal of Collateral

- 4.1 You authorize us to sell or dispose of any or all of the Collateral, on such terms as we may determine in good faith, in settlement of any liability owed by or on your behalf to us or our nominee or sub-custodian.
- 4.2 In the event of any disposal of Collateral pursuant to Condition 4.1:
- (a) we shall not be responsible for any loss arising out of any such sale and whether or not a better price might have been obtained if we have used reasonable endeavours to sell or dispose of the Securities or any part thereof at the then available market price;
 - (b) you shall pay to us any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by you to us.
- 4.3 We are authorized to give a good discharge of any moneys received by us pursuant to the disposal of the Collateral and a purchaser shall not be bound to enquire whether the Charge has become enforceable nor be concerned with the manner of application of the proceeds of the disposal.

E. NEW ISSUE FINANCING

1. We may, in our discretion, grant to you a loan ("Loan"), subject to these Conditions and in an amount determined by us in our discretion, to be used exclusively to finance your subscription of Securities in accordance with Condition 2 (Subscription for Securities in Public Offerings) of Section B (Securities Trading Services). You acknowledge and agree that we shall have an equitable interest in the proceeds of the Loan until they are actually utilized for such specific purpose. We shall be entitled to revise in any way the terms and conditions of the Loan from time to time in our discretion without notice or liability.
2. You authorize us to draw the Loan towards paying any amounts due and owing in respect of your subscription of Securities in accordance with Condition 2 (Subscription for Securities in Public Offerings) of Section B (Securities Trading Services).
3. You agree to repay in full and immediately on demand the Loan, all accrued interest and any other amount owing to us in connection with the Loan.
4. You agree to pay interest to us on the outstanding balance of the Loan at such rate as may be determined from time to time by us. Such interest shall accrue from day to day (before and after judgment) and shall be payable on the last day of each calendar month or on demand.
5. We may apply all or any money refunded in respect of your subscription of Securities to reduce the amount of the Loan, the interest thereon and any other amount owing to us in connection with the Loan.
6. In consideration of our granting the Loan to you, you, as beneficial owner, charge to us by way of first fixed charge the Collateral (as defined in Section D (Margin Trading Services) and including all Securities allotted to you pursuant to your subscription of Securities in accordance with Condition 2 (Subscription for Securities in Public Offerings) of Section B (Securities Trading Services)). Conditions 3 (Collateral) and 4 (Disposal of Collateral) of Section D (Margin Trading Services) shall apply to this Section, as if references to "Margin Facilities" are to the Loan, references to the "Collateral" are to the Collateral as defined in this Section, and references to the "Charge" are to the charge over the Collateral under this Section.

F. CUSTODY SERVICES

1. Your Securities held with us are subject to the conditions of this Section.
2. We may, in respect of all Securities deposited by you with us or purchased or acquired by us on your behalf, and held by us for safe keeping:
- (a) register the Securities in your name or in our or nominee or sub-custodian's name (including any of our member);
 - (b) deposit the Securities in safe custody, subject to applicable laws and regulations, in a designated account with an authorized institution or another intermediary licensed under the SFO to deal in securities or with the Fund Manager;
 - (c) where applicable, deposit the Securities with CCASS either in the form deposited or registered or re-issued in the name of HKSCC or in the name of the CCASS Nominee;
 - (d) deposit any eligible Securities into a clearing system where transfers are made electronically or by book entries, or with an overseas custodian or depository, subject to the rules, regulations, requirements and procedures of the relevant clearing system, custodian or depository;
 - (e) take all necessary actions to comply with applicable laws and the rules, regulations and codes issued by the Hong Kong Monetary Authority, the SFC, any other regulators, the relevant Exchange or Clearing House, including withholding or making payment of tax or duties in respect of cash or the Securities.
3. We reserve the right to reject a deposit of Securities, reject a re-deposit of Securities or return the Securities deposited with us to you without closing the Account, in which case you shall accept delivery of the same forthwith.
4. Without prejudice to Condition 3 of this Section, we may require Securities to be deposited with us to be in registered form and registered in your name or in the name of a depository acceptable to us and production of the documents of title relating to the Securities in registered form.
5. We may (but are not obliged to):
- (a) if required by the laws governing the Securities or the laws governing our or our nominee or sub-custodian's or the relevant clearing system or depository's operations, complete and deliver on your behalf as owner thereof any ownership certificates, declaration or information in connection with the Securities;
 - (b) surrender the Securities to receive monies payable at maturity or on early redemption by the issuer;
 - (c) exchange any of the Securities in interim or temporary form for Securities in definitive form;
 - (d) sell or dispose of fractional shares to which you may be entitled; and
 - (e) take any action, exercise any rights or satisfy any liabilities in respect of the Securities as we or our nominee or sub-custodian considers advisable or expedient or if we or our nominee or sub-custodian considers that it would not be possible to obtain your instructions or if you have not responded to our request for instructions within the specified time or if, in our or our nominee or sub-custodian's opinion, it would involve undue delay or expense to obtain such instructions.
6. We may (but are not obliged to) collect on your behalf dividends, interest and other payments of income or capital in respect of the Securities deposited with us and take such action at your costs and expenses which we or our nominee or sub-custodian deems appropriate for the purposes of such collection. We will credit the amount collected after deduction of all reasonable fees, costs and expenses to the Settlement Account or the Margin Account.
7. Any relevant notices or communications in respect of your Securities received by us or our nominee will where required by applicable Hong Kong regulations be forwarded to you. Where your instruction is required in respect of any transactions or matters which involve rights or obligations to make payments, tender Securities, or acquire or subscribe for Securities:
- (a) We or our nominee or sub-custodian will make reasonable efforts to inform you of the same.
 - (b) If you fail to instruct us within the time prescribed by us: (i) in the case of any transactions or matters which involve rights (without obligations) whether to make payments, tender Securities, acquire or subscribe for Securities or otherwise, it shall be conclusively deemed that you have irrevocably renounced all your related rights and entitlements regarding such transactions or matters (ii) in the case of any transactions or matters which involve obligations whether to make payments, tender Securities, acquire or subscribe for Securities or otherwise, we are authorized at our discretion to: (1) debit the required amount to the Settlement Account where you have opened a Cash Account, or to the Margin Account where you have opened a Margin Account, or if there are insufficient funds in the Settlement Account or insufficient available Margin Facilities in the Margin Account, debit such amount to any of your accounts with us whether savings, current, fixed deposit (matured or not); or (2) deduct the same from the proceeds, if any, of the transactions effected; or (3) realize all or part of your Securities to raise sufficient moneys to settle such obligations; or (4) pay the required amount on your behalf, by way of an advance to you, which advance shall be secured by the Securities and be repayable by you on demand, together with interest thereon at the rate and calculated in the manner as determined by us; and (iii) in any other case, we are authorized at our discretion to take or omit to take any action as we believe in good faith to be appropriate or expedient.
 - (c) If you shall instruct us to take up any rights to acquire or subscribe for Securities, we are not obliged to do so unless and until sufficient immediately available funds have been received by us within the time prescribed by us and in default thereof, Condition 7(b) shall apply as if you had failed to instruct us in time.
 - (d) All shares allotted pursuant to rights taken up on your behalf under Condition 7(c) form part of the Securities held for you.

8. Subject to Condition 7 or save as otherwise agreed by us, we or our nominee or sub-custodian shall have no responsibility: (a) to forward notices and communications received to you or for any failure to seek your instructions in sufficient time with regard to any matters; (b) to inform you in respect of any action concerning calls, conversions, offers, redemption, dividends, coupons, payments or any similar matters; (c) to send proxies received by us in respect of the Securities or give any notice of the receipt of such proxies to you. Reports, accounts, notices and any other documents received by us in respect of your Securities will be held for a period reasonably decided by us, and will be available for your inspection during such period at our designated office. Thereafter we will destroy the documents.
9. You may appoint us or our nominee or sub-custodian as proxies or representatives for the purpose of attending and voting at meetings of holder of Securities or other similar purposes and you may give instructions to us with regard to the exercise of rights or entitlements accruing to such Securities or to participate in other actions, transactions or matters affecting such Securities. We are not obliged to act upon your instructions unless such instructions are given to us at least 2 banking days before the date of the relevant event and until we or our nominee or sub-custodian has been indemnified and secured to our satisfaction against all costs, expenses and liabilities which we or our nominee or sub-custodian might incur.
10. Save as provided in Condition 9, we or our nominee or sub-custodian shall be entitled to act in our discretion as regards attendance at meetings or voting in respect of the Securities or as regards any subscription, conversion or other rights in respect thereof or as regards any merger, consolidation, reorganization, receivership, bankruptcy or insolvency proceedings, compromise or arrangement or the deposit of any of the Securities in connection therewith or otherwise. We or our nominee or sub-custodian shall be under no duty to investigate or participate therein or take any action in connection therewith.
11. You may withdraw Securities at any time by giving at least 3 banking days' prior written notice (or such other notice as we may require) to us duly signed by the Authorized Representatives provided that:
 - (a) where any Securities are in the course of being processed for transfer to and registration in the name of our nominee or sub-custodian or a depository, you shall have no right to withdraw such Securities until the same have been received by our nominee or sub-custodian after due registration or the same have become available for withdrawal from the depository; and
 - (b) where you are indebted to us, you may not effect any such withdrawal unless we agree; and
 - (c) we shall have no responsibility to return to you Securities bearing serial numbers identical with those delivered to us so long as the Securities returned are of the same class, denomination and nominal amount and rank pari passu with those originally accepted by us, subject always to any capital reorganization or other actions which have occurred in the meantime; and
 - (d) withdrawal of Securities of any class shall be in multiples of the lowest denomination (whether in board lots or otherwise) of Securities of that class and shall be effected at our branch where your Account is opened; and
 - (e) in respect of withdrawal of Securities held with a depository, upon your request and if available:
 - (i) the Securities may be withdrawn in registered form and, subject to availability of the type and quantity of certificates requested, you may elect to withdraw either new certificates or old certificates and the withdrawal of such certificates shall be in board lots or such other denominations as may be specified by the depository; or
 - (ii) the Securities may be withdrawn by transferring the Securities to an account of a participant in the depository, in which case you are deemed to have withdrawn the Securities upon execution by us of an instruction for the Securities to be transferred and we shall not be under any duty to ensure that the Securities have been received by the participant named by you or to confirm with such participant that the same is to hold the Securities to your order.

Other than provided in Condition 11(e)(ii), the delivery by us of the Securities to an Authorized Representative or another designated person named in a delivery order believed by us in good faith to have been issued by you, or where no designated person is named in the delivery order, the bearer of the delivery order shall absolutely discharge us from all liabilities therefor Provided That we reserve the right to request you to be personally present for withdrawal.
12. You shall pay our fees, commissions and charges, and all out-of-pocket expenses including the expenses of our sub-custodians and nominees, in each case in the amounts and within the times notified to you, as well as applicable fees of the relevant Exchange, Clearing House and registrar, levies of any regulatory authority, and all applicable stamp duties, taxes and expenses. We may deduct such fees, commissions, charges, expenses, levies, duties, taxes and expenses from your account with us. If any Securities require special or unusual safe custody, you shall pay all expenses reasonably incurred by us in providing such safe custody.
13. You agree that Securities deposited with us shall be at your sole risk save in respect of loss or damage suffered by you by reason of the negligence or wilful misconduct in the performance of our duties hereunder but in any event our liability shall be limited to the extent stated in Condition 10 (Limit of our liability) of Section A, Part I (General Conditions). We will not be responsible in any manner to you for any act or omission of any nominee or custodian selected by us using our reasonable care.
14. We or our nominee or sub-custodian shall not be liable in respect of any loss or damage suffered by you including any deduction (by way of taxation or otherwise) from any funds or payments received whether or not due to or arising out of the handling or dealing by us or our nominee or sub-custodian with Securities or Transactions unless the loss or damage is a direct and immediate consequence of our negligence or wilful misconduct.
15. Your Securities will be treated as fungible and held as part of a larger holding of identical Securities held for our customers. You will be entitled to the same share of the payments and rights arising on the holding as your share of the total holding. Any loss will be apportioned among all owners.
16. You understand that your Securities will be held by us uninsured unless otherwise specifically agreed in writing with us.
17. You may only withdraw or sell your Securities after you have complied with the conditions and made the payments we require (acting reasonably). You may not do so if we have not actually received the relevant Securities or if registration or transfer has not been completed. You will collect any certificates or documents from the place we reasonably specify. Securities may not be withdrawn in a physical form, e.g., if they are in the form of a global certificate or in book-entry form.
18. You authorize us and any person appointed by us to execute any documents and otherwise act on your behalf for all purposes connected with our custodial services.
19. Payments to be made or received in a currency other than Hong Kong dollars may be converted by us into the applicable currency at the rates and times selected by us.
20. Either party may terminate the custodial service under this Section at any time by 30 days' notice to the other party. Subject to our rights and completion of transfer of any Securities to us or to you, your Securities and any relevant documents of title in our possession shall be collected by you from us within 7 days of the termination of the custodial service. Any delivery to you by us (acting reasonably) shall be at your sole risk and expense. If within 7 days or such longer period as we may agree following the termination of the custodial service under this Section, you have not collected your Securities from us, we shall continue to hold such Securities but without the obligations imposed on us under this Section.

PART III: WEALTH MANAGEMENT SERVICES

- A. General
- B. Share Option Transactions
- C. Currency Option Transactions
- D. Investment Fund Trading Services
- E. Investment Fund Savings Plan
- F. Third Party Products

A. GENERAL

You may enter into one or more transactions with us (each a “**Transaction**”), each evidenced by a confirmation (“**Confirmation**”) and expressed to be subject to these Conditions. The parties will be legally bound by each Transaction as soon as they have made an agreement (orally or otherwise). We will issue a Confirmation to evidence the terms of each Transaction. The terms of each Transaction will be as set out in the relevant Confirmation. Any other information provided by any means by us or others is for reference only.

Terms bear the meaning used in the relevant Confirmation and these Conditions. Currency, interest and other rates, day count fraction, prices, sources and any terms used without definition in a Confirmation or these Conditions have the meaning determined by us by reference to market practice or any source we deem appropriate. We may adjust any date that would otherwise fall on a non-Business Day by reference to market practice. We may round down or up percentages and amounts by reference to market practice.

If any provisions of these Conditions are not appropriate to a Transaction, or if any event is not dealt with in the Confirmation or these Conditions, we may make any adjustments to the prices, rates and any other variable relevant to the Transaction to preserve the economic terms of the Transaction.

If any Transaction relates to derivative products, including options, we will provide to you upon request (a) product specifications and any prospectus or other offering document covering such products and (b) where applicable, a full explanation of margin procedures and the circumstances under which positions may be closed without your consent.

Please read these Conditions, particularly Conditions 3 (Default Interest), 6 (Events of Default) and 7 (Early Termination), and our Risk Disclosure Statements carefully.

1. Single Agreement

All Transactions constitute a single agreement between the parties (“**Agreement**” which expression includes each Transaction) and will be entered into in reliance on such fact. The parties would not otherwise enter into any Transaction.

2. Payment/Delivery

2.1 **Condition Precedent** The parties will make payments and deliveries in accordance with each Confirmation, subject to the condition precedent that no Event of Default (see Condition 6) or Potential Event of Default has occurred and is continuing. “**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.

2.2 **Manner** Payments will be made in freely transferable and cleared funds and in the manner customary for payments in the relevant currency. Deliveries will be made in the manner customary for the relevant securities or property or as reasonably determined by us.

2.3 **Gross-Up** All payments by you will be made without deduction or withholding on account of any Tax unless required by law. If you are required by law to deduct or withhold, you will:

- (a) promptly notify us;
- (b) promptly pay to the relevant authority the full amount required to be deducted or withheld and send us an official receipt; and
- (c) unless such Tax would not be imposed but for a connection between the jurisdiction of the taxation authority and us, pay to us, in addition to the payment to which we are otherwise entitled, an additional amount to ensure that the net amount actually received by us (free of Taxes) equals the full amount we would have received had no deduction or withholding been required.

“**Tax**” includes any present or future tax, levy, duty or assessment of any nature (including interest and penalties) imposed by any taxing authority other than a stamp, registration, documentation or similar tax.

2.4 **Netting** If on any date amounts would be payable in the same currency under 2 or more Transactions by each party, then on such date, each party’s obligation to pay such amounts will be discharged and be replaced by an obligation on the party by whom the larger aggregate amount would otherwise have been payable to pay to the other party the excess of such amount over the smaller aggregate amount.

2.5 **Payment Currency** Your payments will be made in the currency of the liability. A sum received by us in another currency only constitutes a discharge to the extent of the net amount of the currency of your liability which we would be able to purchase with the amount received as soon as it is practicable to do so. You will, as a separate obligation and notwithstanding any judgment, indemnify us against any reasonable loss and expense. It will be sufficient for us to show that we would have suffered a loss had an actual exchange or purchase been made.

3. Default Interest

3.1 If you fail to pay any amount when due, you will pay to us interest on the overdue amount, from (and including) the due date to (but excluding) the date of actual payment (before and after judgment), at our interest rate for unarranged overdraft, compounded monthly and calculated by reference to the actual number of days elapsed.

3.2 If you fail to make any delivery when required, you will indemnify us against any loss (including all reasonable costs in respect of insurance, vaulting, transportation etc. and borrowing costs) as reasonably determined by us, and pay to us interest on an amount equal to the fair market value (as reasonably determined by us) of that which was required to be delivered from (and including) the original scheduled delivery date to (but excluding) the date of actual delivery.

4. Representations

You represent to us on the date on which each Transaction is entered into that:

4.1 **Status** If you are a corporate body, you are duly organised and validly existing under the law of the jurisdiction of your organisation and in good standing.

4.2 **Powers** You have the power to enter into and perform the Agreement and have taken all necessary action to authorize entry and performance.

4.3 **No Violation** Such entry and performance do not violate or conflict with your constitutional documents (if applicable), or any law, order or requirement of any court or government agency, or any contractual obligation affecting you or any of your assets.

4.4 **Authorizations** All government and other authorizations, notices or filings required to be obtained by you with respect to the Agreement have been obtained and are in full force and effect and all related conditions have been complied with.

4.5 **Binding** Your obligations under the Agreement constitute your legal, valid and binding obligations enforceable in accordance with its terms.

4.6 **No Event of Default** No Event of Default or Potential Event of Default has occurred and is continuing.

4.7 **No Litigation** You are not aware of any pending or threatened action before any court, tribunal, government agency or arbitrator that would affect the legality, validity or enforceability of the Agreement or your ability to perform your obligations under the Agreement.

4.8 **No reliance** You are not relying on any advice, recommendation, assurance or guarantee (whether written or oral) from us regarding that Transaction or any expected results, but have made your own independent decision to enter into that Transaction and as to whether that Transaction is appropriate or proper for you based upon your own judgment or upon advice from such third party advisors as you have deemed necessary.

4.9 **Principal** You are entering into that Transaction as principal and not as agent for any other person.

5. Obligations

You agree that so long as you have any obligation under the Agreement:

5.1 **Information** You will deliver to us any information relating to your financial conditions or business as we may reasonably request, provided that, if you are a listed company, such disclosure is consistent with applicable listing rules.

5.2 **Authorizations** You will obtain and maintain in full force and effect all authorizations, notices or filings of any government or other authority that may be required to be obtained by you with respect to the Agreement.

5.3 **Laws** You will comply in all material respects with applicable laws.

5.4 **Stamp Tax** You will pay any stamp, registration, documentation or similar tax imposed on any Transaction and will indemnify us against

any failure to do so.

6. Events of Default

The occurrence at any time of any of the following events with respect to you or any person who has provided any guarantee or security in support of your obligations under the Agreement (each a “**relevant party**”) constitutes an event of default (“**Event of Default**”):

- (a) **Fail to pay or deliver** Failure to make, when due, any payment or delivery required under the Agreement. Disclaiming, repudiating or rejecting, in whole or in part, the Agreement.
- (b) **Breach** Failure to comply with any other obligation in accordance with the Agreement if not remedied within 14 days after notice of such failure is given to you.
- (c) **Support default**
 - (i) Failure to perform any agreement to provide any guarantee or security in support of your obligations under the Agreement;
 - (ii) such guarantee or security expires or ceases to be in full force and effect without our written consent; or
 - (iii) any relevant party (or any person appointed to manage it or act on its behalf) disclaims or repudiates, in whole or part, or challenges the validity of, such guarantee or security.
- (d) **Misrepresentation** Any representation proves to be incorrect or misleading in any material respect.
- (e) **Cross default** The occurrence or existence of:
 - (i) a default (however described) under one or more financial, securities, derivative or borrowing transactions which has resulted in such transactions becoming, or becoming capable of being declared, due and payable or deliverable, or otherwise terminated prematurely;
 - (ii) a default in making one or more payments or deliveries on the due date under any financial, securities, derivative or borrowing transaction (after giving effect to applicable notice requirement or grace period); or
 - (iii) a disclaimer, repudiation or rejection, in whole or in part, of any financial, securities, derivative or borrowing transaction (or such action is taken by any person appointed or empowered to manage any relevant party or act on its behalf).
- (f) **Insolvency** Any relevant party:
 - (i) becomes insolvent or fails or admits in writing its inability to pay its debts as they become due;
 - (ii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (iii) or any other person commences any judicial, administrative or other proceeding, or takes any action, (1) seeking a judgment of or arrangement for insolvency, bankruptcy, liquidation, reorganization or rehabilitation with respect to the relevant party or its debts or assets, (2) seeking the appointment of a trustee, receiver, liquidator, supervisor or custodian for the relevant party or any part of its assets, or (3) which has a similar effect;
 - (iv) has a resolution passed for its liquidation, reorganization or rehabilitation;
 - (v) has a secured party take possession of all or any part of its assets or has a distress, execution, attachment or other legal process enforced against all or any part of its assets; or
 - (vi) causes or is subject to any event which, under any applicable law, has a similar effect to any of the above.
- (g) **Merger** Any relevant party amalgamates or merges with or transfers all or any substantial part of its assets to, or reconstitutes as, another entity.
- (h) **Death** If any relevant party is an individual, such relevant party dies or becomes mentally incapacitated.
- (i) **Change of Control** Any person acquires directly or indirectly any ownership interest enabling it to appoint a majority of the board of directors (or its equivalent), or to exercise control of, of any relevant party. Any relevant party effects any substantial change in its capital structure.
- (j) **Force majeure**
 - (i) Any relevant party, by reason of any event or circumstance, is or would be prevented from complying with, or it is or would be impossible or impracticable to comply with, any material provision of the Agreement where such event or circumstance is beyond the control of the affected party; or
 - (ii) It is or would be unlawful under any applicable law for any relevant party to comply with any material provision of the Agreement.

For this purpose, material provisions include the obligation to make or receive a payment or delivery on a timely basis under a Transaction.

- (k) **Adequate assurances** Any relevant party fails to provide adequate assurances of its ability to perform its outstanding obligations under the Agreement or any other agreement between the parties on or before the second Business Day after our written request if we have reasonable grounds for insecurity.

7. Early Termination

7.1 If at any time an Event of Default has occurred and is continuing, we may, by not more than 14 days’ notice to you identifying the Event of Default, designate a day as an Early Termination Date in respect of the affected or all outstanding Transactions (which will terminate on the designated date).

7.2 We will determine in good faith our losses or gains, and costs, that are or would be incurred or realized under then prevailing circumstances in replacing or providing the economic equivalent of the material terms of each terminated Transaction including the remaining payments, deliveries and rights. We will determine such amounts as of a commercially reasonable date, using commercially reasonable procedures and to produce a commercially reasonable result. We may apply different valuation methods to different Transactions depending on type, complexity or other relevant factors. We may take into account any relevant information including market data and information from internal sources, and without duplication:

- (a) cost of funding;
- (b) any reasonable loss, cost or gain incurred in connection with our terminating or obtaining any hedge related to a terminated Transaction.

All amounts will be expressed in the currency reasonably chosen by us. We will convert amounts in another currency at our spot exchange rate.

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

7.3 As soon as reasonably practicable after an Early Termination Date, we will provide to you a statement showing, in reasonable detail, the calculations and any amount payable following our calculation under Condition 7.2. Such amount will be payable on the day specified in the notice (being at least 7 days after the date of the notice), together with interest thereon (before and after judgment) from (and including) the Early Termination Date to (but excluding) the date such amount is paid, at the rate for overdue amounts.

7.4 The parties agree that an amount recoverable under Condition 7.2 is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for loss of bargain and loss of protection against future risks. Except as otherwise provided in the Agreement, neither party will be entitled to recover any additional damages for such losses.

B. SHARE OPTION TRANSACTIONS

I. General Provisions

Some common definitions:

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

Call Option entitles Seller to receive a Premium. If Closing Price exceeds Strike Price, Seller has the obligation to sell Shares at Strike Price per Share if Buyer has exercised the option.

Exchange includes its successor or any substitute selected by us to which trading in the Shares has temporarily relocated.

Expiration Date means the date specified in the Confirmation (or, if it is not a Scheduled Trading Day, the next Scheduled Trading Day). If such date is a Disrupted Day by reason of an event resulting in a Disrupted Day prior to the Latest Exercise Time on such date, the Expiration Date will be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the 8 Scheduled Trading Days following the original

date is a Disrupted Day. In that case, that 8th Scheduled Trading Day will be the Expiration Date. However, if an option is exercised on a Scheduled Trading Day which would have been an Expiration Date (if it is not a Disrupted Day), that Scheduled Trading Day will be considered the Expiration Date for the purpose of determining whether the option is exercised with the Exercise Period.

Exercise Period Unless otherwise specified, means the Expiration Date between 9:00 a.m. (Hong Kong time) and the Expiration Time.

Latest Exercise Time, if not specified in the Confirmation, means the Expiration Time.

Number of Shares means, in respect of a share option transaction, the number of Shares obtained by multiplying the Number of Options by the Option Entitlement.

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

Option Entitlement means the number of Shares per option specified in the Confirmation, or, in the absence of specification, 1 Share per option.

Premium means the amount payable by Buyer to Seller on the Premium Payment Date.

Premium Payment Date, if not specified in the Confirmation, means the date that is 1 Settlement Cycle following the Transaction Date.

Put Option entitles Seller to receive a Premium. If Strike Price exceeds Closing Price, Seller has the obligation to purchase Shares at Strike Price per Share if Buyer has exercised the option.

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

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

Strike Price means the price per Share specified or determined according to the Confirmation.

Shares means the stocks specified in the Confirmation.

Transaction Date means the date specified as such in the Confirmation.

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

II. Automatic exercise of an Option

Each option not already exercised will, unless Buyer notifies Seller otherwise before such time, be deemed to be automatically exercised at the Expiration Time on the Expiration Date:

- (a) if cash settlement applies;
- (b) if physical settlement applies, if the option is In-the-Money as determined by us.

Closing Price means the price per Share determined as provided in the Confirmation as of the Expiration Time on the Expiration Date.

In-the-Money means:

- (a) in respect of a call, that (i) the Closing Price is equal to or greater than the price for a Share at which any Related Exchange would automatically exercise a physically-settled option with the Strike Price relating to such Share, or (ii) if no options relating to such Share are listed on any Related Exchange or no Related Exchange is specified in the Confirmation, the Closing Price is greater than the Strike Price; and
- (b) in respect of a put, that (i) the Closing Price is equal to or less than the price for a Share at which any Related Exchange would automatically exercise a physically-settled option with the Strike Price relating to such Share, or (ii) if no options relating to such Share are listed on any Related Exchange or no Related Exchange is specified in the Confirmation, the Closing Price is less than the Strike Price.

III. Valuation

1. Some definitions:

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

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

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

Market Disruption Event means the occurrence or existence (a) a Exchange Disruption or Trading Disruption, which we determine is material, at any time during 1 hour ending at the relevant Expiration Time or Latest Exercise Time, or (b) an Early Closure.

Exchange Disruption means any event (other than an Early Closure) that disrupts or impairs (as determined by us) the ability of market participants in general to effect transactions in, or obtain market values for (a) the Shares on the Exchange, or (b) futures or options contracts relating to the Share on any relevant Related Exchange.

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange; or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

Early Closure means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its scheduled weekday closing time (disregarding after hours or other trading outside the regular trading session hours) unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least 1 hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Expiration Time no such Exchange Business Day.

2. Consequences of Disrupted Day: If an Expiration Date, would otherwise be a Disrupted Day, it will instead be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the 8 Scheduled Trading Days following the original date is a Disrupted Day. In that case, that 8th Scheduled Trading Day will be the Expiration Date. We will determine our good faith estimate of the value for the Share which is affected by the occurrence of the Disrupted Days, as of the Expiration Time on that 8th Scheduled Trading Day.

IV. Settlement

1. Physical Settlement

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

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

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

After delivery of the Shares to you and until you are entered in the register of members of the relevant company as the registered holder of the Shares, we are not obliged to deliver to you any certificate, notice, circular or any other document received by us or our nominee as registered holder of the Shares, or to exercise any rights attaching to the Shares, or be under any liability in respect of any loss or damage suffered by you as a direct or indirect result of our or our nominee being registered as such holder. We are not obliged to register or procure the registration of yourself or any other person as the registered holder of the Shares in the register of members of the relevant company.

2. Settlement

Fractional Share Amount means an amount in the Settlement Currency representing the fractional Share resulting from the calculation of the Number of Shares to be Delivered as determined by us multiplied by, in respect of a share option transaction, the Strike Price attributable to the relevant Share on the date the option is exercised or deemed exercised (determined assuming cash settlement were applicable and the date the option is exercised or deemed exercised were the Expiration Date).

Settlement Date: in relation to Shares to be delivered under an option transaction, is the day that falls 1 Settlement Cycle following the Scheduled Trading Date on which the option is exercised, or, if it is not a Clearance System Business Day, the next System Business Day. If a Settlement Disruption Event prevents delivery on that date, the Settlement Date will be the first succeeding day on which delivery of the Shares can take place through the relevant Clearance System, unless a Settlement Disruption Event continues on each of the 8 Clearance System Business Days following the original date. In that case, (i) if the Shares can be delivered in another commercially reasonable manner, the Settlement Date will be the first day on which settlement customarily would take place following a sale on that 8th day, using such other manner of delivery, and

(ii) if the Shares cannot be delivered in any other commercially reasonable manner, the Settlement Date will be postponed until delivery can be effected through the relevant Clearance System or in a commercially reasonable manner.

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

Settlement Disruption Event means, in relation to a Share, an event beyond the control of the parties which results in the relevant Clearance System cannot clear the transfer of the Share.

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

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

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

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

V. Adjustments

1. Adjustments to Shares

Following declaration by the issuer of the terms of a Potential Adjustment Event, we will determine whether such event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, make any adjustments to any one or more of the terms and any variables relevant to the exercise, settlement or payment of the relevant Transaction as appropriate to account for that diluting or concentrative effect, and determine the effective date of the adjustments.

Potential Adjustment Event means:

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

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

VI. Extraordinary Events

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

Merger Event means, in respect of any Shares:

- (a) any reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all Shares outstanding;
- (b) any consolidation, amalgamation or merger of the issuer with or into another entity (unless the issuer is the continuing entity and it does not result in any such reclassification or change of all of the Shares outstanding);
- (c) any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the issuer that results in a transfer of, or an irrevocable commitment to transfer, all such Shares (other than such Shares owned or controlled by such other entity or person); or
- (d) any other consolidation, amalgamation or merger of the issuer or its subsidiaries with or into another entity in which the issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding, but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger"),

in each case if the Merger Date is on or before, (i) in the case of a physically settled option transaction, the later to occur of the Expiration Date or, the final Settlement Date, or (ii) in any other case, the final Expiration Date.

Merger Date means the closing date of a Merger Event or, if a closing date cannot be determined under the applicable local law, such other date as determined by us.

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

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

Nationalization means all Shares, all or substantially all assets of an issuer are nationalized, expropriated or required to be transferred to any governmental entity.

Insolvency means by reason of voluntary or involuntary liquidation, bankruptcy or insolvency of or any similar proceeding affecting an issuer, (a) all Shares of the issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of the issuer are legally prohibited from transferring them.

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

2. If there is a Merger Event or Tender Offer, we will make any adjustments to the exercise, settlement, payment or any other terms of the Transaction as we determine to be appropriate to account for the economic effect on that Transaction of the Merger Event or Tender Offer, and determine the effective date of the adjustments. Alternatively, if we determine that no adjustment could be made to produce a commercially reasonable result, notify you that the Transaction will be cancelled as of the Merger Date or the Tender Offer Date and any payment to be made will be determined in accordance with Condition 4 (Payment).

3. If a Nationalization, Insolvency or Delisting occurs, the relevant Transaction will be cancelled as of the Announcement Date and any payment to be made will be determined in accordance with Condition 4 (Payment).

Announcement Date means (a) in the case of a Nationalization, the date of the first public announcement to nationalize (whether or not

amended or on the terms originally announced) that leads to the Nationalization, (b) in the case of Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to Insolvency, and (c) in the case of a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted. In respect of any Extraordinary Event, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be next following Scheduled Trading Date.

4. Payment

In respect of an option transaction, (a) the amount to be paid by one party ("Payer") to the other will be the amount determined by us which may take into consideration any information which we consider appropriate (including any cost arising from unwinding or re-establishing any hedge position with respect to such Transaction) and (b) the party which shall be the Payer shall be determined by us. A payment to be made this Condition shall be made not later than 3 Business Days following the determination by us of such amount (denominated in the currency for settlement of the Transaction as determined by us) and which party shall pay such amount.

C. CURRENCY OPTION TRANSACTIONS

I. General Provisions

Business Day Convention

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

- (a) "Following": that date will be the first following day that is a Business Day;
- (b) "Modified Following" or "Modified": that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;
- (c) "Nearest": that date will be the first preceding day that is a Business Day, if the relevant date otherwise falls on a day other than a Sunday or a Monday, and will be the first following day that is a Business Day, if the relevant date otherwise falls on a Sunday or a Monday;
- (d) "Preceding": that date will be the first preceding day that is a Business Day.

Price source / rate / rounding

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

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

Some common definitions:

Call Currency	if not specified in the Confirmation, the currency to be purchased by Buyer.
Call Amount	as specified in the Confirmation.
Call Option	entitles Buyer upon exercise to purchase the Call Amount at Strike Rate, subject to any condition precedent and these Conditions.
Commencement Date	the first day on which the option may be exercised, being the Transaction Date unless otherwise specified in the Confirmation.
Deliverable	a Currency Option Transaction will be Deliverable, unless the Confirmation otherwise provides.
Currency Option Transaction	a Call Option or a Put Option.
"European" option	may be exercised only on the Expiration Date.
Expiration Time	as specified in the Confirmation.
Expiration Date	2 Business Days before the Settlement Date, and the Business Day on which the option is exercised (in the case of a currency option).
Fixing Rate	the currency exchange rate as determined on the Expiration Date.
Forward Rate	a rate expressed by way of Reference Currency per unit of Settlement Currency.
Latest Exercise Time	if not specified in the Confirmation, the Expiration Time.
Premium	the amount payable by Buyer to Seller on the Premium Payment Date, subject to any condition precedent.
Put Currency	if not specified in the Confirmation, the currency to be sold by Buyer.
Put Amount	as specified in the Confirmation.
Put Option	entitles Buyer upon exercise to sell the Put Amount at Strike Rate, subject to any condition precedent and these Conditions.
Strike Rate	the currency exchange rate specified as such in the Confirmation.
Transaction Date	the date specified as such in the Confirmation, being the date on which the parties entered into the Currency Option Transaction.

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

II. Currency Option Transactions

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

In no event shall all or any part of the Premium be refunded, unless otherwise specified in the Confirmation.

Automatic exercise of an option

A Currency Option may be exercised only in whole, unless otherwise specified in the Confirmation.

In the case of a Deliverable Currency Option Transaction, Seller will settle by paying the Call Amount and receiving from Buyer the Put Amount, subject to any condition precedent and these Conditions.

III. Disruption Events

1. A Disruption Event occurs if (as determined by us):

- (a) a specified currency exchange rate splits into more than 1 currency exchange rate (**Dual Exchange Rate**);
- (b) a default, event of default or other similar event (however described) with respect to any security or indebtedness for borrowed money of, or guaranteed by, a governmental authority including (i) failure of full, timely payment (disregarding any applicable grace periods), (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling, or (iii) the amendment or modification of the terms and conditions of any such security, indebtedness or guarantee without the consent of all holders of such obligation, in any case, without regard to any lack or alleged lack of authority or capacity of such governmental authority (**Governmental Authority Default**);
- (c) it becomes impossible to obtain a firm quote of the Fixing Rate for the Minimum Amount (in one Currency Option Transaction or a commercially reasonable number of Currency Option Transactions) on the Expiration Date (or, if different, the day on which rates for the Expiration Date would, in the ordinary course, be published by the relevant price source) or by another other date (**Illiquidity Expiration Date**) specified for such purpose in the Confirmation (**Illiquidity**);
- (d) the Primary Rate (determined according to the Confirmation) differs from the Secondary Rate (determined according to the Confirmation) by at least the Price Materiality Percentage specified in the Confirmation (**Price Materiality**);
- (e) it becomes impossible to obtain the Fixing Rate on the Expiration Date (or, if different, the day on which rates for the Expiration Date would, in the ordinary course, be published by the relevant price source) (**Price Source Disruption**).

2. Consequences

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

- (a) settle the Currency Option Transaction in any currency, amount and date as determined by us; and/or
- (b) require you to pay any amount payable by you on the Settlement Date into escrow in an interest-bearing account with us, to be applied towards paying your obligations.

D. INVESTMENT FUND TRADING SERVICES

1. Part II (Securities) applies to "Fund" (as defined therein) in addition to the following provisions. If there is any conflict or inconsistency, the provisions of this Section D will prevail.
2. We will pay the redemption / dividend / coupon to you only after we have received the money from the Fund Manager.
3. We may, at our discretion, accept any instructions given by the use of telephone or the internet.
4. If you do not have a valid settlement account, we may credit any relevant amount to any of your accounts (where applicable, at an exchange rate solely determined by us).
5. Any application for units or shares of a Fund must be submitted to us by the relevant prescribed cut-off time, as set out in the explanatory memorandum of the Fund or otherwise notified to you by us. Any application received by us on a Business Day after the prescribed cut-off time will only be processed by us on the next Business Day on which such applications may be accepted by the Fund.
6. If there is any conflict on a procedural matter between the offer documents of a Fund and our dealing procedures, our dealing procedures shall prevail.
7. You agree that we may disclose to any Fund Manager, at its request, any of your personal information for the purposes of any Transaction.
8. The actual bid and offer prices of any Transaction will be determined at the time when such Transaction is effected (as confirmed by the Fund Manager) and any prices which may be quoted by us or our representatives at any time are for indication only.
9. Instructions for effecting a Transaction in a Fund will not be partially executed.
10. Margin Facilities are not applicable to Transactions in Funds.

E. INVESTMENT FUND SAVINGS PLAN

1. You may, with our agreement, apply to establish a monthly investment fund savings plan by the form ("**Application Form**") provided by us. You will, with our agreement, select the Fund(s) you wish to buy, and specify the Monthly Contribution Amount you will pay for each Fund. Only those Funds notified by us from time to time are available for your selection.
2. Following our acceptance of your application, you will pay the agreed Total Monthly Contribution Amount to us on the agreed date in each calendar month (or, if it is not a banking day, on the next banking day) ("**Contribution Date**"). The first payment will be due on the first Contribution Date falling at least 2 banking days after the date of your application.
3. We will use each Monthly Contribution Amount actually received from you (after deducting all relevant fees and expenses) towards buying, on your behalf, the maximum number (rounded downwards to the number of decimal places as prescribed by the relevant Fund Manager from time to time) of units, shares or interests ("**units**") of the agreed Fund on the 1st banking day after the Contribution Date or as soon as practicable thereafter if your Settlement Account is maintained with us ("**Subscription Date**"). If we cannot buy units in any of the agreed Funds after 3 consecutive banking days for whatever reason, we will cease to buy units in the relevant Fund(s) on your behalf, notify you and credit any unused Monthly Contribution Amount(s) (without interest) to your Settlement Account.
4. In determining the price payable by you, we may use the weighted average price of purchases of units in the Funds under similar orders of all our customers.
5. If any purchased units are less than the total requirements of similar orders of all our customers, we may allocate them in a fair manner.
6. Units purchased on your behalf will be held in safe custody in accordance with Part II Section F (Custody Services).
7. If the amount actually received from you on the Contribution Date is less than the Total Monthly Contribution Amount, unless otherwise agreed with you before the Subscription Date, we may make no purchase and refund the moneys (without interest) to your Settlement Account.
8. Payments to be made for the purchase of units in a currency other than that of the agreed Funds may be converted by us into the applicable currency at the rates and times selected by us. We may refuse to accept any payment in a currency other than that of the agreed Funds at any time. Payments to be received by us on your behalf in respect of the Funds from time to time in a currency other than that of your Settlement Account may be converted by us into the applicable currency at the rates and times selected by us. We may deduct all fees and expenses for the conversion from each such payment.
9. Your plan (including the Funds available, any minimum or maximum amount for the Monthly Contribution Amount, and any minimum or maximum amount in respect of the value of the units redeemed or switched or the value of the units remaining in the plan after redemption or switching) is subject to change by us, and may be changed by you with our agreement. You may apply to change any details of your plan by the form provided by us. Any agreed change will become effective as from the first Contribution Date falling at least 2 banking days later.
10. You may terminate your plan at any time after notice to us and, if we require, paying us a surcharge. You may apply to terminate your plan by the form provided by us. We may terminate your plan by 7 days' prior notice to you. However, if you fail to pay the Total Monthly Contribution Amount in full on 2 consecutive Contribution Dates, we may terminate your plan without notice and a surcharge may be levied by us.

F. THIRD PARTY PRODUCTS

1. All offer documents, including any information memorandum, financial statements, product booklet, term sheet and prospectus, are issued by the issuer of the relevant product. We expressly disclaim all liabilities in respect of all offer documents. We do not in any way guarantee or give any assurance in respect of the obligations of any issuer.
2. We act only as a distributor of third party products and not as agent for the issuer. We have no authority to accept or refuse applications for such products on behalf of the issuer. Our nominee and we will act as your agent in relation to third party products. You authorize us to take all actions, give all confirmations and representations, and to do all things that we consider necessary or desirable in connection with carrying out your instructions relating to any third party product.
3. You agree to be bound by the terms and conditions of the relevant offer documents in addition to these Conditions, and to pay in full for and accept the third party products you applied for or any lesser amount allotted to you if applicable. If full payment is not received from you when due, your Transactions may be closed out and you will be responsible for all losses and expenses. We may aggregate your application with applications made by our other customers and make a single application in the name of our nominee. In the event of the application being partly successful, we may allocate the products among yourself and our other customers.
4. The purchase price and any fees payable by you will be as set out in our confirmation to you. Our nominee and we may accept and retain commissions and fees from the issuer in connection with any product, without liability to account or disclose to you.
5. You confirm that you will have read and understood the contents of the relevant offer documents in your preferred language (including the risk disclosures and terms and conditions, as supplemented or modified from time to time) and agree to give all required confirmations. By giving an instruction to purchase a third party product, you are deemed to have accepted the relevant offer documents. You will conduct your own assessment whether the product is suitable for you in the light of your financial situation, investment experience and investment objectives, before giving any instruction to purchase a product. You will determine that you have sufficient income and net worth to be able to assume the risks and bear the potential losses associated with each product you wish to purchase. You understand that no certificate of title will be available for investment products.
6. You warrant that you will purchase each product for your own account and not for any other person, and that you will purchase each product for investment purpose and not with a view to, or for resale in connection with, any distribution or disposition thereof. Your interest in a product may not be transferable without the prior written consent of the issuer.
7. You acknowledge that a product may have ownership or trading prohibitions or restrictions (which may or may not be set out in the offer documents). By giving an instruction to purchase a product, you will warrant that you are not subject to any such prohibitions or restrictions, and that your purchase of the product complies with all applicable laws and regulations.
8. You understand that some of the products are not intended for offer or sale to the public. Any offer or information relating to such products is communicated to you on a strictly private and confidential basis for your personal use only. You will not pass on any such information to any third parties.
9. You will not rely on us, the issuer or our or its affiliates in assessing the merits, risks or suitability of purchasing any product. You understand that information and explanations in the offer documents should not be considered as investment advice or a recommendation to purchase the product.
10. You acknowledge that you may not have any direct contractual relationship with the issuer. In this case, in the event of default by the issuer or any guarantor, any legal action against them may only be taken by us, at your written request and after you have provided us with full indemnity and security satisfactory to us in respect of all costs and expenses that might be incurred (in the amount estimated by us in good faith).

11. We need not commence or continue with any action if we consider that it is not appropriate. We will have control over any legal action (including to settle or discontinue it). If we act in good faith and on legal advice, we will not in any circumstances incur any liability to you if we decide against commencing or continuing with any action, or in respect of any actions taken or not taken in connection with any legal action.
12. Third party products will be registered in our name or the name of our nominee. You will have to rely on us to credit your account with us with payments and securities received by us or our nominee on your behalf from the issuer, to distribute notices our nominee received from the issuer, and to relay your communications to the issuer.
13. If your application for a product is not successful in whole or part, the purchase money will be returned to you without interest by the issuer through us or our nominee.
14. The market value of products shown on your monthly statement may only represent their nominal value. The proceeds which you may obtain on selling a product prior to its maturity (if there is a buyer), and the proceeds or value of any securities which you may obtain at maturity, may be less than the face value of the product (possibly significantly, depending on market conditions). In the absence of manifest error, the register maintained by the issuer may be definitive as to holdings of the relevant product.
15. You agree that we may provide your personal information to the issuer and its agents and affiliates, and to regulatory or government authorities (in or outside Hong Kong) pursuant to any applicable law, regulation or directive.

PART IV: FOREIGN EXCHANGE TRANSACTIONS

The definitions which apply to this Part of these Conditions are set out in Condition 20 (Definitions and Interpretation) of this Part.

1. Applicable Terms

Unless we agreed otherwise, this Part of these Conditions shall apply to each FX Transaction. In respect of a FX Transaction, in the event of any inconsistency between the provisions of this Part and the remaining provisions of these Conditions, the provisions of this Part shall prevail for the purpose of such FX Transaction. In the event of any inconsistency between the provisions of this Part and the provisions contained in the Confirmation relating to a FX Transaction, the provisions of such Confirmation shall prevail for the purpose of such FX Transaction.

2. Entering Transactions

2.1 **FX Transactions:** We may from time to time at your request enter into one or more FX Transactions with you (whether orally, in writing or by any other means). However, nothing in these Conditions shall oblige us to enter into any FX Transaction.

2.2 **Order Watching:** You may request us to enter into a FX Transaction with you at a certain exchange rate set by you in a request given to us. Each such request received and confirmed by us will be effective until such time as may be specified in the request and agreed by us.

2.3 **Confirmation:** We will send a Confirmation setting out the details of each FX Transaction to you. You undertake to examine each Confirmation and agree that failure to give a notice of objection about the contents of a Confirmation within 7 business days from the date of the Confirmation shall be deemed to be your waiver of any right to raise objections in respect of such Confirmation and the terms and conditions contained therein shall be conclusive and binding on you.

2.4 **Authorized Person:** Your Authorized Person(s) shall have full authority to act for you in all respects, including to enter into any FX Transactions on your behalf and give any instructions on your behalf to us in connection with any FX Transactions. Any signing arrangement of you will not apply to any instructions given (subject to our agreement) by telephone or other means where the signature of the Authorized Person(s) is not provided, and we are authorised to execute such instructions by any one Authorized Person.

3. Single Agreement

All FX Transactions, all Confirmations evidencing the FX Transactions and all the terms in these Conditions (including without limitation to this Part) for the FX Transactions shall form a single agreement between you and us (collectively, the "Agreement") with respect to the subject matter thereof.

4. FX Transactions Settlement

4.1 **Settlement of Deliverable FX Transaction:** On the Settlement Date in respect of a Deliverable FX Transaction:-

- (a) you will pay the amount specified as sold or payable by you for the transaction; and
 - (b) we will pay the amount specified as bought by you or specified as sold or payable by us for the transaction,
- in each case subject to any applicable condition precedent and other terms of the Agreement.

4.2 **Settlement of Non-Deliverable FX Transaction:** On the Settlement Date in respect of a Non-Deliverable FX Transaction:-

- (a) if the Settlement Amount is a positive number, the Reference Currency Buyer will pay that amount to the Reference Currency Seller; and
- (b) if the Settlement Amount is a negative number, the Reference Currency Seller will pay the absolute value of that amount to the Reference Currency Buyer,

in each case subject to any applicable condition precedent and other terms of the Agreement.

4.3 **Settlement Amount:** In respect of a Non-Deliverable FX Transaction, "Settlement Amount" means an amount expressed in the Settlement Currency calculated on a formula basis as follows:-

$$\text{Notional Amount} \times \left(1 - \frac{\text{Forward Rate}}{\text{Fixing Rate}}\right)$$

and for the purpose of the above formula:-

- (a) "Notional Amount" means the amount of Settlement Currency agreed to be sold by the Reference Currency Buyer or agreed to be bought by the Reference Currency Seller; and
- (b) the Forward Rate and the Fixing Rate are quoted by way of Reference Currency per unit of Settlement Currency.

4.4 **Consequences of Disruption Event:** In respect of any FX Transaction, if a Disruption Event occurs on the Rate Fixing Date or Settlement Date, we may at our sole discretion:

- (a) determine the Fixing Rate, taking into consideration all relevant information in good faith;
- (b) postpone the Settlement Date to the first succeeding business day on which the Disruption Event ceases, unless the Disruption Event continues to exist for such number of consecutive business days as determined by us by reference to market practice. In that case, the last such business day will be the Settlement Date; and/or
- (c) terminate the relevant FX Transaction in accordance with Condition 7 (Early Termination) as if a Close-out Event had occurred and the FX Transaction were the only terminated FX Transaction. In that case, an Early Termination Amount will be calculated by us and payable by the relevant Party in respect of such terminated FX Transaction in accordance with Condition 7.4 (Payments on Early Termination) and Condition 7.5 (Calculations).

4.5 **Meaning of Disruption Events:** In respect of any FX Transaction, a Disruption Event occurs if (as determined by us at our sole discretion):

- (a) it is, or becomes, impossible, impracticable or illegal for us to effect a currency exchange involving a Relevant Currency through customary legal channels;
- (b) any event occurs which makes it impossible, impracticable or illegal for us to deliver a Relevant Currency from accounts inside the Relevant Currency Jurisdiction to accounts outside the Relevant Currency Jurisdiction, or to deliver a Relevant Currency between accounts inside the Relevant Currency Jurisdiction or to a party that is a non-resident of the Relevant Currency Jurisdiction;
- (c) it is, or becomes, impossible, impracticable or illegal for us to determine a currency exchange rate for a Relevant Currency or to obtain a firm quote for such rate or the currency exchange rate between the Relevant Currencies has split into dual or multiple currency rates;
- (d) any event that makes it impossible, impracticable or illegal for us to determine the relevant currency exchange rate by reference to the relevant price or rate source as contemplated under a FX Transaction;
- (e) the relevant currency exchange rate is not announced or published by the relevant price or rate source as contemplated under a FX Transaction;
- (f) it has become impracticable, impossible or illegal for us to perform any FX Transaction; or
- (g) we will incur a materially increased cost in performing its obligations under any FX Transaction (including any adverse effect on our tax position).

5. Payment

5.1 **Payment Obligations:** Each party shall make payment(s) required to be made by it under each FX Transaction in the place and in the manner agreed, or if it has not been agreed, as we designate. A payment obligation of you shall only be considered to have been performed if we have received immediately available funds for such payment before the cut-off time as prescribed by us from time to time.

5.2 **Conditions precedent to our obligation:** Our obligation to make payment under a FX Transaction is subject to the conditions precedent that:

- (a) no Close-out Event has occurred or is deemed to have occurred; and
- (b) you have performed its payment obligation under that FX Transaction.

5.3 **Cleared fund:** All payments by you to us shall be made in full without any set-off, counterclaim, deduction, withholding or condition of any kind. If you are compelled by law to make any withholding or deduction, the sum payable by you shall be increased so that the amount actually received by us is the amount we would have received if there had been no such withholding or deduction.

5.4 **Currency:** Payment by you to us shall be in the currency of the relevant liability. A sum received by us in another currency only constitutes a discharge to the extent of the net amount of the currency of your liability which we would be able to purchase with the amount received as soon as it is practicable to do so. You will, as a separate obligation and notwithstanding any judgment, indemnify us against any reasonable loss and expense. It will be sufficient for us to show that it would have suffered a loss had an actual exchange or purchase been made.

- 5.5 **Account credit/debit:** Any payment by us to you under the Agreement may be made by us by crediting the relevant sum to any account of yours held with us. We are authorised to debit any of your account(s) maintained with us for any amount payable or owing by you to us.
- 5.6 **Cash Cover:** You shall from time to time provide us cash cover in such amount(s) as required by us (whether prior to or after the entry into any FX Transaction). Any such cash cover (whether in your account with us or held as a time deposit with us) shall not be withdrawn by you except with our prior written consent. Except with our prior written consent, you shall not assign, charge, dispose of or otherwise deal with any such cash cover. Without prejudice to our rights under Condition 11 (Set-off and Consolidation), we may at any time set off and/or apply such cash cover against and/or towards settlement of your obligations and liabilities owing to us (whether actual or contingent). We are authorised to convert any such cash cover at the Exchange Rate for the purpose of the set-off and/or application.

6. Settlement Netting

If we notify you that "settlement netting" shall apply, payments due under one or more FX Transactions from one Party on any day may be set off against payments due from the other Party under such FX Transactions in the same currency on the same day so that only the net amount due from one Party to the other in a particular currency will be paid on that day.

7. Early Termination

7.1 **Close-out Events:** Each of the events or circumstances set out below is a Close-out Event:-

- (a) You become insolvent or are unable to pay your debts as they become due;
- (b) Any action, proceedings or other procedure is taken in relation to the winding-up, dissolution, bankruptcy, administration, reorganisation, composition of debts, scheme of arrangement or other similar relief in respect of you;
- (c) A trustee, receiver, liquidator, administrator or other similar official is appointed in respect of you or an encumbrancer takes possession of whole or any substantial part of your assets;
- (d) You fail to pay any sum due or payable under the Agreement or fails to duly provide any cash cover or security (or additional cash cover or security) as we require or demand under the Agreement;
- (e) You fail to perform any of its obligations to us under the Agreement or any other agreement of whatever nature with us;
- (f) You repudiate or disclaim the Agreement, any FX Transaction or any other transaction between you and us (whether under the Agreement or otherwise);
- (g) The legal proceedings of any nature have been commenced against you;
- (h) (Where you are or consist of individual(s)) you die or become mentally incapable;
- (i) Any event occurs which, in our opinion, has a material adverse effect on (i) your business, operations, property, conditions (financial or otherwise) or (ii) your ability to perform your obligations under any FX Transaction or the Agreement or any other agreement with us;
- (j) It becomes impossible or illegal for either Party, or both, to perform any provision of the Agreement; or
- (k) (i) Any of your indebtedness for borrowed money becomes or becomes capable of being declared due and payable prematurely by reason of any event of default (howsoever described); (ii) you fail to make payment in respect of any indebtedness for borrowed money; (iii) any security given by you for any indebtedness for borrowed money becomes enforceable; or (iv) you default in making any payment due under any guarantee and/or indemnity given by you in relation to any indebtedness for borrowed money.

7.2 **Additional right of termination by us:** We may at any time at our sole discretion determine to early terminate all outstanding FX Transactions (and all of your standing orders or instructions for FX Transaction(s)), notwithstanding any other provisions of this Part of these Conditions or any other agreements including Confirmations, and without any liability to you. Upon such determination by us, a Close-out Event is deemed to have occurred.

7.3 **Early Termination Date:** If at any time a Close-out Event has occurred or is deemed to have occurred, we may, by notice to you, designate a day as an Early Termination Date in respect of all outstanding FX Transactions (or in the case of Condition 4.4(c) (Consequences of Disruption Event), the relevant FX Transaction affected by the Disruption Event). The FX Transaction(s) with respect to which the Early Termination Date is designated will terminate on such date. As from an Early Termination Date, no payments in respect of the terminated FX Transactions are required to be made (whether or not such payment has become payable prior to the Early Termination Date) except as provided under Condition 7.4 (Payments on Early Termination).

7.4 **Payments on Early Termination:**

- (a) An Early Termination Amount will be payable, being an amount (as determined by us) equal to (a) the sum of the Close-out Amount(s) (positive or negative) for each terminated Transaction or group of terminated Transactions and the Unpaid Amounts owing to us less (b) the Unpaid Amounts owing to you, all amounts being expressed in the Termination Currency Equivalent. 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 that amount to you.
- (b) Any Close-out Amount will be determined by the Bank in good faith. Each Close-out Amount will be determined as of the Early Termination Date, or as of the date(s) following the Early Termination Date as would be commercially reasonable.
- (c) In determining a Close-out Amount, we may consider any relevant information including quotations (firm or indicative) for replacement transactions supplied by third parties regularly engaged in similar transactions, market data or internal information. We may include, without duplication, costs of funding, and any reasonable loss or cost incurred in connection with our terminating or re-establishing any hedge related to the terminated FX Transaction(s) (or any resulting gain).
- (d) Unpaid Amounts and the amounts payable by you under Condition 8 (Costs and Expenses) will be excluded in determinations of Close-out Amounts.

7.5 **Calculations:** As soon as reasonably practicable after an Early Termination Date, we will calculate the Early Termination Amount and provide to you a statement specifying any Early Termination Amount payable. An Early Termination Amount due in respect of an Early Termination Date shall be paid on the date of such statement specifying the amount payable, together with interest thereon in the Termination Currency from (and including) the Early Termination Date to (but excluding) the date such amount is paid (before and after judgment).

7.6 **Pre-Estimate:** The Parties agree that an amount recoverable under Condition 7.4 (Payments on Early Termination) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for loss of bargain and loss of protection against future risks. Except as otherwise provided in this Part of these Conditions, neither Party will be entitled to any additional damages in respect of the termination of the terminated FX Transactions.

7.7 **Right of Set-off:** If any sum is payable by us to you under Condition 7.4 (Payments on Early Termination), such sum will, at our option, be reduced by our set-off against any other amounts ("Other Amounts") payable by you to us (whether or not arising under the Agreement, matured or contingent, and irrespective of the currency, place of payment, or place of booking of the obligation). For this purpose, the Other Amounts (or the relevant portion of such amounts) may be converted by us into the Termination Currency at the Exchange Rate. This Condition shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which we are at any time otherwise entitled (whether by operation of law, contract or otherwise).

7.8 **Conclusive statement:** A statement issued by us setting out our calculation and the amount payable under Condition 7.4 (Payments on Early Termination) above shall be conclusive and binding on you.

8. Costs and Expenses

8.1 **Payment of fees:** You shall pay to us the fees, commissions and charges in connection with the transactions contemplated under the Agreement at the rate and in the amount and manner notified by us to you from time to time.

8.2 **Cost indemnity:** You shall indemnify us against all losses, reasonable costs and expenses (including the legal fees on a full indemnity basis) reasonably incurred by us in connection with the transactions contemplated in the Agreement, including all losses, costs and expenses reasonably incurred by us as a result of:-

- (a) the performance, perfection or enforcement of, or the preservation of rights under, the Agreement or any transaction contemplated in the Agreement;
- (b) the preparation, execution or amendment of any documents in connection with the Agreement or any transaction contemplated in the Agreement; or
- (c) your failure to duly and timely perform its obligations under the Agreement or any transaction contemplated in the Agreement.

9. Interest

- 9.1 **Interest on Early Termination Amount:** If an Early Termination Amount is due from us to you in respect of an Early Termination Date, interest payable on such Early Termination Amount shall accrue at the rate of our cost of fund (as determined by us in good faith). If an Early Termination Amount is due from you to us in respect of an Early Termination Date, (i) in relation to the period commencing from the Early Termination Date until the date of the statement specifying the amount payable for such Early Termination Date issued under Condition 7.5 (Calculations), interest on the Early Termination Amount shall accrue at the rate of our cost of fund (as determined by us in good faith) and (ii) in relation to the period thereafter, interest payable on such Early Termination Amount shall accrue at the default rate of 8.5% per annum over the higher of our best lending rate and our cost of fund.
- 9.2 **Default Interest:** We may charge default interest (at such rate and on such basis as we may determine from time to time) on any sum not paid by you when due. Your obligation to pay default interest on overdue sums shall continue until all sums owing by you to us have been paid in full. Unless otherwise stipulated, a default rate of 8.5% per annum over the higher of our best lending rate and our cost of fund, will apply to any sum not paid when due.

10. Security

You shall, upon our demand:

- (a) immediately provide such security, or additional security, in form and value as may be required in our sole opinion sufficient to secure any of your obligations and liabilities to us under the Agreement; and
- (b) execute and deliver to us any security documents in form and substance satisfactory to us over any of your assets as we specify in any such demand.

11. Set-off and Consolidation

- 11.1 **Account set-off:** We may, at any time and without notice, combine or consolidate all your accounts with us, our subsidiary, associated or holding company and apply any credit balance to which you are entitled, either alone or jointly, in or towards satisfaction of any obligation (whether or not matured, actual, future, contingent, unliquidated or unascertained) owed by you to us, regardless of the currency, the place of payment or the office through which we are acting.
- 11.2 **Right of set-off:** We may, at any time without notice or demand, set-off any obligation owed by you to us against any obligation (whether or not matured) owed by us to you, regardless of the place of payment, the branch through which we are acting or currency of either obligation.
- 11.3 **Foreign currency:** We are authorised to purchase, at the Exchange Rate, such other currencies as may be necessary to effect such application with the monies standing to the credit of such account in Condition 11.1 (Account set-off) above. If the obligations referred to in Condition 11.2 (Right of set-off) above are in different currencies, we are also authorised to convert either obligation at the Exchange Rate for the purposes of exercising its set-off right.
- 11.4 **Unliquidated amount:** If any of the obligations referred to in Conditions 11.1 (Account set-off) above and 11.2 (Right of set-off) above is unliquidated or unascertained, we may set off an amount estimated by it in good faith to be the amount of that obligation.

12. Telephone Recording

You agree that we may record telephone conversations between us and you, including any director, officer, employee, agent or representative of each Party. You further agree that any such recording may be submitted in evidence to any court or in any formal proceeding for any purpose relating to the Agreement or any FX Transaction.

13. Disclosure

- 13.1 **Consent to disclose information:** We are authorised to disclose and transfer from time to time all information in connection with your accounts and business with us to:
- (a) our holding company or any of our offices, branches, related companies or associates or any subsidiary or associated company of that holding company;
- (b) any agent, contractor or third party service provider which provides services of any kind to us in connection with the operation of our business;
- (c) any actual or proposed participant or sub-participant in, or assignee or novatee of our rights in relation to, your accounts or any banking services or facilities.
- 13.2 **Disclosure permitted by law:** You further consent to the disclosure of any of your information by us if required or permitted to do so by any law, regulation, court order or any regulatory authority in any jurisdiction.
- 13.3 **Disclosure to security provider:** You consent and acknowledge that we may provide the following information/documents to any actual or potential guarantor(s) or security provider(s) in respect of your obligations and liabilities owing to us:
- (a) any financial information concerning you;
- (b) a copy of the contract evidencing the obligations to be guaranteed or secured or a summary thereof;
- (c) a copy of any formal demand for payment which may be sent to you; and
- (d) from time to time on request of the guarantor(s) or security provider, a copy of the latest statement of account or other information showing your financial status and/or transactions with you.
- 13.4 **Personal Data:** Where you are not a limited company, any personal data relating to you may be used and disclosed for such purposes and to such persons as may be in accordance with our policies on the use and disclosure of personal data set out in statements, circular or notices made available by us to our customers and such data may be used in connection with matching procedures (as defined in the Personal Data (Privacy) Ordinance).

14. Change in Constitution

All agreements, collaterals, obligations given or assumed by you shall continue to be valid and binding notwithstanding any change in your or our constitution, by amalgamation, consolidation, reconstruction or otherwise.

15. Partnership

- 15.1 **Customer in partnership:** Where you consist of partners, references to you, where the context admits, includes references to persons who constitute you for the time being.
- 15.2 **Change in partnership:** If you are a partnership, the Agreement and any document executed and signed by you to us shall continue to bind the partnership notwithstanding any change in the constitution, name or membership of the partnership by occurrence of any other event which may dissolve the partnership or otherwise affect your obligations to us.
- 15.3 **Death or retirement of partner:** In the case of the death or retirement of a partner, the liability of the partner or his estate to us shall cease only with regard to transactions made with us subsequent to the actual receipt by us of written notice of the death or retirement of the partner.

16. Continuing Agreement, Waivers and Remedies

- 16.1 **Continuing agreement:** This is a continuing agreement and all the rights, powers and remedies under the Agreement shall apply to all the obligations and liabilities of you to us and shall be binding on you and your respective successors and assigns notwithstanding any event affecting your capacity to be bound by the Agreement.
- 16.2 **Exercise of rights:** Our rights under the Agreement:
- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law and any other agreement; and
- (c) may be waived only in writing and specifically.
- Delay in exercising or non-exercise of any right by us is not a waiver of that right.

17. Relationship between Parties

You represent and warrant to us on each date on which you enter into a FX Transaction and on each day during the existence of a FX Transaction that:-

- 17.1 **Non-Reliance:** You are acting for your own account as principal and not as agent or trustee for any other person, and you have made your own independent decisions to enter into that FX Transaction and as to whether that FX Transaction is appropriate or proper for you based upon your own judgment and upon advice from such advisers as you have deemed necessary. You are not relying on any communication (written or oral) of ours or our employee as investment advice or as a recommendation to enter into that FX Transaction, it being understood that information, materials and explanations related to the terms and conditions of a FX Transaction will not be considered investment advice or a recommendation to enter into that FX Transaction. No communication (written or oral) received from us or our employee will be deemed to be an assurance or guarantee as to the expected results and performance of that FX Transaction.

17.2 **Assessment and Understanding:** You are capable of assessing the merits of and understanding (on your own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that FX Transaction. You are also capable of assuming, and assumes, the risks of that FX Transaction.

17.3 **Status of Parties:** We are acting as principal and are not acting as a fiduciary for or an adviser to you in respect of that FX Transaction.

18. Notices

18.1 **Risks in sending notices:** All notices or other communications in connection with the Agreement are to be sent at your own risk. We do not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, facsimile or other written form of electronic communication.

18.2 **Deemed receipt:** All notices or other communications from us to you will be deemed to be received by you:

- (a) if delivered personally, at the time of delivery;
- (b) if sent by post, two or seven business days after posting to an address in Hong Kong or overseas respectively;
- (c) if by facsimile, at the time of transmission; and
- (d) if by email, immediately after transmission.

18.3 **Contact details:** The address or facsimile number of you for all notices under or in connection with the Agreement are those on record with us or last known to us.

18.4 **Notices to us:** Any notice or other communication to us must be given in writing and shall be deemed to have been given only on actual receipt by us, but we may at our sole discretion rely and act on any instruction given by any Authorized Person as contemplated in Condition 2.4 (whether such instruction is in writing or not).

19. Severability

If any provision of the Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of the Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of the Agreement.

20. Definitions and Interpretation

20.1 **Definitions:** In this Part of these Conditions,

“**Agreement**” has the meaning given to it in Condition 3 (Single Agreement).

“**Authorized Person**” means:-

- (a) in the case where you are an individual or a sole proprietorship, you yourself (including the sole proprietor) and any other person appointed by you as an authorized person;
- (b) in the case where you are comprised of two or more individuals (excluding a partnership), each of such individuals and any other person appointed by you as an authorized person;
- (c) in the case where you are a partnership, each person appointed by you as an authorized person; and
- (d) in any other case (including the case where you are a limited company), each person appointed by you as an authorized person.

“**Close-out Amount**” means, with respect to one or more terminated FX Transactions, the amount of our losses or costs that are or would be incurred under the then prevailing circumstances (expressed as a positive number) or your gains that are or would be realised under the then prevailing circumstances (expressed as a negative number) in replacing, or in providing for us the economic equivalent of the material terms of the terminated FX Transactions, including payments and deliveries by the Parties under the Terminated FX Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date.

“**Close-out Event**” means any event or circumstance specified in Condition 7.1 (Close-out Events).

“**Confirmation**” means a confirmation issued by us to you setting out the details of a FX Transaction.

“**Deliverable**”, if it is applicable to a FX Transaction, means that such FX Transaction will, subject to other provisions of the Agreement, be settled in accordance with the provisions in Condition 4.1 (Settlement of Deliverable FX Transactions), and unless otherwise specified in the Confirmation, “Deliverable” would be deemed to apply to a FX Transaction.

“**Disruption Event**” means any event or circumstance described in Condition 4.5 (Meaning of Disruption Events).

“**Early Termination Amount**” means the amount specified as such and calculated in accordance with Condition 7.4 (Payments on Early Termination).

“**Early Termination Date**” means the date designated as such pursuant to Condition 7.3 (Early Termination Date).

“**Exchange Rate**” means the rate for converting one currency into another currency which we determine to be prevailing in the relevant foreign exchange market at the relevant time, such determination to be conclusive and binding on us.

“**Fixing Rate**” means, in respect of a Non-Deliverable FX Transaction, the currency exchange rate to be determined in accordance with the provisions for the Fixing Rate specified for such transaction.

“**Forward Rate**” means, in respect of a Non-Deliverable FX Transaction, the currency exchange rate specified as such for such transaction.

“**FX Transaction**” means a transaction (whether spot or forward) between us and you which provides for the purchase of an agreed amount in one currency in exchange for the sale of an agreed amount in another currency.

“**Non-Deliverable**”, if it is applicable to a FX Transaction, means that such FX Transaction will, subject to other provisions of the Agreement, be settled in accordance with the provisions in Condition 4.2 (Settlement of Non-Deliverable FX Transactions), and “Non-Deliverable” is applicable to a FX Transaction if “Non-Deliverable” is specified in the related Confirmation and/or any other document relating to such transaction.

“**Party**” means you or us, as the case may be.

“**Rate Fixing Date**” means, in respect of a Non-Deliverable FX Transaction, the date specified as such for the transaction, which date is the day on which the Fixing Rate is to be determined for the purpose of such transaction.

“**Relevant Currency**” means:

- (a) the currency in which any amount agreed to be sold or bought under a FX Transaction;
- (b) the currency by reference to which any amount payable under a FX Transaction is determined; or
- (c) the currency in which any payment is required to be made under a FX Transaction.

“**Reference Currency**” means, in relation to a Non-Deliverable FX Transaction, the currency specified as such for such transaction.

“**Reference Currency Buyer**” means, in relation to a Non-Deliverable FX Transaction, the Party specified as such for the transaction.

“**Reference Currency Seller**” means, in relation to a Non-Deliverable FX Transaction, the Party specified as such for the transaction.

“**Relevant Currency Jurisdiction**” means the jurisdiction for which the Relevant Currency is a lawful currency.

“**Settlement Amount**” has the meaning given to it in Condition 4.3 (Settlement Amount).

“**Settlement Currency**” means, in relation to a Non-Deliverable FX Transaction, the currency specified as such for such transaction.

“**Settlement Date**” means, in respect of a FX Transaction, the date specified as such for that transaction, which date is the day on which the Parties settle the FX Transaction.

“**Trade Date**” means, in respect of an FX Transaction, the date specified as such in the related Confirmation, which date is the day on which the Parties enter into the FX Transaction.

“**Termination Currency**” means United States Dollars or any other freely convertible currency specified by us from time to time;

“**Termination Currency Equivalent**” means, in respect of an amount denominated in Termination Currency, such Termination Currency amount and, in respect of an amount denominated in any other currency (“Other Currency”), the amount in the Termination Currency required (as determined by us) to purchase such amount of Other Currency on the relevant date at the Exchange Rate;

“**Unpaid Amounts**” owing to a Party means, with respect to an Early Termination Date, the aggregate of:-

- (a) in respect of all terminated FX Transactions, the amounts that became payable (or would have become payable but for Condition 7.3 (Early Termination Date)) to such Party on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date under these terminated FX Transactions; and
- (b) any Early Termination Amount due but unpaid prior to such Early Termination Date and which remains unpaid as of such Early Termination Date,

in each case together with interest from (and including) the original due date to (but excluding) such Early Termination Date.

20.2 **Interpretation:** In this Part of these Conditions, unless the context otherwise requires:-

- (a) words importing the singular include the plural and vice versa and words denoting neuter or any gender includes all genders;
 - (b) a business day means a day (other than Saturday or Sunday) on which the banks are open for general business in Hong Kong and a time of a day is a reference to Hong Kong time;
 - (c) **"including"** or **"includes"** means including or includes without limitation.
- 20.3 **Reference:** Unless a contrary indication appears, any reference in this Part of these Conditions to:-
- (a) a person includes an individual, a company, partnership, trust or body unincorporate and its successors and assigns;
 - (b) a Condition is a reference to a condition of this Part of these Conditions;
 - (c) **"the Agreement"**, **"this Part of these Conditions"**, **"these Conditions"** or any other agreement or document is a reference to the Agreement, this Part of these Conditions, these Conditions or other agreement or document as amended, supplemented, novated and/or replaced from time to time.
- 20.4 **Headings:** Condition headings and sub-condition headings in this Part of these Conditions are for convenience only and are to be ignored in construing this Part of these Conditions.

RISK DISCLOSURE STATEMENTS

GENERAL

Investments involve risks. This brief statement does not disclose all of the risks and other significant aspects of trading in investments. In light of the risks, you should undertake a Transaction only if you have thoroughly read and fully understood these Conditions, the relevant offer documents, the nature of the contract (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in investment products is not suitable for many members of the public. You should carefully consider whether the Transaction is suitable for you in the light of your financial situation, investment experience, investment objectives and other relevant circumstances. **You are strongly advised to seek independent professional advice if you are uncertain of or have not understood any aspect of these Conditions (including these Risk Disclosure Statements), the relevant offer documents or the nature and risks of any Transaction.**

Investments involve risks of loss to their principal. Transactions are “non transferable” and it may be impossible for you to close out or liquidate them. Investments are not bank deposits and are not endorsed or guaranteed by us, and do not constitute our obligations or the obligations of our subsidiaries, associates or affiliated companies.

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

(a) you have been given the opportunity to obtain information from us concerning each Transaction. Notwithstanding the foregoing, you are not relying on communication (written or oral) from us or our affiliates as legal, regulatory, tax, business, financial or accounting advice. Such communication should not be the basis on which you entered into the Transaction, and should be independently confirmed by you prior to entering into the Transaction; and

(b) we and our affiliates may have banking or other commercial relationships with the issuer of any investment or any other person and may engage in proprietary trading in the investment or any related options, futures, derivatives or other instruments (including such trading as we or our affiliates deem appropriate in our or their sole discretion to hedge our or their market risk on any Transaction and other transactions with you or with third parties), and such trading may affect the price of the investment and consequently the amounts payable or deliverable under a Transaction. Such trading may be affected at any time.

You confirm to us that you have sufficient knowledge and experience to be able to evaluate the merits and risks of entering into each transaction, are acting in reliance solely upon your own judgment or upon professional advice obtained independently of us as to those merits and risks (including, where relevant, the tax and accounting treatment of each transaction) and are not relying upon our views or advice.

RISK OF INVESTMENT

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

In certain circumstances, your right to redeem or sell or otherwise dispose of an investment may be restricted or your ability to do so may be limited, inhibited or restricted in certain manner.

(Where past performance is quoted) the past performance figures shown are not indicative of future performance.

RISK OF MARGIN TRADING

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

RISK OF TRADING OPTIONS

The risk of loss in trading options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Where applicable, placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. Independent financial and legal advice should be sought if necessary. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

The value of an investment with embedded options fluctuates, sometimes dramatically. The price of an investment may move up or down and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling an investment. The payout on an investment may be linked to the value or performance of an underlying security, index, fund, asset or a combination of the foregoing. You may lose your entire investment or receive, in place of any redemption proceeds, underlying security the market value of which may be significantly lower than your original investment.

Variable degree of risk

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

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

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

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

Terms and conditions of contracts

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

Suspension or restriction of trading and pricing relationships

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

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

Deposited cash and property

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

Commission and other charges

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

Transactions in other jurisdictions

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

Currency risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

Trading facilities

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

Electronic trading and transmission of information

Trading or receiving/sending information on an electronic trading system may differ from trading or receiving/sending information on other electronic trading systems. If you undertake Transactions on, or receives and/or sends data, instructions and/or other information (including confirmations, statements and receipts) over, an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions, or that the data, instructions and/or other such information is not received and/or sent accurately, or in each case, not at all.

Off-exchange transactions

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

RISK OF FOREIGN EXCHANGE TRADING

This is a product involving derivatives. The investment decision is yours but you should not invest in the product unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.

The following risk disclosure cannot disclose all the risks and other significant aspects involved. Please note that the risk of loss in foreign exchange transactions may be highly substantial in certain circumstances. Before entering into any transaction, you should ensure that you fully understand the transaction and all its possible risks and has independently determined that the transaction is appropriate for you given your objectives, experience, financial and operational conditions and other relevant circumstances. You should also consider consulting with such advisers as you deem necessary to assist you in making these determinations. **We are acting as a principal and not acting as your adviser or fiduciary in respect of the foreign exchange transactions. You are deemed to have made your own independent decision to enter into the foreign exchange transactions and must not rely on any communication (written or oral) from us or any of our employees as a recommendation or as investment advice.**

In each foreign exchange transaction, you will be exposed to exchange rate volatility. You may sustain substantial losses on the transaction if the market conditions move against your positions under the transactions. It is in your interest to fully understand the impact of market movements, in particular the extent of profit/loss you would be exposed to when there is an upward or downward movement in the relevant rates, and the extent of loss if you liquidate a position should market conditions move against you. Your position may be liquidated at a loss. **In the worst case scenario for any foreign exchange transaction, you may incur the loss for the entire amount of currency (or its equivalent value) that you sell in such transaction if the currency amount that you buy in the transaction is worthless.**

Under certain market conditions, you may find it difficult or impossible to liquidate or trade in a foreign exchange transaction, to assess a fair price or assess risk exposure. In particular, the underlying currency of a non-deliverable forward transaction may not have a ready market. Consequently, the non-deliverable forward transaction may be very illiquid and, in such event, you may sustain substantial losses as the bid/offer spreads may be very wide if the market moves against your position. You should also ensure that you fully understand the computation of the pricing of the non-deliverable forward transaction.

You may also need to provide cash cover (or additional cash cover) to cover your obligations under foreign exchange transactions as required by us.

The risks as described above are by no means exhaustive. We strongly recommend that you should make your own risk assessment (with the consultation of your own advisers) regarding the risks associated with any foreign exchange transaction before you enter into any foreign exchange transaction.

RISK OF LEVERAGED FOREIGN EXCHANGE TRADING

The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Where applicable placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in the light of your own financial position and investment objectives.

RISK OF TRADING GROWTH ENTERPRISE MARKET STOCKS

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

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

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

You should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

RISK OF FUNDS AND UNIT TRUSTS

Investment in funds or unit trusts is different to placing moneys on deposit with a bank. The funds or unit trusts are not deposits or other obligations of, or guaranteed by, our affiliates or us. The fund company or unit trust manager is under no obligation to redeem shares in any fund or unit trust at the price at which they were issued. Although we may not charge a fee for providing services relating to funds or unit trusts, we will normally be paid a commission or rebate by the fund or unit trust manager for arranging transactions involving funds or unit trusts.

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

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

You should carefully consider prior to investing in funds or unit trusts, (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange control requirements which you might encounter under the laws of the countries of your incorporation, citizenship, residence or domicile and which might be relevant to the purchase, sale, subscription, holding, conversion or disposal of the shares in funds or unit trusts.

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

Certain capital guaranteed/capital preserved funds or unit trusts may be subject to terms and conditions, and redemption of shares in the funds or unit trusts prior to fulfilling all the terms and conditions specified in the offering documents or prospectus may be subject to market fluctuations or a redemption fee. Capital guaranteed/capital preserved funds or unit trusts are not guaranteed by us or our affiliates.

RISK OF EXCHANGE TRADED FUNDS (ETF)

An ETF is a fund. It is exposed to the economic, political, currency, legal and other risks of the sector or market related to the index that it is tracking. A synthetic ETF may invest in over-the-counter derivatives issued by counterparties. It is exposed to the risks of the securities that constitute the index and the credit risk of such counterparties, and may suffer losses potentially equal to the full value of the derivatives issued by the counterparty upon its default. A number of different counterparties may be used in order to diversify the counterparty credit risk concentration. However, the more counterparties an ETF has, the higher the mathematical probability of the ETF being affected by a counterparty default. The issuers of these derivatives are predominantly international financial institutions and this, in itself, may pose a concentration risk. It is possible that the failure of one derivative counterparty has a "knock-on" effect on other derivative counterparties of the ETF. Some synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk of the market value of the collateral falling substantially when the

ETF seeks to realise the collateral. A higher liquidity risk is involved if an ETF uses financial derivative instruments which do not have an active secondary market. Bigger bid and offer spreads in the price of the derivatives may result in losses.

There may be a disparity between the performance of the ETF and the performance of the underlying index due to, e.g., failure of the tracking strategy, foreign exchange differences, fees and expenses. Where the index or market that an ETF tracks has restricted access, units in the ETF may not be created or redeemed freely and efficiently. An ETF may trade at a price higher or lower than its net asset value (NAV). In the event the ETF is terminated, investors who buy at a premium would not be able to recover the premium.

An ETF may be subject to tax imposed by the local authorities in the market related to the index that it tracks, emerging market risks and risks in relation to the change of policy of the reference market.

RISK OF WARRANTS

Warrants are complicated, high-risk instruments suitable only for experienced investors. They offer a leveraged exposure to movements in their underlying stock, but factors in addition to the underlying stock price affect warrant prices. The price of a warrant may fluctuate more than the underlying stock price does. Although leverage may give you a higher return, it also exposes you to a higher risk. Warrants become valueless after their expiry date, or if it is out-of-the-money on the expiry day. You will assume the credit risk of the issuer. The risks of holding warrants are higher than those of holding the underlying stock. You should consider carefully whether a warrant is suitable for you in the light of your experience, investment objectives and financial position. You should read the listing documents and understand the risks, the return profile, the terms and conditions, and seek professional financial advice if you have any doubt.

RISK OF CALLABLE BULL / BEAR CONTRACTS (CBCB)

CBCBs are complicated, leveraged instruments suitable only for experienced investors. They offer a leveraged exposure to movements in their underlying stock or index, but the price movement of a CBCB may not exactly match that of the underlying asset when the underlying price is very close to the call price. Although leverage may give you a higher return, it also exposes you to a higher risk. You may lose all your investment. Some CBCBs may pay nothing if they are called. CBCBs are not designed to be long-term investments. You will assume the credit risk of the issuer. You should consider carefully whether a CBCB is suitable for you in the light of your experience, investment objectives and financial position. You should read the listing documents and understand the risks, the return profile, the call feature, the expiry date, the terms and conditions, and seek professional financial advice if you have any doubt.

RISK OF LEVERAGED AND INVERSE PRODUCTS

Trading Leveraged & Inverse Products ("L&I Products") involves investment risk and are not intended for all investors. There is no guarantee of repaying the principal amount while prices of L&I Products may be more volatile than conventional exchange traded funds (ETFs) because of using leverage and the rebalancing activities.

L&I Products are different from conventional ETFs. They do not share the same characteristics and risks as conventional ETFs. L&I Products are not intended for holding longer than the rebalancing interval, typically one day. Daily rebalancing and the compounding effect will make the L&I Product's performance over a period longer than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market. As a result of daily rebalancing, the underlying index's volatility and the effects of compounding of each day's return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.

There is no assurance that L&I Products can rebalance their portfolios on a daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the rebalancing activities, which typically takes place near the end of a trading day (shortly before the close of the underlying market) to minimize tracking difference. The short interval of rebalancing may expose L&I Products more to market volatility and higher liquidity risk.

Leverage factor of L&I Products may change during a trading day when the market moves but it will not be rebalanced until day end. The L&I Product's return during a trading day may be greater or less than the leveraged/opposite return of the underlying index. Daily rebalancing causes a higher level of portfolio transaction when compared to conventional ETFs, and thus increases brokerage and other transaction costs.

Fees, expenses, transactions cost as well as costs of using financial derivatives may reduce the correlation between the performance of the L&I Product and the leveraged/inverse performance of the underlying index on a daily basis. Additionally, L&I Products must be terminated when all the market makers resign. Termination of the L&I Product should take place at about the same time when the resignation of the last market maker becomes effective.

The use of leverage will magnify both gains and losses of leveraged products. Moreover, Inverse products aim to deliver the opposite of the daily return of the underlying index and if the value of the underlying index increases for extended periods, inverse products can lose most or all of their value. Investing in inverse products is different from taking a short position. Because of rebalancing, the performance of inverse products may deviate from a short position in particular in a volatile market with frequent directional swings.

SAVINGS PLAN

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

RISK OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL ETC.

There is risk if you provide us with an authority that allows us to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of our settlement obligations and liabilities.

If your securities or securities collateral are received or held by us in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the person for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if we issue you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by us, for example, to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. We should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although we are responsible to you for securities or securities collateral lent or deposited under your authority, a default by us could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from us. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

RISK OF YOUR ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Your assets received or held by us or our nominee outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap 571) and the rules made thereunder. Consequently, your asset may not enjoy the same protection as that conferred on customer asset received or held in Hong Kong.

RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES

You understand that if you provide us with an authority to hold mail or to direct mail to third parties, it is important for you to promptly collect in person all contract notes and statements of your account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE STOCK EXCHANGE OF HONG KONG LIMITED

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

RISK OF CUSTODY

There may be risks in leaving securities in our safekeeping. For example, if we are holding your securities/ units and we become insolvent, you may experience significant delay in recovering the securities.