

October, 2023

Notice of Amendments of Conditions for Services relating to Faster Payment System

Please be informed that the scam prevention alert for suspicious "FPS Proxy ID" will be added to the Faster Payment System ("FPS").

The launch of the scam prevention alert and the amendments of the Bank's "Conditions for Services" relating to FPS will be effective from 26 November 2023 ("Effective Date"). Details of the amendments and the "Frequently-Asked Questions (FAQ)" are provided in Table 1 for your easy reference.

Please note that the amendments shall be binding on you if you continue to maintain the account or use any of our banking, financial or other services of the account on or after the Effective Date. If you do not accept these amendments, the Bank may not be able to continue to provide our service(s) to you.

For enquiries/feedback, please contact our staff or call our Customer Service Hotline at (852) 2622 2633.

Customers may download the current "Conditions for Services" at the Bank's website ("Personal Banking" / "Corporate Banking" > "Other Services" > "Conditions and Rules for Services and other Information") on or before 25 November 2023. Only the revised "Conditions for Services" (incorporating the said amendments as aforementioned) can be downloaded after 26 November 2023. You may download this Notice at the Bank's website ("About us" > "Notice") on or before 31 January 2024. You may not be able to review or download the current "Conditions for Services" and the related Notice after the relevant date. Shall there be any discrepancies between the Chinese and English version of this Notice, the English version prevails.

Nanyang Commercial Bank, Limited

Table 1 – Major Amendments to the “Conditions for Services”
Part 2 : Banking services 14. Bank Services relating to Faster Payment System

Clause No.	Amendments / Delete Details (Amendments are shown in underline to indicate addition and strikethrough to indicate deletion):
14.5	<p>(h) Other obligations regarding payments and funds transfers</p> <p><u>(i) In giving instructions to make payments or effect transactions, you agree to take reasonably practicable steps to safeguard your own interest, money and assets from fraud or other illegal activities. You are responsible to check whether the payment recipient and the transaction are real and trustworthy in each case and exercise sound judgement. To help you stay vigilant against frauds, scams and deceptions, we will send risk alerts based on the risk warnings, messages and indicators received by us from the Faster Payment System or Hong Kong Police Force from time to time.</u></p> <p>(ii) Any instruction given by you in relation to the Bank Services will be handled by us in accordance with this Part 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.</p>
14.6	<p><i>(b) Without reducing the effect of Clause 14.6(a) above or the provisions of the Existing Terms:</i></p> <p><i>(ii) for clarity, we are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with one or more of the following:</i></p> <p><i>(1) your failure to comply with your obligations relating to the Bank Services; and</i></p> <p><i>(2) <u>any delay, unavailability, disruption, failure, error of or caused by HKICL FPS or any functionality of the Faster Payment System, or arising from any circumstances beyond our reasonable control, including any delay or error relating to the risk warnings, messages and indicators about suspected frauds, scams or deceptions received by us from the Faster Payment System or Hong Kong Police Force; and</u></i></p>

Faster Payment System- Frequently-Asked Questions (FAQ)**Questions related to scam prevention alert**

1.	<p>Q: If I find my recipient's FPS proxy ID is being flagged by the scam prevention alert, how can I remove it?</p> <p>A: The scam prevention alert is generated based on information collected from scam reports and recorded in the Scameter of the Hong Kong Police Force. Please contact them at enquiry@cyberdefender.hk if you think the FPS proxy IDs are not tagged correctly.</p>
2.	<p>Q: Will Bank be able to help to remove my FPS proxy IDs from the scam prevention alert?</p> <p>A: No, the Bank cannot do the deletion. The scam prevention alert is generated based on information collected from scam reports and recorded in the Scameter of the Hong Kong Police Force. Please contact them at enquiry@cyberdefender.hk if you think the FPS proxy IDs are not tagged correctly.</p>
3.	<p>Q: If I want to report a suspicious FPS proxy ID, what should I do?</p> <p>A: The scam prevention alert is generated based on information collected from scam reports and recorded in the Scameter of the Hong Kong Police Force. If you suspect a crime case has occurred, please report to the Hong Kong Police Force at a police station or via Hong Kong Police Force e-Report Centre (https://www.police.gov.hk/ppp_en or https://www.police.gov.hk/ppp_tc).</p>
4.	<p>Q: If there is no scam prevention alert message relating to my recipient, does it guarantee it is safe to transfer to him/her?</p> <p>A: No, it is not guaranteed. The scam prevention alert message will only be shown if the recipient's FPS proxy ID is included in the scam reports provided by the Hong Kong Police Force. If there has not been any report to the Police against a particular FPS proxy ID, the proxy ID will not be included in the scam prevention alert.</p> <p>You are advised to always verify the payment details (including the recipient's identity) of every single transaction before making payment.</p>
5.	<p>Q: Why is my recipient's FPS proxy ID previously not tagged in the scam prevention alert but now being tagged?</p> <p>A: The FPS proxy IDs flagged as "High Risk" in Scameter and included in the scam prevention alert are based on information collected from scam reports provided by the Hong Kong Police Force. If there has not</p>

been any report to the Police against a particular FPS proxy ID, the proxy ID will not be included in the scam prevention alert.

6. Q: What is the source of the scam prevention alert and how is my private information being protected?

A: The scam prevention alert is generated based on information collected from scam reports and recorded in the Scameter of the Hong Kong Police Force. Please visit the webpage of Scameter (<https://cyberdefender.hk/en-us/scameter/>) for more details.

7. Q: Why I found my FPS proxy ID on the scam prevention alert when doing FPS transfer? I did not commit any crime!

A: According to the record provided by the Hong Kong Police Force, your FPS proxy ID is related to a scam report. Please contact them at enquiry@cyberdefender.hk if you think the FPS proxy ID is not tagged correctly.

8. Q: I discovered my recipient's mobile number has been flagged in Scameter. How come the bank did not alert me when I now try to make payment to this FPS proxy ID?

A: The scam prevention alert is generated based on information collected from scam reports provided by the Hong Kong Police Force and updated from time to time on a daily basis. Please check again that the payee is trustworthy before you proceed with the transaction.

9. Q: I discovered my recipient's mobile number has been flagged in Scameter. How come the bank did not alert me when I previously made payment to this FPS proxy ID?

A: The FPS proxy IDs flagged as "High Risk" in Scameter and included in the scam prevention alert are based on information collected from scam reports provided by the Hong Kong Police Force. If there has not been any report to the Police against a particular FPS proxy ID, the proxy ID will not be included in the scam prevention alert.

10. Q: What is "Scamter"?

A: The one-stop scam and pitfall search engine, Scameter, helps the public identify frauds and online pitfalls. When the public encounters suspicious calls, online sellers, friend requests, job ads, investment websites, etc., they can enter the platform account name or number, payment account, phone number, email address, URL, etc. to assess the risk of fraud and cyber security.

11. Q: How to download or use "Scameter+"

A: It is recommended to install the "Scameter+" App from APP



Store, Google Play or Huawei AppGallery. Or go to the homepage of the Cyberdefender website (<https://cyberdefender.hk>) to use the "Scameter".

For details of Scameter, please refer to the website of NCB. :

https://www.ncb.com.hk/nanyang_bank/popup1/20171218_important_notes_on_precautions_e.pdf

Conditions for Services

These Conditions apply to any person (“you”) who receives account, banking, investment and any other services from us, Nanyang Commercial Bank, Limited. If there is any inconsistency between these Conditions and the provisions or rules (if any) for a particular transaction/service, the provisions or rules shall prevail over these Conditions in respect of the relevant transaction/service unless otherwise specified in these Conditions. **Please read them carefully, particularly Part 1, Conditions 2 (Password), 12 (Limit of our liability), and 13 (Your indemnity), and Part 3, Condition 7 (Risk disclosure).**

Part 1 applies to all accounts and services.

Part 2 applies to banking services.

Part 3 applies to investment services.

Part 1: General provisions

1. Your instructions

- 1.1 You will only give instructions to us through a means we have notified, in accordance with the signing arrangement in your mandate, and in accordance with our requirements. We may reject (or act on) an instruction not so given. Different means of giving instructions may be available for different services. We may act on your instruction without enquiry, although it is inconsistent with an existing arrangement. You will check that each instruction is correct before sending it to us.
- 1.2 We may decline to act on your instructions without giving a reason and without liability.
- 1.3 Unless otherwise agreed by us, your authorised signatories have full authority to do everything on your behalf in relation to your accounts, and products and services available to you (except in respect of Corporate Internet Banking, Corporate Internet Banking Investment Function and CBS Phone Banking Services (each as further described in Conditions 10.1, 10.13 and 11 of Part 2 of these Conditions), unless otherwise authorised) including to operate your accounts,

buy or sell any Investment(s) (as defined in Part 3) (in the case of an investment account), make withdrawals or transfers (of cash, Investment(s) (as defined in Part 3), title documents and other property), open, register, deregister or close accounts, change transaction limits, arrange with us for any facilities and accommodation, enter into any agreement, give any instructions and complete and sign all documents including account opening forms, but not to change your authorised signatories or signing arrangement, and if you are one or more individuals, not to open accounts or apply for new services. For the avoidance of doubt, this Condition 1.3 shall not apply to Corporate Internet Banking authorised signatories appointed in relation to Corporate Internet Banking and Corporate Internet Banking Investment Function authorised signatories appointed in relation to Corporate Internet Banking Investment Function (both of which shall be governed by Condition 10 of Part 2 of these Conditions) and to CBS Phone Banking Services authorised signatories appointed in relation to CBS Phone Banking Services (which shall be governed by Condition 11 of Part 2 of these Conditions).

- 1.4 You may change your authorised signatories or signing arrangement after giving us such notice and complying with (such requirements and/or procedures as we prescribe from time to time). If one account uses the authorised signatories and signing arrangement of another account, changing the authorised signatories and signing arrangement of either account will not affect those of the other account.
- 1.5 Revocation of the existing authorised signatories' authority will not affect any instructions including cheques and bills of exchange received by us before the revocation becomes effective. Any instructions including cheques and bills of exchange, dated before or after the effective date of revocation and received by us after the effective date of revocation, will be revoked. Outstanding deposits may only be dealt with by the new signatories.

- 1.6 The authority of the account holders and authorised signatories to act according to your signing arrangement will not be revoked until we have received written notice revoking their authority. Their authority will remain in force until we have received written notice of your death or incapacity, and notwithstanding any change in your constitution.
- 1.7 We may regard your instructions as received by us as being what you intended to send. Any instruction that we reasonably believe is given by you or your authorised signatory will be valid and binding on you, whether or not it is in fact authorised. We need not verify the identity or authority of the person giving an instruction or the authenticity of an instruction. We may require evidence of identity or authority. We may regard your instruction (which duplicates another instruction) as a separate instruction, unless we actually knew before execution that it was a duplicate.
- 1.8 You will ensure that your instructions are complete and correct. An instruction once accepted cannot be altered or cancelled, without our agreement. If an instruction cannot be carried out, you will still be responsible for the charges and reasonable expenses that may be incurred.
- 1.9 If an instruction is received after our daily cut off time or outside our business hours, your account may be debited on the same day, but the instruction may not be processed until our next business day.
- 1.10 If your instruction cannot be executed in whole or part, we are not required to notify you immediately. An instruction may be partially executed if it cannot be fully executed. An instruction or part not executed by the days close of business or, if earlier, trading will lapse, unless a longer execution period has been specifically agreed.

- 1.11 Any chop affixed to any application form or other document will not form part of your signing arrangement unless otherwise instructed by you to us in writing.
- 1.12 You agree to the Instruction Indemnity as set out in Appendix 1 (the "Instruction Indemnity"), and agree that subject to the aforesaid Instruction Indemnity we may send and/or receive notice and/or communications and/or instructions to and/or from you by electronic means (including but not limited to electronic mail, message, or facsimile).

2. Password

- 2.1 "**Password**" refers to one or more means approved by us to authenticate a user and to gain access to an account or service through one or more channels or means advised by us, and may include identification or other number, letters, symbols, access or session or other code, digital signature, ATM or other card, token or anything.
- 2.2 Any instruction given by the use of your password is valid and binding on you. This is so notwithstanding any different requirements in your mandate or any other arrangement. Changes in your authorised signatories or signing arrangement will not affect operation by your password: you will need to change your password.
- 2.3 You will use all reasonable care to keep your password secret and secure. You shall bear the risk no matter whether your password is mailed to you or set by you. Your password will be sent to you at your risk. When permitted, you will immediately change a password assigned by us.
- 2.4 You will notify us as soon as reasonably practicable at the telephone number designated by us if you find or believe that your password has been compromised, lost or stolen or that any unauthorised transactions have occurred. We may without liability take any action following receipt of a report believed by us to be genuine.

- 2.5 This Condition applies to the following circumstances:
- (i) unauthorized instruction given electronically;
 - (ii) private individual (excluding sole traders, partnerships, clubs and societies); or
 - (iii) any unauthorized transactions conducted through plastic cards which may be used to pay for goods and services or to withdraw cash.
- You will be liable for all losses if you have acted fraudulently or with gross negligence, or allowed any third party to use the password, or failed to comply with your obligations under Conditions 2.3 or 2.4 above. However, subject to your compliance with Conditions 2.3 and/or 2.4 above (as applicable), your following of any securities measures provided by us from time to time and if in our reasonable opinion, there is no gross negligence or fraud on your part then you are not liable for any direct loss caused by unauthorized transactions conducted through your account.
- 2.6 Where Condition 2.5 does not apply or otherwise notified by us from time to time, you will be liable for all instructions given with the use of your password, whether or not authorised.

3. Information

- 3.1 You confirm that all information given to us for the purpose of your accounts and every transaction is true and complete. You will promptly notify us of any material change to that information. You authorise us to contact any sources including any credit reference agencies, your employers and banks to obtain or verify any information.
- 3.2 We will treat information relating to you as confidential, but unless consent is prohibited by law, you consent to the transfer and disclosure by us of any information relating to you to and between any of our group's other companies, its agents and any third parties (including any credit reference agencies, networks, exchanges and clearing houses) selected by any of our group's companies or them (each a "transferee") wherever situated, for confidential use (including for data processing, statistical, credit and risk analysis purposes). We

and any of the transferees may transfer and disclose any such information to any person as required by any law, regulation, court, regulator, legal process or code in Hong Kong or any other jurisdictions outside Hong Kong or according to our group's policy, any present or future contractual or other commitment with legal, regulatory, governmental, tax, law enforcement or other authorities, securities or futures exchange, central bank, or self-regulatory or industry bodies or associations of financial services providers in Hong Kong or any other jurisdictions outside Hong Kong ("Authorities") or agreement or treaty between Authorities and applicable to us or a member of our group companies (collectively "Obligations"). This Condition will apply to you subject to Condition 3.6 and our Data Policy Notice.

- 3.3 You consent to your information being used, processed and stored in or outside Hong Kong by third parties on our behalf. We will contract with the third parties to take reasonable care to keep your information confidential and to observe, in conformity with local laws and regulations, the requirements of the Personal Data (Privacy) Ordinance. Local and overseas regulatory and judicial authorities may in certain circumstances have access to your information.
- 3.4 You consent to your information being transferred to another jurisdiction outside Hong Kong and to any matching procedures being carried out. You may withdraw your consent by giving us 30 days' prior notice.
- 3.5 All copyright and other intellectual property rights of any nature in or relating to our services, website, materials or documentation will vest in us.
- 3.6 If you are an individual, you acknowledge receipt of our Data Policy Notice and agree that the contents of the Data Policy Notice (as the same may be amended from time to time) shall be binding on you. If you are a body corporate, the foregoing shall be binding on individuals whose personal data is held by us in relation to your accounts.

- 3.7 You confirm that every entity or individual whose information has been (or will be) provided to us or the transferees (as referred to in Condition 3.2 above) in connection with your account and/or provision of products and services to you has (or will at the relevant time have) been notified of and consented to the using, processing and disclosing of its/his/her information (including personal data for individual) in accordance with this Condition 3 and for the purposes as shown in the Data Policy Notice (in case of individual).
- 3.8 You acknowledge and agree that some services, operational and processing procedures relating to the transactions/services provided by us to you may from time to time be outsourced by us to our regional or global processing centers, any of our group's other companies, its agents and third parties selected by any of our group's companies or them, wherever situated, and these service providers may from time to time be given access to information relating to you and the transactions and services provided by us to you for the purpose of or in relation to the services and procedures they perform. Your name and correspondence address may also be disclosed to the Hong Kong Securities Clearing Company Limited and the registrars of the listed issuers, so that they will send communication to you in connection with the securities you purchased which are registered in our or our nominee's name.
- 3.9 In case you have applied or apply for credit card from BOC Credit Card (International) Limited ("Card Company") and/or insurance services or products from insurance companies for which we are acting as agent or whose insurance services or products are offered or available through us (collectively, "Insurance Companies"), you agree and confirm that the Card Company and/or the Insurance Companies (as the case may be) is/are authorised to transfer to us, and you also hereby authorise us to obtain from the Card Company and Insurance Companies, any data relating to use of any credit card or insurance services or other goods or services offered by the Card Company and/or the Insurance Companies to you from time to time for the purposes set out

in our Data Policy Notice. In particular, you authorise us to include any data relating to such use in your bank statements and to use such data for customer profiling and segmentation.

4. Our services

- 4.1 Before using a service, you may be required to comply with our requirements for that service. Each service is only available during the times and is subject to the procedure and conditions determined by us. We may refuse access without giving a reason and without liability.
- 4.2 Each transaction, service and account is also subject to our terms and conditions, applicable from time to time to such transaction, service or account. Those terms and conditions shall prevail, if they conflict with these Conditions.
- 4.3 You will do everything reasonably required by us in relation to your account or instructions.
- 4.4 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. We may at any time 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 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.
- 4.5 If we believe that an action is required in respect of your account, and we have not received your instructions of what to do, we may (but are not obliged to) act at our discretion and without liability to you.
- 4.6 If you dispute any transaction, we may cancel or close out the transaction without affecting our rights.
- 4.7 You will only use our services for a lawful purpose.

4.8 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 if there appears in our opinion to be any irregularities in the operation of your accounts, or that you might become mentally incapacitated.

5. Our role

5.1 Our responsibilities are limited to those expressly set out in these Conditions and our terms and conditions (if any) for the relevant transaction, service or account, including but not limited to disclaimers, risk disclosure statements, risk warnings and important information. These Conditions and the said terms and conditions apply, to the extent possible, to transactions on your behalf as well as with us.

5.2 You authorise us and any person appointed by us to do everything necessary or desirable for all purposes connected with our services.

5.3 We may do or refrain from doing anything that we believe is required in order to comply with any laws, regulations, rules and practices, 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.

5.4 We may use the service of third party agents, brokers, custodians, nominees, correspondents, networks, exchanges, clearing houses, market infrastructures and other persons (wherever situated) to hold your property or to perform any services. They may be our group's companies. You authorise us to accept their terms and conditions of service. We will use reasonable care in selecting these service providers but unless otherwise required by Hong Kong law or regulation, we will not be responsible for their acts, omissions or insolvency. You will pay their

charges, and indemnify us against their claims. We will only appoint custodians qualified to act as custodian under applicable law.

- 5.5 Remuneration of our sales staff may consist of fixed and variable components. The award of variable remuneration correlates in part with the staff's performance in financial and non-financial factors.
- 5.6 We do not act as your legal, tax or (unless otherwise agreed in writing) financial adviser. You will obtain your own advice.

6. Payments / delivery

- 6.1 Payments will in ordinary operations only be debited to your designated account (or sub account) denominated in the same currency. Likewise for "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) denominated in the payment currency. However we may put a "hold" on amounts in other currencies. We may (but are not obliged to) convert an amount received or to be paid from one currency into another currency at our spot rate. We may, for the purpose of any calculation, notionally convert an amount from one currency into another currency at our spot rate.
- 6.2 Payments will be made to you subject to applicable laws, regulations, directives and Obligations (as defined in Condition 3.2 above) and any required deduction or withholding. You confirm that you have (or will at the relevant time have) provided notice to and secured consent or waiver from any person owning a beneficial interest in such payments in respect of the aforesaid deduction or withholding. We are authorised to pay the amount deducted or withheld to the relevant authority in accordance with the relevant requirement.
- 6.3 You will pay us in freely transferable and cleared funds and in the manner notified by us to be customary for payments

in the relevant currency. Deliveries of any property by either party will be made in the manner notified by us to be customary for the relevant property or as determined by us.

- 6.4 If on any date amounts would be payable in the same currency under two or more transactions by each party, then on such date, each party's obligation to pay such amounts will, if we choose, be discharged, and the party by whom the larger aggregate amount would otherwise have been payable will pay to the other party the excess of such amount over the smaller aggregate amount.
- 6.5 You will on demand repay to us all sums owing from you (whether or not due).
- 6.6 Your payments will be made without any set-off, counterclaim or condition and free of all taxes, withholdings or deductions. If a withholding or deduction is required by law or the Obligations (as defined in Condition 3.2 above) or otherwise, you will pay an increased amount so that we receive a net amount equal to what we would have received had there been no withholding or deduction. You will duly pay the tax authority and send us the evidence.
- 6.7 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 loss and reasonable expense. It will be sufficient for us to show that we would have suffered a loss had an actual exchange or purchase been made.
- 6.8 We may apply any sum received to reduce your liability in the order selected by us, or place it in a suspense account to preserve our right to prove for your entire liability.

- 6.9 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. We may at any time reverse any entry if the sum or item or part thereof is not actually received. You will indemnify us against all losses and reasonable expenses.
- 6.10 Your property and documents will be sent to you at your risk.
- 6.11 We may at any time recover from you including by way of debit from any of your account any erroneous payment.
- 6.12 We may retain any interest on amounts to be paid to you pending credit to your account, and on amounts to be paid on your behalf to a third party pending payment.
- 6.13 We may pay into an account bearing your designated number, without verifying the name of the account holder.
- 6.14 Cash will be paid to you after rounding down to the nearest ten cents (or, for Japanese yen, to the nearest dollar). This constitutes full payment.

7. Particular accounts

7.1 If you are 2 or more persons:

- (a) your obligations are joint and several; references to you include any one of you;
- (b) any of you acting in accordance with your signing arrangement has full authority to bind all of you in all matters; the signing arrangement may only be changed by all of you;
- (c) payment or delivery of anything to any one of you discharges our obligations to all of you; sums payable to any one of you may be credited into your joint account;
- (d) a communication to any one of you is effective communication to all of you;

- (e) we may compromise, discharge or deal with one or more of you, without affecting the liability of the others;
- (f) we may apply the balance in your joint account to reduce any liability of one or more of you;
- (g) (unless you are a partnership or the account is held for a third party) upon the death of any of you, the balance in the account will belong to the survivor;
- (h) any one of you may, by written notice to us copied to the others of you, freeze the account; and
- (i) we may accept instructions from and for all purposes deal with any of you.

7.2 If you are a partnership:

- (a) no restrictions in your partnership agreement will bind us, and your account will be governed by our documents;
- (b) 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;
- (c) 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
- (d) upon the death of any of you, the balance in the account will belong to the original partners and their estates.

7.3 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 authorised to open, operate and close the account. You will indemnify us against

any liability, loss or reasonable expense arising from any transaction involving the account.

- 7.4 If you hold an account in your capacity as executor(s) or administrator(s) (in either case "personal representative(s)") of a deceased person's estate (a "personal representative account"):
- (a) if two or more personal representatives have been appointed, your instructions must come from all of you and references to you mean all of you;
 - (b) any credit balance in any account kept by the deceased may be applied towards the satisfaction of liabilities under the personal representative account;
 - (c) you represent at all times that: (i) you have been duly appointed as the personal representative(s) of the deceased person's estate; (ii) you have the full legal capacity and authority to act as the personal representative(s) of the deceased person's estate; (iii) you are opening the personal representative account in your capacity as personal representative(s) of the deceased person's estate and not in any other capacity; and (iv) you will act in accordance with the terms of the will or the letters of administration and all applicable laws and orders by a court of competent jurisdiction;
 - (d) you undertake at all times: (i) (where you are more than one person) to be jointly and severally liable (in your personal capacity) for any debit balance or other liabilities incurred in connection with the personal representative account; (ii) to jointly and severally indemnify us (in your personal capacity) for any loss, cost, fee and expense in relation to your failure to act in accordance with the terms of the will or the letters of administration or in relation to any breach by you of any applicable law or order by a court of competent jurisdiction; (iii) to provide us with a copy of the will, the grant of probate, the letters of administration or any other document we reasonably require; and (iv) to

complete and sign any mandate or other documentation that we may require to our satisfaction;

- (e) we are not obliged to act on any of your instructions if (i) we consider that your instruction would result in a breach of any applicable law or order by a court of competent jurisdiction; or (ii) we have a reasonable ground for believing that your instruction would result in a misapplication of funds in the deceased person's estate or a breach of trust or your other duties; and
- (f) you undertake to close the personal representative account when you cease to hold the deceased person's estate as personal representative(s).

8. Statements of account / confirmation

- 8.1 We may provide you with a confirmation of transactions, but do not need to do so unless required by applicable law or regulation.
- 8.2 We will provide you with monthly statements of your account, if so agreed or if it is an investment account, unless a statement is not required under applicable regulation, such as, if there has been no transaction in your account and the account balance is nil. Please notify us if you do not receive a statement.
- 8.3 You agree and undertake to examine and verify the correctness of each statement of account and confirmation of a transaction and all the debit and credit items on the said statement or confirmation of a transaction sent by us to see if there are any errors, discrepancies, unauthorised debits or other transactions or entries arising from whatever cause, including but without limitation, forgery, forged signature, fraud, lack of authority or negligence of you or any other person (the 'Errors'). You shall notify us, in writing, within 90 days of the issuance of the said statement or confirmation of any such Errors shown in the said statement or confirmation (For ATM Card transactions, please notify us in

writing within 60 days from the statement date). On the expiry of the specified time period (except Errors previously notified to us in writing within that period), you agree with us that (i) all the entries in the said statement or confirmation are correct; and (ii) the said statement or confirmation shall, as between you and us, be conclusive evidence as to the entries and balance shown therein; and (iii) 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.

- 8.4 We may provide consolidated statements of all your accounts. The statement for the particular account will prevail, if it is different from the consolidated statement.
- 8.5 Any document may be sent to any of your addresses. You agree that if you apply for electronic statement service, you will read your account statements online but will not receive them by post.

9. Overdue interest

Interest accrues on all sums payable by you from the due date or, if earlier, the date we paid the sum on your behalf to the date of actual repayment (before and after judgment). Such interest is payable on demand, and is calculated at the rate for interest on unarranged or temporary overdraft in the list of fees and charges from time to time issued by us, for the actual number of days divided by 360 or 365 according to our practice for the relevant currency, and will be compounded monthly.

10. Charges, etc.

- 10.1 We may levy fees and charges, and change them from time to time after notice to you. The current list of our fees and charges is available on request. Paid fees and charges will be shown in your account statement, or in separate advice.
- 10.2 You will pay our fees and charges, and all reasonable out-of-pocket expenses including sums payable in respect of your

investments, amounts we paid on your behalf together with interest thereon at our rate for interest on unarranged or temporary overdraft, our agents' fees and expenses (including fees for and/or disbursements incurred by third party agencies we may from time to time retain to collect overdue sum(s) and/or indebtedness from you), the fees and levies of exchanges, clearing houses, registrars and regulatory authorities, and taxes. You will pay in the amounts and within the times we notify you.

- 10.3 Paid fees and charges are not refundable unless expressly provided in these Conditions otherwise. However if you terminate a service as a result of a change of these Conditions, we will refund a prorated portion of any annual or periodic fee paid for the service, if the fee can be separately distinguished and unless the amount is minimal.

11. Your representations

11.1 You represent to us that:

- (a) 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;
- (b) all documents you deliver to us are valid and complete;
- (c) in the event you enter into a transaction under the circumstances described in Condition 1.2.1(a)(i) in Part 3 of these Conditions, you confirm that any information you provide to us (including but not limited to information provided when you opened your account, in the Questionnaire for Investment Preference and in the Transaction Assessment Questionnaire(s)) is complete, accurate and up-to-date. When we assess suitability, we will rely on your confirmation.
- (d) in the event you enter into a transaction under the circumstances described in Condition 1.2.1(a)(ii) in Part 3

of these Conditions, 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 conditions and risks of the transaction and will not rely on our advice or recommendation;

- (e) you have full capacity and authority to perform your obligations under these Conditions and each transaction;
- (f) the performance and enforcement of your obligations will not violate any law or regulation and that you have, to the best of your knowledge, not committed or been convicted of tax crimes;
- (g) your obligations are legal, valid and enforceable in accordance with their terms;
- (h) (if you are a body corporate) you are duly incorporated or established, validly existing, solvent and not subject to any action to be wound up; and
- (i) you are solvent.

11.2 If you hold a client account, you represent and undertake to us that:

- (a) you have customer due diligence procedures as rigorous as ours and equivalent to, or more stringent than, those prescribed by the Hong Kong Monetary Authority;
- (b) you have put in place reliable systems to verify client identity;
- (c) you have proper systems and controls to allocate funds in the pooled account to the individual underlying clients; and
- (d) we may make reasonable enquiries about transactions passing through the accounts.

11.3 These representations are deemed repeated on the day each transaction is entered into and will survive termination of our services.

12. Limit of our liability

12.1 Unless directly caused by our wilful misconduct or negligence, we are not liable for:

- (a) any delay or interruption in your having access to an account or service, or any inability to use an account or service;
- (b) any loss, error, delay, misdirection, corruption or unauthorised alteration or interception of a message sent through the internet, telephone or any other means, or any unauthorised access to a service, account or information;
- (c) any act or omission including any failure to execute or error in executing your instructions;
- (d) any error, malfunctioning, interruption, suspension or failure of any software, equipment or system;
- (e) anything including any computer virus which may impair the functions of a computer system; or
- (f) any loss or damage arising from termination of your account or any service provided to you.

12.2 We are not liable for any loss caused by a third party, government, market disruption or any event beyond our control. We are not liable to recover a payment which you have made to a third party, or to resolve a dispute between you and any third party. We are not obliged to account to you if our relevant office is prevented from acting.

12.3 We are in any event not liable for any indirect, special, incidental or consequential damages.

- 12.4 Any information, advertisements, marketing or promotional materials, market information or other information relating to any transactions, products, services or accounts provided by us are for your reference only and such provision of information and materials to you shall not by itself constitute any solicitation of the sale, recommendation or an offer for any transaction, product, service or account. Reliance on such information and material is at your own risk. You acknowledge that we do not give any representation, guarantee or assurance as to the outcome of any investment. Any price, 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 taxes, duties, levies, fees and reasonable expenses.
- 12.5 We have no duty to verify the validity or genuineness of any documents or the title to your property to be received or held by us.
- 12.6 We have no duty to enquire whether any person involved in the issue or management of any investment is performing its duties.
- 12.7 These limits of our liability operate to the extent permitted by applicable law.

13. Your indemnity

- 13.1 Except as set out in Condition 13.2 of Part 1, you will indemnify and reimburse us, our officer(s) and/or employee(s) against all actions, proceedings and claims which may be brought by or against us, our officer(s) and/or employee(s), and against all losses, damages and reasonable costs and expenses which we, our officer(s) and/or employee(s) may incur or suffer as a result of or in connection with the following (or any of them):-

(a) your use of any of our service(s) or our provision any of our service(s) to you, maintenance of any account(s) for you, or effecting any transaction(s) for or with you;

(b) our decision not to process any of the instruction(s) from you, your agent(s) and/or nominee(s) or our delay or failure to act on the instruction(s) of you, your agent(s) and/or nominee(s) in part or in full for any reason;

(c) any fluctuation in the price of the relevant asset between the time we receive instruction(s) of you, your agent(s) and/or nominee(s) and the time we act on the instruction(s);

(d) any default by you or your employees or agents or nominees in performing your obligation(s) under these Conditions and any other terms, conditions or rules applicable to any account(s), service(s) or transaction(s);

(e) the preservation or enforcement of our right(s) or exercise of our power(s) in connection with any service(s) or account(s) or transaction(s); and

(f) your failure to provide complete, accurate and up-to-date information requested by us in discharging our regulatory or legal duties (including but not limited to the information provided when you opened your account(s), in the Questionnaire(s) for Investment Preference and in the Transaction Assessment Questionnaire(s)).

This indemnity shall continue after the termination of the service(s), the account(s), the transaction(s) or these Conditions.

- 13.2 If it is proved that any actions, proceedings, claims, losses, damages or amounts set out in Conditions 13.1 was caused by the negligence or wilful misconduct of us, our officers and/or our employees, then you are not liable under Condition 13.1 to the extent that it is direct and reasonably foreseeable arising directly and solely from such negligence or wilful misconduct.

14. Set-off and lien

- 14.1 If any sum is payable by you but unpaid, we may, without prior notice, combine all or any of your accounts anywhere with any of us and all your liabilities (whether actual or contingent, future or existing, alone or jointly with others, or owing to any of us). For such purpose, we may convert any currency into another currency at our spot rate, treat future liabilities as presently due after a discount by us to present value in a commercially reasonable manner, and estimate the amounts of contingent or unquantified liabilities. This is not intended to create a security interest.
- 14.2 We may debit one or more of your accounts with any amounts (or part thereof) payable by you.
- 14.3 So long as you have any present, future or contingent liability (whether or not quantified) to us, you may not, without our consent, withdraw or otherwise deal with any money, right or property in your accounts.
- 14.4 Your property (of any nature, wherever situate, and whether held by us for safe custody or otherwise) is subject to a lien in our favour. If you do not perform any of your obligations owed to us or any of our affiliates, we may sell any of your property or part thereof at such price, on such terms and by such method as we may determine. We may apply the net proceeds to reduce your liability (whether or not arising from these Conditions).

15. Rules

Both parties will comply with the current version of our rules. Our rules have contractual effect.

16. Changes

- 16.1 We may change our services, the manner of operation, any requirements, time limits or monetary amounts, or impose restrictions, or suspend or withdraw any services. We may vary the name of a service. We may change our business hours or the hours during which a service is available. Such changes may be made without notice or liability.

16.2 We may change these Conditions, any terms, conditions, and rules applicable to a service or an account at any time by prior notice to you. The notice will take effect, if the changes affect fees, charges, or your rights or obligations, and where practicable, after 30 days. Notwithstanding the aforesaid and where you are an Individual Customer, we will, where practicable, give you at least 60 days' prior notice before taking effect of any significant change in the terms and conditions of our services concerning plastic card which may be used to pay for goods and services or to withdraw cash (including ATM card and debit card but excluding stored value card).

17. Evidence

17.1 We may record conversations with you with prior notice and/or other forms of communication.

17.2 Our accounts and records (in any form) are conclusive of the matters or facts therein stated and are binding on you i.e., you agree not to dispute them except for manifest error. You agree that they will be admissible in any court or tribunal as evidence of the facts and matters recorded in them.

17.3 All calculations, estimates and determinations by us are conclusive and binding on you. You will not dispute them except for manifest error.

17.4 We may destroy any document relating to your account after recording it in a manner determined by us. Records will only be retained for the period determined by us.

17.5 We may correct any error in any document or record.

18. Communications

Subject to Part 1 Condition 1.12, without affecting other methods of communication, any one of the following communications are deemed to be received by you:

- (a) on posting for 3 business days in one or more of our banking halls in Hong Kong,
- (b) 3 business days after publication as an advertisement in a Hong Kong newspaper
- (c) when posted on our website,
- (d) when left at any of your address on our record, or 48 hours after mailing to such address or 7 days if the address is overseas,
- (e) immediately, when sent by electronic mail or message or facsimile to any of your email address or equipment or facsimile number on our record, or
- (f) when communicated including by leaving a voice message, if by telephone or other oral communication, notwithstanding return through the post (in the case of a mailing), or your death or incapacity.

19. Termination

- 19.1 You may terminate an account or service after you have given 30 days' prior notice to us, complied with our requirements and paid our fees. We retain the discretion to accept a shorter notice period.
- 19.2 We may at any time, by 30 days' prior notice to you and without giving a reason, terminate your account or any or all services provided to you. The notice may, if necessary, take effect immediately. We may close an account with a zero balance without prior notice.
- 19.3 Notwithstanding otherwise provided in Condition 19.2 and where you are an Individual Customer, we may at any time, by giving you at least 30 days' prior notice or (upon your request and where practicable) a longer period of notice, close your account. We may, under exceptional circumstances (for example, where the account is being used or is suspected of being used for illegal activities or if your

account has a zero balance), close your account with shorter notice or without prior notice. We are not obliged to give you a reason for closing your account. Nonetheless, we may provide you with the same where appropriate and not against the law.

- 19.4 We may refuse to provide any new service or terminate any or all services to you or block or close your account(s) or take any actions necessary for us or any of our group's other companies for compliance with our/its obligations as referred to in Conditions 3 and 6.2 above in the event that (i) you or any entity or person whose information is required for opening/maintaining of your account and/or provision of products and services to you ("Relevant Person") fails to provide promptly any information as we or any of our group's other companies reasonably request(s); (ii) you or the Relevant Person fails to give us consent or waiver necessary to permit us or any of our group's other companies or our/its third party service provider to carry out the actions described in Conditions 3 and 6.2 above; or (iii) there is any suspicion of crime or unlawful act or attempt or associated risk.
- 19.5 Within 7 days (or such longer period as we agree) after the termination of your account, you will give us instructions for the delivery (at your risk and subject to our rights) of your property (if any), and pay all relevant fees and reasonable expenses. If you have not done so, we will continue to hold the property at your risk and subject to our rights, but without the obligations, under these Conditions. No interest will be payable on any credit balance as from the date of termination.
- 19.6 Termination of an account or a service will not affect accrued rights or subsisting transactions. We may at our discretion cancel, close out or complete any outstanding instruction or contract. Part 1, Conditions 3 (Information), 6 (Payments / delivery), 9 (Overdue interest), 12 (Limit of our liability), 13 (Your indemnity), 14 (Set-off and lien) and 17 (Evidence) will survive termination.

20. Tax compliance

- 20.1 You and any person acting on your behalf acknowledge that it is your sole responsibility to understand and comply with your tax obligations in all jurisdictions. Such tax obligations include but not limited to tax payment or filing of returns or other required documents to relevant Tax Authorities (which means any government, government body, government agency or regulator, in or outside of Hong Kong, including the Inland Revenue Department of Hong Kong and Internal Revenue Service of the United States of America). Certain countries have tax legislation with extraterritorial effect regardless of your place of domicile, residence, citizenship or incorporation. You are advised to seek independent legal and tax advice and neither we nor our agents provide tax advice.
- 20.2 You undertake to provide us with information, documents and certificates as reasonably required by us in order to meet our obligations imposed by applicable Inter-jurisdictional Tax Compliance Rules. You acknowledge and agree that this may include information, documents or certifications in connection with you, your authorised signatories, other representatives or your beneficial owners and agree to promptly notify us of any changes to these details. “**Inter-jurisdictional Tax Compliance Rules**” includes but without limitation to:
- (a) “**FATCA**”, which means:
- (i) sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
 - (ii) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with Condition 20.2(a)(i), including as entered into the government of Hong Kong;

- (iii) agreements between us and the Internal Revenue Service of the United States or other regulator or government agency pursuant to or in connection with Condition 20.2(a)(i); and
 - (iv) any laws, rules, regulations, interpretations or practices adopted in the United States, Hong Kong or elsewhere pursuant to any of the foregoing; and
- (b) **“Tax Information Sharing Arrangements”**, which means any local or foreign laws, regulations and rules including, without limitation to, the obligations under FATCA and associated rules and regulations and other international exchange arrangements affecting us.

20.3 You acknowledge and agree that we may report and disclose any information (including but not limited to your identification details), document, certification or account details (including but not limited to the relevant account balances, gross amounts of relevant interest incomes, dividend incomes and withdrawals) given by or relating to you, any beneficial owners, any authorised signatories or other representative, any account with us or any transaction to the Tax Authorities, as required under the applicable local or foreign laws, regulations and rules and as determined by us. You also acknowledge and understand that our obligations imposed by applicable local or foreign laws are continuous.

20.4 You will, from time to time, supply us with identity information and personal data in connection with the establishment or continuation of any account with us or provision of our services. Failure to supply the information may result in us being unable to effect a transaction, provide the services or operate or maintain any account with us. It may also result in us having to withhold or deduct amounts as required under the local or foreign laws, regulations and rules.

- 20.5 Without limiting any other indemnity provided by you, you will indemnify us, our group's other companies or its agents on demand against any liability, reasonable loss or expense (including tax and levy) arising from your instructions, account, transactions or provision of services to you, including as a result of any of your failure to comply with these Conditions or any other undertakings given by you or your agent providing misleading or false information in respect of yourself or any other person or matter in connection with these Conditions, unless the same are directly caused by our negligence or wilful misconduct.

21. Financial Crime Compliance

We are required to act in accordance with applicable laws, regulations, policies (including our policies) and request of statutory and regulatory authorities operating in various jurisdictions. These relate, amongst other things, to the prevention of money laundering, terrorist financing, bribery, corruption, actual or attempted tax evasion, fraud and the provision of financial or other services to any persons which may be subject to sanctions. We may in our absolute discretion take any action as we consider appropriate to comply with all such laws, regulations, policies and requests. Such action may include but is not limited to:

- (a) screening, intercepting and investigating any instruction, drawdown request, application for services, payment or communication sent to or by you (or on your behalf) and to or from your account;
- (b) investigating and making further enquiries as to the source of or intended recipient of funds, the status and identity of a person or entity, whether they are subject to a sanction regime, and whether a name which might refer to a sanctioned person actually refers to that person;
- (c) combining and using information about you, your personal data, beneficial owners, authorised signatories and other representatives, accounts, transactions, use of our services

with other related information possessed by us or our group's other companies;

- (d) delaying, blocking, suspending or refusing to process any payment or instruction to you or by you in our absolute discretion;
- (e) refusing to enter or conclude transactions involving certain persons or entities;
- (f) terminating our relationship with you;
- (g) reporting suspicious transactions to any authority; and
- (h) taking any other actions necessary for us or our group's other companies to meet any legal, regulatory or compliance obligations.

To the extent permissible by law, neither us nor any of our agents shall be liable for any loss (whether direct or consequential and including without limitation, loss of profit or interest) or damage suffered by you or any third party, caused in whole or in part in connection with Financial Crime Compliance. For the purpose of this Condition 21, "Financial Crime Compliance" means any action to meet the compliance obligations relating to detection or prevention of financial crime that we may take.

22. Third Party Rights

- 22.1 Subject to Condition 22.3, a person who is not a party to these Conditions or any other agreements or arrangements subject thereto (collectively, the "**Relevant Agreements**") has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) (the "**Third Parties Ordinance**") to enforce or enjoy the benefit of any term of these Conditions and the Relevant Agreements.
- 22.2 Notwithstanding any term of these Conditions and the Relevant Agreements, the consent of any person who is not a party to these Conditions and the Relevant Agreements is

not required to rescind or vary these Conditions and the Relevant Agreements at any time.

- 22.3 Any of our director, officer, employee, our group's other companies or agent may, by virtue of the Third Parties Ordinance, rely on any provision of these Conditions and the Relevant Agreements (including without limitation any indemnity, limitation or exclusion of liability) which expressly confers rights or benefits on that person.

23. Miscellaneous

- 23.1 These Conditions and other terms and conditions applicable to an account, a transaction or a service shall apply to all outstanding and future transactions.
- 23.2 You will be responsible for filing tax and other returns and reports on the transactions we handle for you.
- 23.3 You will, where necessary, obtain and maintain at your own cost suitable equipment, facilities and connections (including computer, software and communications connections) to use a service. You are responsible for all telephone, internet service and other charges incurred.
- 23.4 You may not without our prior consent assign, transfer or encumber your account or any transaction with us. We may assign or transfer all or any of our rights and obligations.
- 23.5 Our rights are not affected by your death, incapacity, reorganization, change in constitution, insolvency, bankruptcy or liquidation.
- 23.6 In the terms or conditions applicable to a service, unless the context otherwise requires, "we" and all references to us include our successors and assigns. "You" includes your estates, heirs, successors and personal representatives. Words importing the singular include the plural and vice versa. Words importing a gender include every gender.

“Business day” means a day on which banks are open for business in Hong Kong. “Including” is not a word of limitation. A “person” includes an individual, corporation, association, sole proprietorships, partnerships, clubs and societies. An “Individual Customer” means a private individual who maintains an account with us (including a joint account with another private individual or an account held as an executor or trustee, but excluding the accounts of sole traders, partnerships, companies, clubs and societies) or receives other services from us. “Bank Group” means us and our holding companies, branches, subsidiaries, representative offices and affiliates, wherever situated, together with China Cinda (HK) Holdings Company Limited and China Cinda Asset Management Co., Ltd.. Our affiliates include our holding companies and China Cinda (HK) Holdings Company Limited and their respective branches, subsidiaries, representative offices and affiliates that are located in Hong Kong. Headings are for ease of reference only and do not affect interpretation. Our terms and conditions are drafted in simple language, and are to be interpreted fairly and liberally. The rule of interpretation against the maker will not apply.

- 23.7 These Conditions and the terms and conditions applicable from time to time to each transaction, service or account, including but not limited to disclaimers, risk disclosure statements, risk warnings and important information, constitute the entire agreement and understanding of the parties with respect to their subject matters and supersede all oral communication and prior writings with respect thereto.
- 23.8 Our rights are cumulative, may be exercised many times and are not exclusive of the rights and remedies provided by law.
- 23.9 A failure or delay in exercising our right will not operate as a waiver, and a single or partial exercise of our right will not preclude any further exercise of that right or the exercise of any other right.

- 23.10 If any provision or part thereof is invalid, all other provisions remain in full force and effect.
- 23.11 Our terms and conditions and all transactions with you are, unless otherwise agreed, governed by the laws of the Hong Kong Special Administrative Region. The parties submit to the non-exclusive jurisdiction of the Hong Kong courts.
- 23.12 Whilst we have exercised reasonable care in ensuring the consistency of the English and Chinese versions of these Conditions, in the case of discrepancies between the English and Chinese versions of these Conditions, the English version shall prevail unless otherwise provided herein.
- 23.13 To reinforce our firm stance against tax illicit activities and to meet the legal and compliance requirements in connection with the detection, investigation and prevention of money laundering, terrorist financing, tax evasion, fraud, or any acts or attempts to circumvent or violate any laws relating to these matters, we shall take all necessary actions including but not limited to routinely screening, monitoring and reviewing you and your transactions for such purposes. You confirm that you understand that your tax status will be subject to such screening and monitoring.

Part 2: Banking services

1. Collections / payments in

- 1.1 We may decline (without giving a reason) or accept (subject to conditions) an item for collection. You will pay our collection charges and reasonable expenses, including the charges of the paying bank and any correspondents. We may clarify any ambiguity before crediting your account. In the absence of negligence, we are not liable for any failure, delay, loss or damage in the process of collection. Unless specifically agreed, we will not arrange for protest or similar actions to be taken.
- 1.2 We may recover from you any loss (in the amounts determined by us) and reasonable expenses arising from the

non-payment, for any reason, of an item whether or not we have discounted the item or permitted you to draw against or use it. We may return any document or item by post to you at your risk. We are not required to produce or return the original item to you.

- 1.3 You confirm that you are the sole owner of all items you ask us to collect or discount for you. We may at our discretion select which items to purchase and which to collect.
- 1.4 Items including cash deposited after our daily cut-off time are treated as received on our following business day. On a cheque drawn on a bank in Hong Kong and deposited for collection before the cut-off time, interest will be credited on that day. If it is deposited after the cut-off time, interest will accrue on our next business day. For the purpose of this clause, business day means a day where there is inter-bank clearing and settlement of funds in Hong Kong. If the cheque is dishonoured, the interest will be reversed, and charges will apply.
- 1.5 Interest will only accrue after the funds of an inward remittance are credited to your account. We will notify you within a reasonable time after receipt of the payment. For incoming cross-border payments, unless otherwise instructed by the remitting bank, we will promptly credit the remitted funds to your account after receipt of the funds is confirmed and any necessary checking is completed. If we are unable to do so, we will notify you and provide an explanation, unless there are strong justifications not to do so.
- 1.6 We may, on request by our correspondent or the paying bank, and without liability, refund any amount collected that has not been paid out to you.
- 1.7 Our count of anything deposited by you is binding on you.

2. Payments out / remittances

- 2.1 A payment instruction may only be acted on if there are sufficient cleared funds in the relevant currency in your account for a full payment, and if our requirements have been complied with. Such requirements may include amount limits, and restrictions on the office from which a withdrawal may be made. In particular, withdrawals in cash or by electronic means may be subject to limits.
- 2.2 If we make a payment to you or on your behalf including paying a cheque, without sufficient cleared funds in your account or beyond an overdraft limit, you will repay to us the resulting debit together with interest and our charges.
- 2.3 We are authorised to pay the bearer of a withdrawal instruction purporting to be signed by you, but may require your personal attendance.
- 2.4 A request to stop or alter a payment may be subject to satisfactory evidence, indemnity and, in the case of a draft issued by us, return of the original draft. We are not responsible if payment cannot be stopped or altered; charges will not be refunded. A refund may only be made after we have confirmed, for example, with a correspondent or the receiving bank that the payment order has been cancelled, and after receiving cleared funds and deducting all reasonable expenses and, if applicable, converting the payment currency into Hong Kong Dollars ("HKD") at our spot rate. If we have acted reasonably, we will not be responsible for any delay or loss (from exchange rate movements, of interest or otherwise).
- 2.5 In the absence of negligence, we are not responsible for any delay or failure in effecting a remittance or delivering any item. We are not responsible as to when the receiving bank pays your payee or if it fails to do so, or to recover any payment from it. Our correspondents and we may do or refrain from doing anything that they or we believe is required in order to comply with any applicable law, regulation or custom of jurisdictions outside Hong Kong. All such actions and omissions bind you.

- 2.6 Funds sent out of Hong Kong may be subject to currency conversions in Hong Kong or at the destination. Unless otherwise agreed, a remittance will be made in the currency of the country in which the payment is to be made, and charges (including those of our correspondents) will be deducted before payment to the payee.
- 2.7 We are not responsible to advise you on the requirements of any law, regulation or custom including exchange control of Hong Kong or any other jurisdictions outside Hong Kong. You are advised to make your own enquiries. We are not required to advise you in advance of our correspondents' charges.
- 2.8 We may remit an amount to, or draw a draft payable at, a place different from that required by you if we believe that it is necessary to do so.
- 2.9 If a provisional exchange rate is used in your application for a remittance or draft, we may debit any deficit or credit any gain to your account without prior notice after we have determined the applicable exchange rate.
- 2.10 We will take reasonable steps to comply with your value date for a remittance, but do not guarantee that your request can be met. Local and overseas cut-off times and other procedures may apply before the payee or its banker will receive payment.
- 2.11 You authorise us to disclose your personal information and information relating to your remittances to the banks and other entities involved and to the authorities.
- 2.12 A service that permits payment to third party accounts involves risks, for example, an unauthorised person obtaining access to your account may pay funds to third party accounts.

3. Bank accounts

- 3.1 For certain accounts, we will pay interest on your credit balance. Notwithstanding the foregoing, we may apply

negative interest rate over credit balance. Interest (including negative interest) will be calculated at the rate, and be credited to or debited from (as the case may be) your account at the time, determined by us from time to time. Different currencies may have different rates. Interest will be calculated for each day over a 360 or 365 day year according to our practice for the relevant currency. If an account is closed before a date for crediting or debiting interest, we may pay or debit (as the case may be) interest up to the preceding month or up to any date chosen by us.

3.2 If a passbook is issued for your account:

- (a) the passbook should be presented for every counter transaction. Please examine the passbook after each transaction to ensure that proper entries have been made;
- (b) the passbook is for your reference only and may not show the correct balance, for example, a transaction may have been made without an entry in the passbook. The balance as shown in our records is the correct balance.

3.3 If an account identification card is issued for your account, the card should be presented for every counter transaction.

3.4 We may without liability dispense with production of a passbook or account identification card.

3.5 Please keep your passbook and account identification card under lock. Please promptly report any loss to us. We are not responsible for any payment made before we have a reasonable time to act on your report. A new passbook, account identification card and account number may be issued subject to satisfactory indemnity, explanation, and payment of our charges.

3.6 Passbooks and account identification cards are our property. They are not transferable. Please do not tamper with them in any way.

- 3.7 We may charge 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 specify. Restrictions may apply to an inactive account.
- 3.8 We may levy charges on credit balance.
- 4. Cheques**
- 4.1 Cheques should only be drawn on the form provided by us, and should only be used for the accounts permitted by us.
- 4.2 You will be responsible for all losses if you fail to exercise reasonable care in drawing cheques or if you draw them by a means or in a manner that may facilitate alteration, fraud or forgery.
- 4.3 We may deliver a paper cheque book to you in person or, at your risk, to the bearer of your instruction or by post.
- 4.4 On receiving a new cheque book, please check the serial numbers, account number, your printed name and the number of the cheques. Please promptly report any irregularities to us.
- 4.5 Please keep your cheque books under lock. Please promptly report the loss of any cheque to us. We are not responsible for any payment made before we have a reasonable time to act on your request to stop payment or on your report of lost cheque.
- 4.6 We, as the paying bank, may return a cheque unpaid if it is incorrectly completed, altered without your full signature, mutilated, post-dated or out-of-date. Charges will apply.
- 4.7 We, as the collecting bank, are not required to give any notification to you regarding any cheques unpaid and returned to you.

- 4.8 If several cheques are presented for payment simultaneously, we may without liability determine the order for payment.
- 4.9 After closing your account we may without liability return unpaid any cheque subsequently presented.
- 4.10 You will return all unused paper cheques to us on closing your account. Upon closure of your account, any standing instruction in respect of e-Cheque deposit into such account will be automatically lapsed.
- 4.11 Cheques drawn by you may, after payment and recording in electronic form, be retained by the collecting bank or Hong Kong Interbank Clearing Limited ("HKICL") for the period stated in the rules relating to the cheque clearing system operated by HKICL and after this, they may be destroyed. You authorise us to contract with collecting banks and HKICL accordingly.
- 4.12 A "**cheque**" includes, to the extent applicable, a cheque (in a paper form or in an electronic form), order (in a paper form or in an electronic form), bill, draft and other payment instrument.

4.13 e-Cheques Services

(a) e-Cheques Services provisions - applicability and definitions

- (i) The provisions in this Condition 4.13 apply to our services relating to e-Cheques. The other provisions of these Conditions which apply to paper cheques or generally to our services continue to apply to e-Cheques and our e-Cheques Services to the extent that they are relevant and not inconsistent with the provisions in this Condition 4.13. The provisions of this Condition 4.13 prevail if there is any inconsistency between them and other provisions of these Conditions with respect to the e-Cheques Services.

- (ii) For the purpose of the e-Cheques Services, the following terms have the following meanings:

"Bills of Exchange Ordinance" means the Bills of Exchange Ordinance (Cap. 19, Laws of Hong Kong), as may be amended from time to time.

"Clearing House" means Hong Kong Interbank Clearing Limited and its successors and assigns.

"Deposit Channel" means any channel offered by us from time to time for presentment of e-Cheques for deposit.

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

"e-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.

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

"e-Cheque Drop Box Terms" means all the terms and conditions prescribed by the Clearing House from time to time for governing the e-Cheque Drop Box Service

provided by the Clearing House and the use of the e-Cheque Drop Box Service.

"e-Cheques Deposit Services" mean the services offered by us to customers from time to time for depositing e-Cheques respectively.

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

"Payee Bank" means the bank at which a Payee Bank Account is held.

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

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

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

(b) Nature and scope of e-Cheques Deposit Services

- (i) We may provide e-Cheques Deposit Services at our discretion. If we provide e-Cheques Deposit Services to you, you may deposit e-Cheques. In order to use the e-Cheques Deposit Services, you have to provide such information and documents and accept such terms and conditions which may be required or prescribed by us and the Clearing House respectively from time to time. You may also be required to sign forms and documents prescribed by us from time to time. ◦
- (ii) 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 Drop Box Service offered by the Clearing House or using Deposit Channels, in accordance with Condition 4.13(c) below.

- (iii) We have the right to set or vary from time to time the conditions for using the e-Cheques Deposit Services. These conditions may include the following (or any of them):
 - (A) the service hours of the e-Cheques Services (including cut-off times for presenting e-Cheques);
 - (B) any fees and charges payable by you for the e-Cheques Deposit Services.

(c) e-Cheques Deposit Services

- (i) The e-Cheques Deposit Services may allow presentment of e-Cheques for deposit with us (as Payee Bank) using the Drop Box Service provided by the Clearing House.
- (ii) Drop Box Service
 - (A) The Drop Box Service is provided by the Clearing House. You are bound by the Drop Box Terms in relation to your use of the Drop Box Service. You are solely responsible for performing your obligations under the Drop Box Terms.
 - (B) In order to use the Drop Box Service, you are required by the Drop Box Terms to register a Drop Box Account with one or more Payee Bank Account for presenting e-Cheques. You are allowed by the Drop Box Terms to register a 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 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 Drop Box Service should be handled in accordance with the 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 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 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 Drop Box Service provided by the Clearing House. Unless otherwise stated in the Drop Box Terms, you bear the responsibilities and risks relating to the use of the 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 Drop Box Service.

(iii) Deposit Channels

- (A) We may specify or vary from time to time without notice (i) the available Deposit Channels; and (ii) the terms governing the use of any Deposit Channel.
- (B) You are responsible for the presentment of all e-Cheques by you or any other person via your Payee Bank Account by using the Deposit Channels.

(d) Handling of e-Cheques, associated risks and our liabilities

(i) Handling of e-Cheques

You understand that we and other banks have to follow the Industry Rules and Procedures in the handling, processing, presentment, payment, collection, clearance and settlement of e-Cheques payable to you. Accordingly, we are entitled to collect e-Cheques for you 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.

We may collect any e-Cheque payable to you by presenting that e-Cheque to the Payer Bank in accordance with the Industry Rules and Procedures.

(ii) Restriction of our liability

Without reducing the effect of the other 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 Deposit 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):

- (1) use of the Drop Box Service by you or any other person, or the Drop Box Terms;
 - (2) your failure to comply with your obligations relating to the e-Cheques Deposit Services;
 - (3) presentment of any e-Cheque payable to you in accordance with the Industry Rules and Procedures despite the provisions of the Bills of Exchange Ordinance;
 - (4) any failure or delay in providing the e-Cheques Services, or any error or disruption relating to the e-Cheques Deposit Services, caused by or attributed to any circumstance beyond our reasonable control; and
- (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.
- (iii) 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 Deposit Services and the services provided by the Clearing House respectively. You accept and agree to bear the risks and the liabilities for depositing e-Cheques.
 - (B) Without reducing the effect of any indemnity given by you under other provisions of 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 Deposit Services or your use of the e-Cheques Deposit 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 Deposit Services.”

5. Deposits

- 5.1 Fixed, call and other deposits may only be made in the currency and minimum amount, for the period and at the rate accepted by us and as stated in a deposit confirmation issued by us. Any other rates and information provided by us are not binding.
- 5.2 Please examine each deposit confirmation carefully, and notify us immediately of any error. We may require surrender of the confirmation in order to withdraw the deposit. A new deposit confirmation or an auto-renewal advice will be issued on renewal.
- 5.3 Deposits may not be uplifted before maturity. For a call deposit, maturity refers to the expiry of your notice of the agreed period to us (Not applicable to new to bank customers). We may permit an early uplift subject to payment of our losses, expenses and charges (in the amounts determined by us). No interest will be payable on the deposit if an early uplift is permitted.
- 5.4 Interest on a deposit is only payable at maturity. Interest is calculated on the principal amount of the deposit at the agreed rate for the number of days from the effective date of the

deposit up to but excluding the maturity date. For call deposits, interest will be calculated on a daily basis at the fluctuating rates quoted by us for deposits of comparable amount and term (Not applicable to new to bank customers).

- 5.5 A deposit, which would otherwise mature on a non-business day, matures on our next business day. Unless otherwise agreed, deposits are repayable only in Hong Kong at our office at which it was placed.
- 5.6 A matured deposit that is not renewed or withdrawn will only carry interest at our savings account rate as of the day of withdrawal for the relevant currency or the rate appearing on the deposit confirmation, whichever is lower.
- 5.7 A swap deposit will be placed and be repaid with interest in an agreed currency (the first currency). We will convert the principal amount into another currency (the second currency), calculate interest on the converted amount, and reconvert the amount and interest into the first currency at maturity at the agreed forward rate for repayment. No amount will be repayable in the second currency. Renewals will only be made in the first currency.
- 5.8 If you have agreed to set up a deposit by placing several sums on specified dates, no interest will be payable unless you have duly placed all sums. If any specified date falls on a non-business day, the sum will be payable on our preceding business day.
- 5.9 Club deposit (Not applicable to new to bank customers)
 - (a) You agree to pay each instalment on time. If an instalment would otherwise be due on a non-business day, you will make payment on our preceding business day or ensure that there are sufficient funds in your account on the due date for payment.
 - (b) The total amount of principal and interest payable at maturity will be stated in the confirmation. If any

instalment has not been paid on time, we may reduce the interest payable by an amount determined by us.

6. Foreign currencies

- 6.1 “Foreign currencies” means currencies other than HKD and accounting units accepted internationally as equivalent to currency, which we agree are available for the purposes of our services.
- 6.2 We may settle foreign currency transactions in HKD or the foreign currency, and may convert any currency into another currency at our spot rate.
- 6.3 Unless expressly stated to be a notes account, all accounts in a foreign currency are T/T (telegraphic transfer) accounts. Deposits of bank notes into a T/T account may not be made unless we agree, and will be subject to payment of the difference in exchange rates and our charges.
- 6.4 We may pay withdrawals after deducting our charges by one or more of the following methods as determined by us :
- (a) from a T/T account, by telegraphic transfer in the relevant currency;
 - (b) from a T/T account, by issuing a draft in the relevant currency on such bank at such place as we determine;
 - (c) subject to availability, in cash in the relevant currency;
 - (d) by payment in HKD at our T/T or bank notes rate (at our choice) for buying HKD.
- 6.5 Deposits in foreign currency notes are accepted at our discretion, subject to payment of our charges.

7. Electronic banking services

- 7.1 Electronic banking services (on the Internet, telephone, or other electronic network or devices as advised by us) allow

you to access such services as are provided by us on the relevant channel from time to time. Your instructions may be processed automatically by computers without oversight.

- 7.2 By subscribing to an electronic banking service, you confirm that you have appropriate equipment and facilities, and agree, to receive our communications, documents and any notices from time to time in electronic form (including but not limited to electronic mail, message or our website), which may be provided in lieu of paper. Subject to the Instruction Indemnity, if you apply for banking products or services, conduct transactions or give any instructions through electronic banking services, you agree that we may provide the applicable terms and conditions, communications, documents and/or any notices in electronic form.
- 7.3 You will not access our electronic banking services except with an equipment (and software) and in a communications format permitted by us, or for any purpose other than to access an available service in a reasonable manner. You will ensure that the contents of a message sent by or on your behalf are not inconsistent with applicable law.
- 7.4 As between the parties, a contract concluded by electronic messages is concluded in Hong Kong and at the time when our final confirmation of your instructions is dispatched. If you do not receive a confirmation, you must check with us.
- 7.5 Electronic messages are treated as a writing signed by the sender. Neither party will contest the validity of a contract concluded by electronic messages on the grounds that it was so concluded.
- 7.6 If a re-confirmation has been requested from you, your instructions are not effective unless re-confirmed within time.
- 7.7 If your instruction has not been accepted by our system for any reason (for example, after a cut-off time), please try again. Our system will not reprocess your instruction

automatically. Our system may process one piece of information in your instruction without checking if it conflicts with other information.

- 7.8 Your statements of account may be sent to you by posting at a secure location on our website accessible by your password. You will read them without delay.
- 7.9 We may accept or reject an instruction received by our system that is not related to an available service on the relevant channel.
- 7.10 You will communicate with us in relation to a transaction through the same communication channel. We may use any channel.
- 7.11 You acknowledge that an accepted instruction may be rejected by reason of computer operations. You will check whether your instructions have been executed. We will not notify non-execution.
- 7.12 You acknowledge that electronic instructions given by your password may be used to register any accounts for the purposes of an electronic banking service, so that such accounts may become accessible by electronic instructions.
- 7.13 You will not alter, circumvent or interfere with the operation of our services or website.
- 7.14 Transactions and messages shown on or printed out from your computer or other equipment are for your reference only
- 7.15 We may download information including identification data to your computer or equipment.
- 7.16 You are regarded as having received a communication when it is dispatched by our system or posted on our website.
- 7.17 Records will only be retained in our system or website for the period determined by us.

- 7.18 Hyperlinks to other sites are provided for your convenience and reference only. They are not our recommendation, solicitation or advice or endorsement of the other sites. We are not responsible for the contents of the other sites, and have not verified them.
- 7.19 Our website is hosted by us and is connected to the Internet via an independent service provider, who is not our agent and for whom we are not responsible. We will use reasonable care in selecting the service provider. Our website and the information on it may be changed by us at any time without notice.
- 7.20 We will only record your visit by recording your domain name server address and the pages you visited. No personal information is collected unless otherwise specified. Only the numbers and types of visitors will be shown in our statistics of the use of our website.
- 7.21 To the extent applicable, this Condition 7 also applies to ATM or other plastic cards issued by us.

8. Automatic Teller Machine (ATM) Cards

- 8.1 You (including in the case of ATM Card - Business, your designated cardholder(s)) may use the card issued to you with the password (either issued by us or set by you) to access through such ATMs (automatic teller machines), point of sale terminals and other devices, such accounts and services as are provided by us on the relevant channel from time to time.
- 8.2 Cheques and cash (but not coins) in the currency notified by us may be deposited into an ATM but are subject to our verification, which will be binding on you. Customer advices issued by an ATM do not bind us. 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. You will not be able to withdraw or use the funds before they are cleared and credited to your account.

- 8.3 Your card may only be used by you and is not transferable. Cards are our property. You will surrender your card to us on request. You will remain responsible for all transactions on your card before its return to us.
- 8.4 A replacement card may be issued subject to conditions and charges. A lost card that is subsequently found may not be used without our prior agreement.
- 8.5 You authorise us to debit your account with the amount of any transaction involving the use of your card or password or both.
- 8.6 A card does not entitle you to credit.
- 8.7 We are not responsible, if we have acted reasonably, if you are not able to use your card or password or for the malfunctioning of any card, ATM or other device. We are not responsible for any goods or services bought by you with the use of a card or password. You will make any claim only against the supplier of the goods or service.
- 8.8 Cancelling a card does not cancel the account.
- 8.9 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.
- 8.10 If you have not committed any fraud or serious negligence and have notified us as soon as possible after discovering that your ATM card has been lost or stolen, your liability for the loss of such ATM card shall be limited to the limit specified by us (currently HKD 500). This limit is only applicable to losses related to the relevant ATM card account and does not cover cash overdraft (if the relevant account has credit limit).
- 8.11 If the ATM card is used for unauthorized transactions before you inform us that your ATM card or the personal password

of the ATM card has been lost or stolen, or other people know the personal password of the card, you may need to bear the relevant losses. Without prejudice to the generality of the foregoing provisions, if you knowingly allow any person to use the ATM card and / or personal password, you will be deemed to have failed to comply with the above protection measures, and you shall also bear all losses arising therefrom.

9. US Dollar clearing

It is an additional requirement of US dollar clearing in Hong Kong that :

- 9.1 You acknowledge that the operation of the US Dollar clearing system in Hong Kong is subject to the US Dollar Clearing House Rules and the US Dollar Operating Procedures (as modified from time to time).
- 9.2 You agree with the provisions of Rule 2.3.5 of the US Dollar Clearing House Rules to the extent that such Rule is applicable or refers to you or to your transactions.
- 9.3 You agree that, without prejudice to 9.2 above, the Monetary Authority shall not owe any duty or incur any liability to you 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 Monetary Authority knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly by the giving of any notice, advice or approval in relation or pursuant to the US Dollar Clearing House Rules and the US Dollar Operating Procedures.

10. Corporate Banking Services Online (“CBS Online”)(collectively known as “Corporate Internet Banking”)

- 10.1 By entering into the website of Corporate Internet Banking, you agree to be bound by these Conditions, including Condition 7 of Part 2 of these Conditions and this Condition 10. These terms and conditions are also displayed at the website of Corporate Internet Banking. As these terms and conditions may be amended from time to time at our discretion, by logging into Corporate Internet Banking, you should read them again carefully before processing any transaction. You are assumed to have agreed to the revised terms and conditions if any transaction has been conducted via Corporate Internet Banking.
- 10.2 In this Condition 10 only, unless specified otherwise, "You" includes the customer who has been accepted by us to use Corporate Internet Banking (the "Customer") and, where appropriate, each of its related companies, bodies and individuals ("related parties").
- 10.3 Corporate Internet Banking allows you to operate your accounts which have been registered in Corporate Internet Banking and to conduct transactions through one or more channels notified by us. These may include the Internet connection to our system or another channel. The services available are those notified by us to you. Before using a service, you may be required to provide us with documents or to obtain our consent. We may refuse access without giving any reason.
- 10.4 Any transactions conducted through Corporate Internet Banking will be subject to all laws and regulations affecting us, including the rules, codes and guidelines of relevant regulatory authorities, exchanges and clearing houses. All actions thus taken by us will be binding on you.
- 10.5 Authority
- (a) You acknowledge that you may set different levels of authorization and transaction limits for (i) your accounts registered in Corporate Internet Banking, (ii) designated

third party accounts and (iii) other third party accounts, and are encouraged to do so for your protection.

- (b) Unless otherwise agreed by us, the Customer may appoint one or more persons ("Corporate Internet Banking authorised signatories") for the purpose of Corporate Internet Banking (except in respect of Corporate Internet Banking Investment Function, unless otherwise authorised) with authority to sign any documents in connection with Corporate Internet Banking, to agree to add or delete related parties, to open or close and register or deregister accounts, to change transaction limits, to delete or add services or functions and to sign all documents relating to the application (including all future application(s)), use and revocation of Corporate e-Certificate issued through us by the e-Certificate issuer, but not to change the authorised signatories or signing arrangement of the Customer.
- (c) Unless otherwise agreed by us, the Customer's representatives (as identified by their password and including one or more primary users) have such authority to act for the Customer as the Customer has notified us. The Customer may designate one or more persons ("primary users") for the purpose of Corporate Internet Banking (except in respect of Corporate Internet Banking Investment Function) to have full authority to operate the Customer's accounts, including to make withdrawals or transfers, reduce transaction limits, make applications and submit documents, add new delegate users, set up authority class of each user and account, delete delegate user, change delegate user, assign authority class of other transactions, and re-issue delegate user's password, but not to change primary users or the authority of primary users to act on the Customer's behalf. Primary users or their assigned delegate users can register or deregister designated third party accounts online. Such account registration or deregistration will be effective once online approval from respective primary users or delegate users is obtained. For the avoidance of doubt, a related party

cannot appoint any primary user. Password(s) will be given by us to your primary users.

- (d) Instructions may be given for transactions to be entered into within a future period of time. The expiry or revocation of the authority of the representative after the instruction has been given but before the transactions are entered into will not affect the validity of the instruction.

10.6 Passwords

Without limiting the generality of Condition 2 of Part 1 of these Conditions, we may regard an instruction given through Corporate Internet Banking by any representative with the appropriate password as conclusive and binding on you. You will not claim that an instruction given with the appropriate password has not been authorised by you. You will be liable for all losses arising from the use of the appropriate password.

10.7 Indemnity and Termination

- (a) Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any claim, liability, loss or expense arising from your instructions, your accounts, your transactions, any transmission from your system to our system, or the provision of any service to you, and against all expenses (including legal fees) incurred in the exercise or enforcement of our rights including in recovering sums from you.
- (b) Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any breach by you of these Conditions or the terms, conditions or rules applicable to an account, service or transaction, provision of misleading, incomplete, inaccurate or false information in respect of yourself or any other person or matter in connection with these Conditions, any act or omission of your representatives, employees or agents,

and any tax or levy arising from your instructions or a service.

- (c) We are not liable for any act or omission unless the act or omission was directly caused by our gross negligence or wilful misconduct. If we are liable for any damages, our liability will be limited to the amount of our fees for the transactions.
- (d) We may at any time, by notice to you and without giving any reason, close your account or terminate a service. The notice may, if necessary, take effect immediately. We may discharge our obligations by mailing to you a cashier's order for any credit balance in your account.
- (e) You agree to accept all risks associated with or arisen from delivery by courier and/or mail of the documents/ articles including such password(s) and waive irrevocably all claims which you may have against us including but not limited to as a result of the same having failed to be delivered or delivered promptly or mislaid.
- (f) Conditions 10.7, 10.10(a), 10.10(d), 10.10(m) of Part 2 of these Conditions shall survive termination of Corporate Internet Banking.

10.8 Related Parties

- (a) A related party may also apply to use Corporate Internet Banking.
- (b) The Customer confirms that:
 - (i) each related party has received these Conditions;
 - (ii) funds transfers from (i) the Customer's accounts to a related party's account and (ii) the Customer's accounts to any third party's account are facilitated by Corporate Internet Banking and there are attendant risks including risks of unauthorised transfers;

- (iii) the Customer indemnifies us against any act or omission of each related party;
- (iv) each related party has duly authorised the Customer to give any instruction to and deal with us for and on behalf of such related party for all purposes in connection with Corporate Internet Banking; and
- (v) each related party agrees:
 - (A) to abide by these Conditions;
 - (B) the Customer's representatives and the Customer's Corporate Internet Banking authorised signatories in accordance with their respective designated authority also have the same authority to act for such related party;
 - (C) all services and functions which the Customer's representatives from time to time apply for in Corporate Internet Banking will also apply to such related party's accounts;
 - (D) we may accept instructions from and for all purposes deal with the Customer in relation to such related party's accounts;
 - (E) we may notify such related party by notifying the Customer;
 - (F) funds transfers from (i) such related party's accounts to the Customer's account; (ii) such related party's account to another related party's account; and (iii) such related party's account to a third party's account are facilitated by Corporate Internet Banking and there are attendant risks including risks of unauthorised transfers;
 - (G) without affecting our rights against the Customer or such related party, we may compound, discharge or vary the obligations of or grant time or other

indulgence to or deal with the Customer or such related party; and

- (H) termination of Corporate Internet Banking by the Customer terminates the Corporate Internet Banking for all related parties.

10.9 The following Conditions and any other terms and conditions in these Conditions applicable to individuals also apply to a related party who is a private individual (excluding clubs and societies). To the extent of any inconsistency with any other terms in these Conditions, the following Conditions shall prevail:,

- (a) You have read our Data Policy Notice (“Notice”). You authorise us to use your information for the purposes set out in the Notice (as from time to time updated or varied) and for other purposes directly or indirectly relating to any account or services. Your information may be disclosed or transferred to the classes of persons mentioned in that Notice.
- (b) You consent to your information being transferred to another jurisdiction outside Hong Kong and to any matching procedures being carried out. You may withdraw its consent by giving us 30 days’ prior notice.
- (c) We will give you 30 days’ notice of variation of the terms and conditions which affects fees, charges, your liabilities or obligations, unless such variation is not within our control. We will give you reasonable notice of other variations. If you do not accept a variation and choose to terminate the service within a reasonable time, we will repay any annual or periodic fee on that service on a pro rata basis, if the fee can be separately distinguished and unless the amount involved is minimal.
- (d) We will not enrol you to a new or enhanced service which involves a cost or potential liability to you without your express consent. If the new or enhanced service does not

involve additional cost or potential liability to you, we will allow at least 14 days for you to decline the service.

- (e) We will promptly inform you of the nature and amount of charges debited to your accounts.
- (f) For a joint account, any transactions entered into by your representative or with your password will be binding on all account holders. Your password may be changed by your representative acting alone, and he or she may appoint or remove representatives.
- (g) We will promptly notify you if an outgoing cross-border payment could not be effected.
- (h) Interest will only accrue after the funds of an inward remittance are credited to your account. We will notify you within a reasonable time after receipt of the payment. For incoming cross-border payments, unless otherwise instructed by the remitting bank, we will promptly credit the remitted funds to your account after receipt of the funds is confirmed and any necessary checking is completed. If we are unable to do so, we will notify you and provide an explanation, unless there are strong justifications not to do so.
- (i) Upon completion of a cross-border payment, we will provide you with a transaction record containing information such as the exchange rate applied and commission or charges levied.
- (j) We may employ third party agencies to collect overdue amounts owed by you. If you owe several debts to more than one institution that are being collected by the same debt collection agency, you have the right to give instructions to apply repayment to a particular debt. You will indemnify us against the costs and expenses we incur in the debt recovery process. We will remain accountable to you for any complaints arising out of debt collection by our third party agencies.

- (k) The indemnity provisions in Conditions 10.7(a) and 10.7(b) of Part 2 of these Conditions apply to you, in relation to costs and expenses, to those costs and expenses which are of reasonable amount and were reasonably incurred.
- (l) Unless you notify us of any disagreement with a summary of your transactions through Corporate Internet Banking within 90 days of issue of the summary, you will accept the summary and will not dispute any item on it, whether you have checked the summary or not. You will not however be liable for unauthorised transactions arising from forgery or fraud (a) by any third party in relation to which we have failed to exercise reasonable care and skill, or (b) by our employee or agent, or other unauthorised transactions arising from our default or negligence.
- (m) You will be liable for all losses if you have acted fraudulently or with gross negligence, or allowed any third party to use your password, or failed to take reasonable care to keep your password secure and secret, or failed to comply with your obligations under Condition 10.10(l) of Part 2 of these Conditions. You would not otherwise be responsible for any direct loss suffered by you as a result of unauthorised transactions conducted through your account. This provision does not apply to unauthorised transactions conducted through plastic cards which may be used to pay for goods and services or to withdraw cash.
- (n) We will not terminate your access to the Corporate Internet Banking without first giving reasonable notice, except under exceptional circumstances.

10.10 Miscellaneous terms regarding Corporate Internet Banking

- (a) To the extent permitted by the law, unless agreed otherwise, you request us to contact you (by any means) on any financial services (excluding any investment services) we believe may be of interest to you

- (b) We will send you a summary of your transactions through Corporate Internet Banking within the time agreed with you. No summary will be issued if during the relevant period there is no transaction. Unless you notify us of any disagreement with a summary within 30 days, you will accept the summary and will not dispute any item on it, whether you have checked the summary or not.
- (c) You will at your cost promptly arrange for your systems and connections to undergo such tests as required by us, provide the test reports to us and make any changes or improvements required by us. You will, if required, obtain a recognized digital certificate which is issued from a certification authority notified by us in order to use Corporate Internet Banking.
- (d) If any software or document is supplied by us, all rights in them remain with us. You will keep them confidential and only use them for the purpose of using Corporate Internet Banking. You will return them to us on request and not thereafter keep any copy in any form.
- (e) We are not required to notify you if your instruction or part of it cannot be executed.
- (f) You understand and accept the risks of Corporate Internet Banking and the Internet and electronic communications.
- (g) You will execute any documents required by us in relation to Corporate Internet Banking.
- (h) You acknowledge receipt of a list of our fees and charges.
- (i) Fees, charges and expenses are payable whether or not the transaction is completed. Without prejudice to Condition 10.2 of Part 1 of these Conditions, we may deduct any fees, charges and expenses from your account with us.
- (j) Accounts will be identified solely by their number. We need not check the account name.

- (k) You may not transfer, assign, mortgage or charge your accounts or any transaction with us or your rights or obligations under Corporate Internet Banking or allow any third party to use our services without our prior written consent.
- (l) You must notify us as soon as reasonably practicable at the telephone number designated by us, after you find or believe that your password has been compromised, lost or stolen, or that unauthorised transactions have been conducted over your account. You will confirm your report to us in writing within 24 hours.
- (m) If any different terms and conditions shall apply to the Corporate Internet Banking or on any screen accessible by you, they will correspond to such terms in these Conditions as determined by us.

10.11 Credit Card Functions under Corporate Internet Banking

This Condition 10.11 shall apply to you if you use our credit card functions under Corporate Internet Banking:

- (a) All your accounts maintained with BOC Credit Card (International) Limited (the "Card Company") from time to time and all sub accounts to such accounts maintained with the Card Company from time to time for the cardholders ("Cardholders") of commercial cards issued by the Card Company (excluding those commercial cards designated by the Card Company from time to time) (altogether "Credit Card Accounts") may be accessed and operated through Corporate Internet Banking without the need of any account registration by you or any Cardholders.
- (b) Funds from any of your accounts registered in Corporate Internet Banking may be transferred to any of the Credit Card Accounts without the need of any account registration by you or any Cardholders.
- (c) The credit card functions under Corporate Internet Banking are subject to other terms and conditions of these

Conditions, save that in case of conflict or inconsistency between the other terms and conditions of these Conditions and the provisions of this Condition 10.11, the provisions of this Condition 10.11 shall prevail with respect to the credit card functions under Corporate Internet Banking.

- (d) You confirm that you and all Cardholders have duly consented to and authorised the Card Company passing to us at any time and from time to time information relating to the Credit Card Accounts for the purposes of our providing the credit card functions under Corporate Internet Banking.
- (e) You agree that both the Card Company and we will not be liable for any inaccuracy or incompleteness in the information concerning the Credit Card Accounts which are accessible through Corporate Internet Banking.
- (f) You agree that all your representations and indemnities made or provided to us under these Conditions shall, if applicable, be applicable to the Card Company if you use our credit card functions under Corporate Internet Banking.

10.12 Trade Related Services

- (a) You may be allowed to complete and submit prescribed applications and documents ("Trade Related Applications") to us through Corporate Internet Banking in such format and manner as we may absolutely think fit in respect of our trade related documents, services and facilities provided by us from time to time, without submitting a physical copy of the signed Trade Related Applications to us and may be allowed to use any other "Trade Services Functions" as provided by us under Corporate Internet Banking from time to time. This Condition 10.12 is only applicable if you are allowed to submit Trade Related Applications to us through Corporate Internet Banking.
- (b) As one of the conditions under which the Trade Related Applications may be completed and submitted by you

through Corporate Internet Banking, you confirm that you agree to accept this Condition 10.12. You further confirm that you have received, read and understood the relevant standard forms of the Trade Related Applications and their terms and conditions as provided by us from time to time.

- (c) We have the absolute discretion:
 - (i) to determine the types, contents, format and layout of the Trade Related Applications which may be submitted to us through Corporate Internet Banking; and
 - (ii) not to accept or process any Trade Related Application submitted by you to us through Corporate Internet Banking without any notice.
- (d) You acknowledge that you are not allowed to complete and submit a Trade Related Application to us through Corporate Internet Banking if we have not made our services available to you through Corporate Internet Banking.
- (e) If a Trade Related Application is allowed to be submitted through Corporate Internet Banking, we will determine to which of us the Trade Related Application is submitted by reference to the trade service/bills account number or any other password assigned by us to you which you make use of in making the submission.
- (f) Each Trade Related Application submitted by you through Corporate Internet Banking shall be subject to the terms and conditions of the relevant standard form of Trade Related Application in all respects, regardless of whether the Trade Related Application submitted through Corporate Internet Banking contains or makes any reference to such terms and conditions. The terms and conditions of the relevant standard form of Trade Related Application are deemed to be incorporated into each such Trade Related Application submitted through Corporate Internet Banking.
- (g) We may (but are not obliged to) from time to time post up the standard form of any Trade Related Application and/or

the related terms and conditions on the platform of Corporate Internet Banking. You agree and undertake to read and agree to be bound by the terms and conditions of the relevant standard form of Trade Related Application before submitting any Trade Related Application through Corporate Internet Banking. Notwithstanding anything contained herein to the contrary, the terms and conditions of the standard form of the relevant Trade Related Application as posted up at the time when you submit a Trade Related Application through Corporate Internet Banking shall apply to the Trade Related Application so submitted.

- (h) If in any Trade Related Application additional document is said or required to be provided by you for us to process the Trade Related Application and such additional document has not been provided to us, you shall promptly provide such additional document in such form and manner as required by us, which may accept or reject the same at its absolute discretion.
- (i) We may from time to time add or cancel any Trade Related Application which may be completed and submitted through Corporate Internet Banking.
- (j) We may from time to time amend the terms and conditions applicable to any newly submitted Trade Related Application and any such amendments shall apply to the Trade Related Applications submitted by you through Corporate Internet Banking with effect from such date as determined by us in our absolute discretion.
- (k) We may (but are not obliged to) allow you to submit any copy document (in the form of scanned attachment to any Trade Related Application or otherwise) referred to or in connection with any Trade Related Application through Corporate Internet Banking. You confirm and undertake that all such copy documents will have been approved by you for the relevant Trade Related Application when they are submitted through Corporate Internet Banking

notwithstanding that they may not have been signed by you. Our record on what copy document is so submitted by you through Corporate Internet Banking and which Trade Related Application is related to the copy document shall be, save for manifest error, conclusive evidence on such matters.

10.13 Investment Function under Corporate Internet Banking

- (a) The following conditions are applicable to you who have been accepted by us to use investment functions under Corporate Internet Banking ("Corporate Internet Banking Investment Function"). The use of Corporate Internet Banking Investment Function is subject to these Conditions including but not limited to Condition 10.13 and the conditions contained in Part 3 of these Conditions in relation to Investment Services. If there is any inconsistency between this Condition 10.13 and the remaining sections of Condition 10, this Condition 10.13 shall prevail.
- (b) Unless otherwise agreed by us, you may appoint one or more persons ("Corporate Internet Banking Investment Function authorised signatories"), being director(s) / member(s) of your governing body (if you are a limited company or other organizations) or being partners of the partnership (if you are a partnership) or being the sole proprietor (if you are a sole proprietorship), for the purposes of Corporate Internet Banking Investment Function, with authority to complete and sign any application / amendment forms in connection with Corporate Internet Banking Investment Function, agree to add or delete accounts, services or products which can be operated through Corporate Internet Banking Investment Function, and sign any other instruments or documents in relation to Corporate Internet Banking Investment Function, but not to change your authorised signatories or signing arrangement.

- (c) You may appoint one or more persons (“Corporate Internet Banking Investment Function user”) for the purposes of using the Corporate Internet Banking Investment Function and conducting on your behalf investment transactions through Corporate Internet Banking.
- (d) A primary user is allowed to, on your behalf, delete any Corporate Internet Banking Investment Function user through Corporate Internet Banking if and only if such Corporate Internet Banking Investment Function user is a delegate user.
- (e) Any references to a Customer’s representative in this Condition 10 shall include a Corporate Internet Banking Investment Function authorised signatory and Corporate Internet Banking Investment Function user as applicable if such Customer has been accepted by us to use Corporate Internet Banking Investment Function.
- (f) The Corporate Internet Banking Investment Function can only be operated by one Corporate Internet Banking Investment Function user at any one time. There is no limit to the amount of money that a Corporate Internet Banking Investment Function user may choose to invest notwithstanding any daily debit limit which you have designated or will designate for any of your current and/or savings accounts which are registered for operation through Corporate Internet Banking.
- (g) You agree to abide by the terms and conditions applicable to Investment(s) (as defined in Part 3) and other accounts/services/products which can be operated through the Corporate Internet Banking Investment Function (including but not limited to conditions specified in Part 3 of these Conditions).
- (h) We may not accept your application for and/or amendment to the Corporate Internet Banking Investment Function made by any of your representative who is not your director (if you are a limited company) or a member of your

governing body (if you are other organizations) or the sole proprietor (if you are a sole proprietorship) or a partner of your partnership (if you are a partnership).

- (i) You agree that if the risk rating of the investment services/products assigned by us is higher than your risk profile, or if the Questionnaire on Investment Preference that you are required to complete regularly is overdue, we may not accept any transactional processing request as to the investment services/products submitted through Corporate Internet Banking nor allow any questionnaire to be completed through Corporate Internet Banking.
- (j) In addition to the risk disclosures set out in these Conditions and related rules applicable to Investment(s) (as defined in Part 3) and other accounts/services/products which can be operated through Corporate Internet Banking Investment Function, you further acknowledge and accept the risks that transactions over the Internet may be subject to interruption, transmission blackout, delayed transmission due to Internet traffic or incorrect data transmission due to public nature of the Internet or otherwise and that there may be a time lag in data transmission and your orders may not necessarily be executed at the price indicated on the Internet. You agree that we shall not be responsible for any loss or damage arising out of your use of Corporate Internet Banking Investment Function.
- (k) You acknowledge that once you have been accepted by us to use Corporate Internet Banking Investment Function, we may immediately terminate any other electronic banking services or telephone banking services previously available to you. You may no longer be able to utilise these other services.
- (l) Without prejudice to Condition 12.4 of Part 1 of these Conditions, we are not responsible for the accuracy, completeness or timeliness of any information given by us, or for any decision made with such information. We make

no representation regarding the performance of your investment.

11. CBS Phone Banking Services

- 11.1 By using CBS Phone Banking Services, you agree to be bound by these Conditions, including Condition 7 of Part 2 of these Conditions and this Condition 11. These terms and conditions are also displayed at our website. As these terms and conditions may be amended from time to time at our discretion, by using CBS Phone Banking Services, you should read them again carefully before processing any transaction. You are assumed to have agreed to the revised terms and conditions if any transaction has been conducted via CBS Phone Banking Services.
- 11.2 CBS Phone Banking Services allows you to operate your accounts which have been registered in CBS Phone Banking Services and to conduct transactions through one or more channels notified by us. These may include the phone connection to our system or another channel. The services available are those notified by us to you. Before using a service, you may be required to provide us with documents or to obtain our consent according to our requirement. We may refuse access without giving any reason.
- 11.3 If you have enrolled for the CBS Phone Banking Services, we will assign user number(s) and password(s) to you for such service. Any instruction given through CBS Phone Banking Services by any person using your user number(s) and password(s) is valid, conclusive and binding on you, notwithstanding any different requirements in your mandate for any account, service or any other arrangement.
- 11.4 Any transactions conducted through CBS Phone Banking Services will be subject to all laws and regulations affecting us, including the rules, codes and guidelines of relevant regulatory authorities, exchanges and clearing houses. All actions thus taken by us will be binding on you.

11.5 Authority

- (a) You acknowledge that, unless otherwise agreed by us, the authorised signatories of your settlement account of CBS Phone Banking Services shall be appointed as your authorised signatories for the purpose of CBS Phone Banking Services with full authority to sign all documents in connection with CBS Phone Banking Services, to agree to add or delete the user(s) of CBS Phone Banking Services ("User(s) of CBS Phone Banking Services"), to register accounts or to cancel the registered accounts on CBS Phone Banking Services, to register related party accounts or to delete the designated related party accounts on CBS Phone Banking Services, to cancel or re-issue user password(s) of CBS Phone Banking Services, to change the functions for existing User(s) of CBS Phone Banking Services, to terminate CBS Phone Banking Services and to sign all documents relating to the application (including all future application(s)), but not to change your settlement account in respect of CBS Phone Banking Services and your authorised signatories or signing arrangement.
- (b) You acknowledge that, unless otherwise agreed by us, the persons identified as Users of CBS Phone Banking Services shall be appointed as your authorised users for the purpose of CBS Phone Banking Services with full authority to operate the designated accounts through CBS Phone Banking Services and to give telephone instructions to us under CBS Phone Banking Services, but not to change the Users of CBS Phone Banking Services or their authority to act on your behalf.
- (c) You acknowledge that you may set different functions for each of your authorized User of CBS Phone Banking Services, and are encouraged to do so for your protection.
- (d) Instructions may be given for transactions to be entered into within a future period of time. The expiry or revocation of the authority of the representative after the instruction

has been given but before the transactions are entered into will not affect the validity of the instruction.

11.6 Passwords

Without limiting the generality of Condition 2 of Part 1 of these Conditions, we may regard an instruction given through CBS Phone Banking Services by any representative with the appropriate password as conclusive and binding on you. You will not claim that an instruction given with the appropriate password has not been authorised by you. You will be liable for all losses arising from the use of the appropriate password.

11.7 Indemnity and Termination

- (a) Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any claim, liability, loss or expense arising from your instructions, your accounts, your transactions, any transmission from your system to our system, or the provision of any service to you, and against all expenses (including legal fees) incurred in the exercise or enforcement of our rights including in recovering sums from you.
- (b) Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any breach by you of these Conditions or the terms, conditions or rules applicable to an account, service or transaction, provision of misleading, incomplete, inaccurate or false information in respect of yourself or any other person or matter in connection with these Conditions, any act or omission of your representatives, employees or agents, and any tax or levy arising from your instructions or a service.
- (c) We are not liable for any act or omission unless the act or omission is directly caused by our gross negligence or wilful misconduct. If we are liable for any damages, our liability

will be limited to the amount of our fees for the transactions.

- (d) We may at any time, by notice to you and without giving any reason, close your account or terminate a service. The notice may, if necessary, take effect immediately. We may discharge our obligations by mailing to you a cashier's order for any credit balance in your account.
- (e) You agree to accept all risks associated with or arisen from delivery by courier and/or mail of the documents / articles including such password(s) and waive irrevocably all claims which you may have against us including but not limited to as a result of the same having failed to be delivered or delivered promptly or mislaid.
- (f) Condition 11.7 of Part 2 of these Conditions shall survive termination of CBS Phone Banking Services.

11.8 Investment Function under CBS Phone Banking Services

- (a) The use of any investment function under CBS Phone Banking Services is subject to the conditions contained in Part 3 of these Conditions in relation to Investment Services. Investment service(s) using CBS Phone Banking Services is/are only available for registered accounts held with any of us who provides CBS Phone Banking Services to you. Investment service(s) available is/are subject to changes from time to time notified by us.
- (b) You agree to abide by the terms and conditions applicable to Investment(s) (as defined in Part 3) and other accounts / services / products which can be operated through the investment function under CBS Phone Banking Services (including but not limited to conditions specified in Part 3 of these Conditions).
- (c) You agree that if the risk rating of the investment services / products assigned by us is higher than your risk profile, or if the Questionnaire on Investment Preference that you are required to complete regularly is overdue, we may not

accept any transactional processing request as to the investment services / products submitted through CBS Phone Banking Services nor allow any questionnaire to be completed through CBS Phone Banking Services.

- (d) In addition to the risk disclosures set out in these Conditions and related rules applicable to Investment(s) (as defined in Part 3) and other accounts / services / products which can be operated through the investment function under CBS Phone Banking Services, you further acknowledge and accept the risks that transactions over the phone channel may be subject to interruption, transmission blackout, delayed transmission due to network traffic or incorrect data transmission due to public nature of the phone channel or otherwise and that there may be a time lag in data transmission and your orders may not necessarily be executed at the price indicated over the phone. You agree that we shall not be responsible for any loss or damage arising out of your use of the investment function under CBS Phone Banking Services.
- (e) Without prejudice to Condition 12.4 of Part 1 of these Conditions, we are not responsible for the accuracy, completeness or timeliness of any information given by us, or for any decision made with such information. We make no representation regarding the performance of your investment.

11.9 CBS Phone Banking Services may be operated by more than one User of CBS Phone Banking Services at any one time. Unless otherwise agreed by us or applicable laws, regulatory requirements have otherwise specified, there is no limit to the amount of money that User of CBS Phone Banking Services may choose to invest

11.10 You may transfer funds from registered accounts to any other registered accounts agreed by us, provided that the aggregate amount of daily transfers from all registered accounts must not exceed the amount notified by us from

time to time (or, in case of foreign currency accounts, the HKD equivalent of the sum(s) transferred).

- 11.11 You acknowledge that once you have been accepted by us to use CBS Phone Banking Services, we may immediately terminate any other electronic banking services or telephone banking services previously available to you. You may no longer be able to utilise these other services.
- 11.12 Miscellaneous terms regarding CBS Phone Banking Services
- (a) We are not required to notify you if your instruction or part of it cannot be executed.
 - (b) You understand and accept the risks of CBS Phone Banking Services and electronic communications.
 - (c) You will execute any documents required by us in relation to CBS Phone Banking Services.
 - (d) You acknowledge receipt of a list of our fees and charges.
 - (e) Users of CBS Phone Banking Services will be identified solely by their user numbers. We need not check the name of the Users of CBS Phone Banking Services.
 - (f) Accounts will be identified solely by their number. We need not check the account name.
 - (g) You may not allow any third party to use our services without our prior written consent.
 - (h) You must notify us as soon as reasonably practicable at the telephone number designated by us, after you find or believe that your password has been compromised, lost or stolen, or that unauthorised transactions have been conducted over your account. You will confirm your report to us in writing within 24 hours.

12. Short Messaging Service

- 12.1 This Condition 12 shall apply to you if you use our Short Messaging Service ("SMS"). Each account or service is also subject to our terms and conditions which apply from time to time to such account and service. This Condition 12 shall prevail, if they conflict with other terms and conditions governing your relevant account and service in respect of the SMS.
- 12.2 You agree to accept information sent by us to your mobile phone and other communications equipment that you notified and accepted by us. The information may include confirmation of a banking or investment transaction, updating of order status, price alert, standing order, margin balance and promotional, marketing and other information relating to the services provided by us, our group's other companies or the communications companies. This communication may be sent in lieu of agreed communication by another means, for example, personal telephone calls. Any such information and/or communication (including but without limitation to confirmation of securities transaction orders) sent by way of SMS shall be deemed to be a valid and effective notice to you.
- 12.3 The type of order confirmation to be sent though SMS will be determined by us from time to time.
- 12.4 You will obtain and maintain equipment of the type, and a connection with a communications company, notified by us from time to time, for the purposes of the SMS. You are responsible for the cost of your equipment and the charges of your communications company and any other charges in connection with the SMS. We may restrict the number of equipment that you register for the SMS. Different restrictions may apply to different customers
- 12.5 You will promptly notify us of any change of your information on our record including any change of your equipment or contact details. You authorise us to provide the SMS according to the information you provided to us, until we have received your notice of a change. Communications to

you through the SMS will be regarded as having been received by you when despatched by us.

- 12.6 We may vary the scope or operation of the SMS, the types of information to be sent, and the types of equipment and communications companies to be used, without notice or liability. We may suspend or withdraw the SMS without notice or liability.
- 12.7 Without prejudice to our notice relating to the Personal Data (Privacy) Ordinance, you authorise us to disclose your information to our group's other companies, the communications companies and their agents (in or outside Hong Kong) for all purposes connected with the SMS.
- 12.8 Information provided through the SMS is for your reference only, and not evidence of its contents. Formal notices and statements will be sent to you in accordance with the terms and conditions for the relevant account or service. Meanwhile, information sent through the SMS is not an offer to sell, or solicitation to subscribe to any account or service.
- 12.9 In the absence of negligence and/or wilful misconduct on our part, we are not responsible for any failure or delay in sending any information to you, or for any error, misdirection, corruption or interception of any information sent through the SMS. We are not responsible for any event beyond our control including any error, malfunctioning or failure of any software, equipment or system. Communications companies are not our agent. They do not accept any responsibility in relation to the SMS. We do not assume any responsibility for any SMS transmission matters resulted from the communications companies.

13. Autopay Services

- 13.1 We accept instructions from you concerning autopay services by or via one or more of the following channels:
- (a) by way of online transmission via Corporate Internet Banking or File Transfer System; and/or

- (b) by way of our other approved service(s) or channel(s) prescribed from time to time

To process your Payroll, and/or to effect payments from your account(s) and/or to debit or arrange the debiting of accounts with amounts which you advise are due to you and to transfer such amounts to your account(s) through the autopay system and/or Faster Payment System.

- 13.2 To have access to the autopay services, passwords recognized or prescribed by us may be assigned to you. You undertake to keep the passwords secret.
- 13.3 All instructions once given to us shall be deemed duly given by you and be conclusively binding on you irrespective whether or not such instructions are given by you personally or by any other person on your behalf whether authorised or unauthorised. You shall be fully responsible therefor.
- 13.4 You shall give instructions to the branch to which you have submitted this service application or other branch or location(s) or other channel(s) from time to time designated by us/agreed between us and you in no less than two (2) Banking Days or such other duration of period as prescribed by us from time to time prior to the effective day of payment or receipt. In this Condition 13 only, the reference to "Banking Day" means a day, other than a Saturday, Sunday or public holiday, on which we are open for general business in Hong Kong and where there is inter-bank clearing and settlement of funds in Hong Kong. You acknowledge and understand that you are solely responsible for the genuineness, correctness, accuracy and/or completeness of any instructions prepared or arranged by you, and that we are under no duty to check or verify the same and shall take no responsibility whatsoever arising therefrom. You also acknowledge and understand that we are under no duty to verify the genuine or correctness of the Mandatory Provident Fund contributions data to be transmitted to the third party

designated by you and shall take no responsibility whatsoever arising therefrom.

- 13.5 You acknowledge and understand that the autopay services are operated on a numerically based system and/or “Proxy ID” based system and confirm that a transfer to an account and/or an account addressed to a “Proxy ID” having the same number and/or “Proxy ID” as given in the instructions or a debit request for such amount from such account number(s) and/or such “Proxy ID” as specified in the instructions shall constitute good and complete compliance by us with the instructions. We shall not be under any duty to ensure that the name of the account and/or the “Proxy ID” to/from which the autopay amount is credited/debited is identical or similar to the name of the account holder on our record.
- 13.6 You accept that instructions sent to us via online-transmission cannot be guaranteed to be secure or error free as they can be intercepted, corrupted, lost, arrive late or contain viruses. You acknowledge and accept that we do not have any liability for any errors and omissions in, or for delay or failure of arrival or receipts of, any instructions via online transmission.
- 13.7 You warrant and represent to us that any input will be virus-free and accept that we shall have no responsibility or liability for any delay or inability to process the instructions as a result of any virus.
- 13.8 We shall act on any instructions on the effective date specified (provided that you give instructions in a sufficient time in advance as prescribed in this Condition 13.4) but shall not be liable for any loss, damage or expense or consequential loss, damage or expense suffered by you by virtue of any delay in acting on any instructions, or for any inability to act as a result of any instructions being unclear or incomplete, or you having failed to submit the instructions by the cut-off time specified by us from time to time. If the effective date is a day which is not a Banking

Day, unless there is inter-bank clearing and settlement of funds in Hong Kong in such day, the next Banking Day after such day will be treated as the effective date.

- 13.9 You shall ensure that there is sufficient credit balance standing in the account to be debited on the Banking Day immediately before the effective date specified in the instructions. We are not obliged to but may act on any instructions (without liability for any failure to do so) if, at that time, any credit balance standing to the account to be debited is insufficient or if the overdraft created or increased by any payment will exceed the amount acceptable to us. We are not responsible or liable for any delay or refusal to act on any instructions in such circumstances and you are liable for any resulting overdraft or amount owed to us as a result of our acting on any instructions in such circumstances.
- 13.10 We shall not be obliged to accept any cancellation or variation of any instructions on the effective date specified or if we consider we have insufficient time to act at our absolute discretion.
- 13.11 You represent and warrant that all necessary arrangements have been made in respect of any autopay-in and that we may admit, compromise or reject any claim made against us by any account holder whose account is debited as a result of any collection and may debit your account(s) with us with the amount of any claim admitted or compromised as we shall in our absolute discretion decide.
- 13.12 In case of the autopay-in arrangement, the amount that should be received by you would be credited into the account and/or the account addressed to the "Proxy ID" designated by you at the time when you apply for this service on the effective day specified in the instructions. The amount(s) so credited are subject to final payment (i.e. our actual receipt of freely remittable and immediately available and disposable funds thereof). Unless otherwise agreed by us, the amount(s) so credited are not available

for withdrawal by you before the final payment is confirmed on the next Banking Day. We shall be entitled to charge or debit the account concerned with any amount(s) which cannot be collected together with interest thereon and any cost and expenses incurred.

- 13.13 The terms and conditions herein are without prejudice and in addition to any terms and conditions contained in any other documents which you have entered into or will be entering into regarding the autopay services, Corporate Internet Banking and/or File Transfer System. You understand that in case of transmission of the instructions via Corporate Internet Banking or File Transfer System, you must subscribe for the Corporate Internet Banking or File Transfer System on the terms and conditions applicable thereto but that all the terms and conditions herein apply accordingly.
- 13.14 We shall have no responsibility whatever for any delay, error, omission, loss or damage howsoever arising from (i) the improper use of related device or any your failure to comply with any of the terms and conditions set out herein and/or (ii) failure for whatsoever reason to receive payment from specified payers under the autopay-in arrangement and/or (iii) any mechanical failure, malfunction, interruption howsoever caused or the inadequacy of our computer system or any other causes beyond our control and/or (iv) any data contained in the computer printout provided by us used by you for whatsoever purposes including but not limited to the purpose of using such printout for tax returns.
- 13.15 Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any action, proceedings, claims, direct or indirect losses, damages, costs, expenses and/or demands whatsoever which may be brought or taken against us or suffered or incurred by us by reason of our implementing the instructions. You further authorise us to admit, compromise or reject any such action or claim as we may deem

appropriate and to debit the account designated in this service application with the amount so admitted or compromised as we may in our absolute discretion decide.

- 13.16 We are hereby authorised to debit any of your account with us with any service charge from time to time specified by us in respect of the autopay services.
- 13.17 You acknowledge that the autopay services may be terminated by us at any time by seven (7) days' notice sent by ordinary post to your address last on our record.
- 13.18 You understand that if the autopay services are not used for one (1) year, we shall be entitled to, without notice, terminate the autopay services and delete all your records on our file.
- 13.19 Please refer to Condition 14, Part 2 of these Conditions, for the terms and conditions relating to Faster Payment System.

14. Bank Services relating to Faster Payment System

14.1 Bank Services relating to Faster Payment System

- (a) We provide the Bank Services to customers to facilitate payments and funds transfers using the Faster Payment System. The Faster Payment System is provided and operated by HKICL. The Bank Services are therefore subject to the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time. This part of terms and conditions (this "Part") governs our provision to you and your use of the Bank Services. The Bank Services form part of our banking services. This Part supplements and forms part of our Conditions for Services and other applicable terms and conditions from time to time ("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 Part. Unless otherwise specified, the provisions of this Part prevail if there is any inconsistency between them and the provisions of the Existing Terms with respect to the Bank Services.

- (b) By requesting us to register any Proxy ID for you in the HKICL FPS or to set up any eDDA for you using the HKICL FPS, or by initiating any payment or funds transfer using the HKICL FPS, you will be regarded as having accepted and will be bound by the provisions of this Part. 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 Part.
- (c) In this Part, the following terms have the following meanings:

“Addressing Service” (or other name(s) as designated or varied by us from time to time) 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 customers from time to time to facilitate payments and funds transfers using HKICL FPS and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time.

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

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

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

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

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

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

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

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

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

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

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

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

“we”, “us” and “our” means Nanyang Commercial Bank, Limited and its successors and assigns.

14.2 Scope of Bank Services and conditions for use

- (a) We provide the Bank Services to customers to facilitate payment and funds transfer using the Faster Payment System and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time. 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.
- (b) 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.

- (c) 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.
- (d) All payment or funds transfer transactions using HKICL FPS will be processed, cleared and settled under the interbank clearing and settlement arrangements including without limitation the arrangements in relation to the Faster Payment System agreed by the Participants and HKICL from time to time.
- (e) We reserve the right to suspend or terminate the Bank Services in whole or in part at any time without giving notice or reason.

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

- (a) In order to use the Addressing Service to receive payment or funds transfer using HKICL FPS, you have to register your Proxy ID in the HKICL FPS. We have discretion as to whether to offer the FPS Identifier as Proxy ID to you.
- (b) 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.
- (c) 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.

14.4 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.

14.5 Your responsibility

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

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

- (b) Proxy ID

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

(c) Correct information

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

(d) Timely updates

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

(e) Change of Default Account

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

(f) Transactions binding on you

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

(g) Use Bank Services responsibly

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

- (i) You must comply with all Regulatory Requirements that govern your use of the 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.

- (ii) In sending remarks or messages to be displayed to recipients or counterparties of your payment or funds transfer instructions or eDDA setup using HKICL FPS, you should mask the name or other data of such recipients or counterparties to prevent unauthorised display or disclosure of any personal data or confidential data.
 - (iii) If we offer the FPS Identifier as Proxy ID to you, you should not repeatedly cancel the registration and request for generation of another FPS Identifier in an attempt to generate a number or value that you desire.
- (h) Other obligations regarding payments and funds transfers
- (i) In giving instructions to make payments or effect transactions, you agree to take reasonably practicable steps to safeguard your own interest, money and assets from fraud or other illegal activities. You are responsible to check whether the payment recipient and the transaction are real and trustworthy in each case and exercise sound judgement. To help you stay vigilant against frauds, scams and deceptions, we will send risk alerts based on the risk warnings, messages and indicators received by us from the Faster Payment System or Hong Kong Police Force from time to time.
 - (ii) Any instruction given by you in relation to the Bank Services will be handled by us in accordance with this Part and the applicable provisions in the Existing Terms. You have to comply with the other obligations with respect to payments, funds transfers and direct debit authorisations, including without limitation maintaining sufficient funds in the relevant accounts for settling payment and funds transfer instructions from time to time.

- (i) You are responsible for your authorised persons

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

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

14.6 Our responsibility and restriction of liability

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

- (b) Without reducing the effect of Clause 14.6(a) above or the provisions of the Existing Terms:
- (i) we are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with the use of the Bank Services or the processing or execution of instructions or requests given by you in relation to the Bank Services or HKICL FPS, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from our [gross] negligence or wilful default or that of our officers, employees or agents;
 - (ii) for clarity, we are not liable for loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with one or more of the following:
 - (1) your failure to comply with your obligations relating to the Bank Services; and
 - (2) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS or any functionality of the Faster Payment System, or arising from any circumstances beyond our reasonable control, including any delay or error relating to the risk warnings, messages and indicators about suspected frauds, scams or deceptions received by us from the Faster Payment System or Hong Kong Police Force; and
 - (iii) in no event will we, our affiliates or group companies, our licensors, and our and their respective officers, employees and agents be liable to you or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages

(whether or not they were foreseeable or likely to occur).

(c) Your confirmation and indemnity

- (i) Without reducing the effect of any indemnity given by you under the Existing Terms or any other rights or remedies that we may have, you will indemnify us and our officers, employees and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by us or any of them and all actions or proceedings which may be brought by or against us or any of them as a result of or in connection with our provision of the Bank Services or your use of the Bank Services.
- (ii) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from our [gross] 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.

14.7 Collection and use of Customer Information

- (a) 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:
 - (i) yourself;

- (ii) the recipient of any payment or funds transfer to be made by you, or the counterparty of any eDDA to be set up by you; and
 - (iii) where you are a company, a corporation, or a sole proprietorship or partnership firm or any other unincorporated body, any of your directors, officers, employees, authorised persons and representatives, all personal data and information provided to us or compiled by us from time to time in connection with the Bank Services are collectively referred to as "Customer Information".
- (b) You agree (and, where applicable, for and on behalf of each of your directors, officers, employees, authorised persons and representatives) that we may collect, use, process, retain or transfer any of the Customer Information for the purposes of the Bank Services. These purposes include without limitation one or more of the following:
- (i) providing the Bank Services to you, maintaining and operating the Bank Services;
 - (ii) processing and executing your instructions and requests in relation to the Bank Services from time to time;
 - (iii) disclosing or transferring the Customer Information to HKICL and other Participants for their use for the purpose of the operation of HKICL FPS;
 - (iv) meeting the requirements to make disclosure under any Regulatory Requirements; and
 - (v) purposes relating to any of the above.
- (c) You understand and agree that the Customer Information may be further disclosed or transferred by HKICL, us or any

other Participants to their customers and any other third parties who are users of HKICL FPS for the purposes of providing and operating the Addressing Service and the eDDA Service.

- (d) If the Customer Information includes personal data or other information of any person other than yourself (including any persons specified in Clauses 14.7(a)(ii) or 14.7(a)(iii) above), you confirm that you will obtain and has obtained the consent from such person regarding the use (including disclosure and transfer) of his/her personal data and other information by HKICL, us and the other Participants as specified in this Clause.

14.8 QR Code Services

- (a) This Clause 14.8 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.
- (b) Using the QR Code Services and your responsibility
 - (i) 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.

- (ii) The QR Code Services can be used on a mobile device running an operating system supported and specified by us from time to time.
 - (iii) Updates to the QR Code Services may be issued periodically through the supplying app store for the App. For some devices, updates will be downloaded automatically. For other devices, 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.
 - (iv) 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.
 - (v) The QR Code Services are not intended for use in any jurisdiction where their use would be contrary to any law or regulation of that jurisdiction or where we are not licensed or authorised to provide the QR Code Services.
 - (vi) 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.
- (c) Security
- (i) 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.

- (ii) 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.
 - (iii) You are fully responsible for ensuring that the information shown or stored on your mobile device is kept secure.
 - (iv) 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.
- (d) Our responsibility and restriction of liability
- (i) 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.
 - (ii) The QR Code Services are provided on an "as is" basis with no representation, guarantee or agreement of any kind as to their functionality. 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.

- (iii) You understand and agree that:
 - (1) 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.
 - (2) 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.
- (iv) For the avoidance of doubt, nothing above is intended to exclude or restrict any condition, warranty, right or liability which may not be lawfully excluded or restricted.

Part 3: Investment services

We are a licensed bank under the Banking Ordinance (Cap.155, Laws of Hong Kong) and a registered institution under the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong), CE Number AAI250 (Nanyang Commercial Bank, Limited).

Part 3 applies to transactions in any types of investments ("**Investment(s)**"), including but not limited to, securities, shares, stocks, debentures, bonds, notes, collective investment schemes, funds, currencies, related rights, options and interests, and other investments.



In accordance with applicable laws and regulations, we may categorize you as a professional investor for the purposes of the provision of services.

For the purpose of these Conditions, "Professional Investor" is a person who is either:

(1) defined under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**"), which includes any person prescribed by the Securities and Futures (Professional Investor) Rules (Cap. 571D, Laws of Hong Kong); or

(2) defined under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ("**Code of Conduct**") and where applicable, includes any person who has satisfied the assessment requirements under the Code of Conduct (collectively "**Code PI**"). For the avoidance of doubt and for the purpose of these Conditions, Code PI only includes institutional professional investor and corporate professional investor (as defined in the Code of Conduct), and does not include individual professional investor (as defined in the Code of Conduct).

For the purpose of these Conditions, we are not required to assume or discharge any obligation to you whom we consider as a Code PI for ensuring your suitability of any Financial Products, complex products (as referred to in Conditions 1.2B.1 and 1.2C.1 of Part 3 below) or other products or their recommendation or solicitation, by reason of: (i) our compliance with applicable laws and/or regulations, including the Code of Conduct, and (ii) our categorization of you as a Code PI.

Where you have been categorized as a Code PI pursuant to requirements under applicable laws, regulations, regulatory guidelines and/or codes of conduct, you are responsible for notifying us immediately if, at any point in time, you consider that you do not meet the criteria to be categorized as a Professional Investor. If a change of categorization is required, you consent to us taking any required action as we consider necessary in relation to such change,

which may mean that we cannot or can no longer continue to provide you with services hereunder.

Notwithstanding anything to the contrary herein this Part 3 and for the avoidance of doubt, if you are a Code PI, we may be exempt from certain requirements under the Code of Conduct.

You have the right to withdraw from being treated as a Code PI at any time, whether in respect of some or all products or markets.

1. Our services

1.1 You confirm that before giving any instruction with respect to any Investment, you will have read, understood and agreed to be bound by any offering documents, terms, application forms, procedures and other documents relating to the Investment. You will ensure that you are qualified to acquire the Investment and that your instructions conform to the requirements of the Investment. We are not responsible to check if this is the case, and may execute any instruction from you without changes, or make any changes to conform to the requirements of the Investment, without reference to you.

1.2 Investment Transactions

- 1.2.1 (a) In relation to any transaction involving any Investment(s):
- (i) we may solicit the sale of or recommend Investment(s) to you in accordance with Condition 1.2A.1 of Part 3; and/or
 - (ii) you may enter into a transaction with us to buy and/or sell Investment(s) without or inconsistent with any solicitation or recommendation from us in accordance with Condition 1.2B.1 of Part 3.
- (b) We do not provide advisory services and therefore do not assume any advisory duty of care or obligation and/or responsibility in the solicitation of the sale or recommendation

of any Investment(s) other than to ensure reasonable suitability as set out in Condition 1.2A.1 of Part 3.

(c) Making available to you any information, advertisements, marketing or promotional materials, market information or other information relating to Investment(s) or services shall not, by itself, constitute solicitation of the sale or recommendation of any Investment(s) or service.

(d) Unless otherwise specified in these Conditions or in other terms and conditions in relation to any Investment(s):

(i) we do not advise on personalized asset allocation, investment portfolio and investment strategy; and

(ii) we do not have any obligation to make available any service or provide advice in relation to the purchase or sale of Investment(s) which we do not distribute or offer to our customers.

1.2.2 Subject to Condition 12 under Part 1, and save that it is proved that there was negligence or wilful misconduct by us, our officers or employees, we are not liable for any loss (including indirect or consequential loss), cost or damages of any kind incurred or suffered by you or any other person with respect to or arising out of any of your transaction(s) with us to buy and/or sell Investment(s).

1.2A Transactions entered into with us, with solicitation of the sale or recommendation of products

1.2A.1 By entering into a transaction with us to buy or sell Investment(s), you confirm that any information you provide to us (including but not limited to information provided when you opened your account, in the Questionnaire(s) for Investment Preference and in the Transaction Assessment

Questionnaire(s)) is valid, true, complete, accurate and up-to-date. When and if we assess suitability, we will rely on your confirmation.

- 1.2A.2 If we solicit the sale of or recommend any Financial Product(s) to you, the Financial Product(s) (as defined below) 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 1.2A.2 of Part 3.
- 1.2A.3 For the purpose of this Condition 1.2 of Part 3, financial product means any securities, futures contracts or leveraged foreign exchange contracts ("**leveraged foreign exchange contracts**") as defined under the SFO ("**Financial Product**").
- 1.2.A.4 Without derogating from Condition 1.2A.1 of Part 3, before you enter into a transaction with us to buy and/or sell Investment(s), you should:-
- (i) consider your own circumstances and understand the Investment's features, terms and risks, and you should contact us if you have any questions on the Investment(s);
 - (ii) note that we have no ongoing responsibility to ensure that the Investment(s) we have solicited the sale of or recommended to you remain(s) suitable for you;
 - (iii) note that if circumstances relating to you or the product, such as the Investment(s), issuer(s) of such Investment(s) or general markets change, such Investment(s) may no longer be suitable for you;

- (iv) note that in order to make an informed investment decision, you would need to:
 - (1) understand the nature, terms and risks of the product; and
 - (2) consider your own circumstances, including but not limited to your financial situation, investment experience and investment objectives; and
- (v) note that we do not provide legal, tax or accounting advice on your Investment(s), and you should therefore consider obtaining independent professional advice (including legal, tax and accounting advice) about your Investment(s) where necessary.

1.2A.5 Condition 1.2A.1 of Part 3 takes effect on 29 May 2017 (“**Commencement Date**”), and applies to:-

- (a) any solicitation and/or recommendation of any Investment(s) we make to you on or after the Commencement Date, provided that you enter into a transaction with us to buy and/or sell such Investment(s) following our solicitation and/or recommendation; and
- (b) any transaction you enter with us to buy and/or sell any Investment(s) without or inconsistent with any solicitation or recommendation from us on or after the Commencement Date.

1.2A.6 If any provision under Part 3 of these Conditions or in any other document signed or statement made by you are signed or made at our request and provides that you purport to acknowledge no reliance is placed on any recommendation made or advice given by us, such provision shall have no effect. This Condition 1.2A.6 of Part 3 takes effect on and applies only to provisions in any document signed or statement made by you at our request on or after the

Commencement Date, but shall not apply to any customer(s) who are Code PIs.

1.2B Transactions entered into with us, without or inconsistent with any solicitation, recommendation, or advice from us

1.2B.1 Notwithstanding anything to the contrary in this Condition 1.2, for any transactions (including, for example, “execution only” transactions and/or those involving Financial Products but excluding transactions in “complex products” as defined in the Code of Conduct) that you enter into with us without or inconsistent with any solicitation or recommendation from us, before entering into such transactions, you accept and agree to the following, and we will rely on your acceptance of the following:

(a) they are entered into by you solely at your own request and based on your own judgment;

(b) you are fully aware of and understand the nature, terms and risks of such transactions;

(c) you have considered your own circumstances, including but not limited to your financial situation, investment experience and investment objectives;

(d) where necessary, you will seek independent professional advice about such transactions;

(e) we do not provide advisory services and therefore do not assume any advisory duty of care or obligation in relation to such transactions;

(f) subject to Condition 12 of Part 1 of these Conditions, we are not liable for any loss (including indirect or consequential loss), cost or damage of any kind incurred or suffered by you or any other person with respect to any such transactions.

1.2C Transactions in complex products entered into with us, without or inconsistent with any solicitation, recommendation, or advice from us.

1.2C.1 For any transactions in “complex products” (as defined in the Code of Conduct) that you enter into with us without or inconsistent with any solicitation or recommendation from us, before entering into such transactions, you accept and agree to the following, and we will rely on your acceptance of the following:

(a) the matters set out in Conditions 1.2B.1(b) to 1.2B.1(d) and 1.2B.1(f) of Part 3 above;

(b) they are entered into by you at your own request and based on your judgment;

(c) any information you provide to us, including for the purpose of assessing suitability in accordance with the Code of Conduct or any other regulatory requirement, is valid, true, complete, accurate and up-to-date;

(d) if circumstances relating to you or the complex product change, the complex product may no longer remain suitable for you, and we have no responsibility to ensure that any complex product that you have transacted in remains suitable for you; and

(e) we owe and assume no obligation whatsoever to customers who are a Code PI to ensure that any transactions in complex products are suitable, to provide sufficient information about a complex product or to provide warning statements to you.

1.3 Unless otherwise agreed in writing or we are already holding sufficient cash or Investment(s) on your behalf, you will pay us cleared funds or deliver to us Investment(s) in deliverable form, by the time we notify you, in order to settle each transaction. If you fail to do so, we may terminate the transaction, or sell the purchased Investments, or borrow or purchase Investment(s)

to settle the transaction. You will indemnify us against all liabilities, losses and reasonable expenses.

- 1.4 We may execute your instructions in our or our nominees name and as part of a larger order. We will allocate acquired Investment(s) among you and other customers in a fair manner.
- 1.5 In accordance with your instructions, we may:
 - (a) debit the relevant sum from your accounts and apply to the manager of the Investment(s) or other person to subscribe or apply for units or interests in the Investment(s);
 - (b) apply to the manager of the Investment(s) or other relevant person to redeem, transfer or (where applicable) convert units or interests held by us for you.
- 1.6 We do not act for the manager of any Investment(s) or other relevant person. They may reject your application, although we have received it. We have no further obligations following transmission of your application to the manager or other relevant person, apart from receiving your acquired Investment(s).
- 1.7 We will credit your account with Investment(s), sale or redemption proceeds, refunds, and income only after actual receipt by us and after deducting relevant reasonable expenses. We may credit any one or more of your accounts. We may hold the Investment(s) and money to cover possible third-party claims. Unless otherwise agreed with you in writing, we need not take any action to collect any Investment(s) or money, or inform you if any payment may become due or is overdue or if any action may be required in respect of your Investment(s). Delivery of Investment(s) to you will be at your risks.
- 1.8 You will as required designate one or more of your accounts as settlement account(s). Your authorised signatories for your investment account or settlement account may operate both accounts and also any linked Investment(s), if we agree.

- 1.9 We may sell your Investment(s) or any part of it to raise any amounts for the purposes of our services.
- 1.10 An individual may open an investment account by sending us a signed copy of the account opening form, his identity document and a cheque for not less than the required amount drawn by him on a licensed bank in Hong Kong with the same signature as that on the account opening form. However, the account cannot be operated until the cheque is cleared.
- 1.11 If you are not the ultimate beneficiary or the person ultimately responsible for originating an instruction in relation to securities listed or traded on The Stock Exchange of Hong Kong Limited ("HKEx"), or derivatives, including over-the-counter derivatives, written over such securities:
- (a) you agree to provide full details (including the identity, address and contact details) of the ultimate beneficiary and of the person ultimately responsible for originating the instructions directly to the HKEx and the Securities and Futures Commission ("SFC") within 2 business days of a request by us or any of them;
 - (b) your agreement in paragraph (a) above will survive termination of our services; and
 - (c) if a beneficiary or person originating an instruction is located outside Hong Kong, you confirm that these provisions are binding under the relevant law of jurisdictions outside Hong Kong.
- 1.12 You confirm that all your sell orders in respect of securities at or through the HKEx will be "long" sales, unless you notify us at the time of placing a sell order that 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 provide us with the requisite assurance that the sale is "covered".

- 1.13 If any transaction relates to derivative products, including options, we will provide to you as applicable (a) product specifications and any prospectus or other offering document covering such products and (b) a full explanation of margin procedures and the circumstances under which positions may be closed without your consent.
- 1.14 You will promptly sign an order form when required by us to confirm any oral order.
- 1.15 Our employees and representatives will not accept appointment as your agent to operate your account, unless a written discretionary agreement has been made with us. Our employees and representatives are not allowed to trade contracts on their own account.
- 1.16 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.
- 1.17 We may take the opposite position to your order.

2. Custody

- 2.1 You authorise us to appoint a nominee to hold all Investment(s) acquired by us on your behalf. We will arrange for your Investment(s) to be registered or held in safe custody in accordance with applicable laws and regulations including registration of registered Investment(s) in the name of the nominee. We will record your Investment(s) held by us in your investment account maintained by us.
- 2.2 We may reject any Investment(s) for safe custody and may at any time require any Investment(s) to be withdrawn from our custody.
- 2.3 Your Investment(s) will be treated as fungible and held as part of a larger holding of identical Investment(s) held for our customers. You will be entitled to the same share of the

payments arising on the holding as your share of the total holding. Any loss will be apportioned among all owners.

- 2.4 We may deposit any eligible Investment(s) into a clearing system where transfers are made electronically or by book entries. Your Investment(s) may be held overseas by a third party.
- 2.5 We are not required to attend meetings of holders of any Investment(s) or exercise any rights unless otherwise agreed with you in writing.
- 2.6 Instructions to withdraw or transfer Investment(s) are subject to such notice, quantity restrictions, payment and procedures as we require. Before you can make a withdrawal, we may need to take delivery from the seller or custodian or complete a transfer to you according to applicable rules. You will collect any certificates or documents from the place we specify.
- 2.7 Investment(s) may not be withdrawn in a physical form, if they were issued in the form of a global certificate or in book-entry form.
- 2.8 If minimum holding requirements apply, a holding of less than the minimum may be required to be redeemed.

3. Our role

- 3.1 We act as your agent in relation to our services, not as trustee or fiduciary. Our role is not affected by any dealing with commissions, fees or charges with you on the one hand and with any broker or other person on the other. Our responsibilities are limited to those expressly set out in these Conditions and our terms and conditions, applicable from time to time to such transaction, service or account, including but not limited to disclaimers, risk disclosure statements, risk warnings and important information. We may act as principal in a transaction and, if we do so, we will notify you. These

Conditions apply, to the extent possible, to transactions on your behalf as well as with us.

- 3.2 You agree that we may accept from brokers and other persons involved in your transactions any cash, goods, services, rebates or soft commission.
- 3.3 We are not obliged to purchase any Investment(s) from you, whether or not we have sold it to you or bought it for you.
- 3.4 We need not enquire whether the manager of any investment or other relevant person is performing its duties.

4. Information

- 4.1 We will inform you of any material change to our name, principal address, registration status, CE number, the nature of our services, or our fees or charges.
- 4.2 The information relating to your Investment(s) which we provide to you is based on information received from the person involved in the issue or management of the Investment(s), an information vendor or a public source. We believe the information to be correct, but have not verified it. The information provider may not accept any responsibility for the accuracy of the information. We are not responsible for any loss or damages arising from or in connection with any inaccuracy, inadequacy or omission in any third-party documents and information.
- 4.3 You agree that we may, by such means or media as we deem fit, provide the essential features of a securities transaction to you as soon as reasonably possible after we have effected the transaction for you. You agree that you shall promptly check the essential features of the securities transaction by yourself through such means or media provided by us from time to time. You specifically agree that we are not obliged to confirm with you the essential features of the securities transaction otherwise than in accordance with the foregoing.

- 4.4 Reports, accounts, notices and any other documents received in respect of your Investment(s) will be held by us for such period as we decide, and will be available for your inspection during such period at our designated office. Thereafter we will destroy such documents. Unless otherwise agreed in writing, you do not require us to forward such documents to you or notify you of their receipt or contents. We will respond promptly to your request for information on corporate actions in relation to your securities held by us.
- 4.5 Prices of securities listed on the HKEx are provided by the HKEx. While they endeavour to ensure the accuracy of the information, no guarantee is given and no liability is accepted for any error.
- 4.6 You will not disseminate any price, rate or other quotation provided by us or use them for any purposes other than for your own reference.
- 4.7 If you wish to receive corporate communications in connection with the securities you purchased which are registered in our or our nominee's name, you authorise us to disclose your name and correspondence address to the Hong Kong Securities Clearing Company Limited and/or the registrars of the listed issuers, so that they may send any corporate communication directly to you.
- 4.8 If we make available any advertisements, marketing or promotional materials, market information or product information to you, this shall not, by itself, constitute solicitation of the sale or recommendation of any product.

5. Material interest

When effecting transactions for you, our affiliates or we may have a material interest in relation to the transaction. For example, our affiliates or we may:

(a) have a position in relation to the Investment(s) or are involved as issuer, manager, custodian, trustee or otherwise; or

(b) 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 act 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 investment 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.

6. Transacting as principal

- 6.1 We may as principal enter into transactions (in Condition 6, each a “**transaction**”) with you, each of which is evidenced by a confirmation (“**Confirmation**”) issued by us and expressed to be subject to these Conditions. Terms used bear the meaning ascribed in the Confirmation.
- 6.2 In the event of inconsistency, the terms of one document will prevail over the other(s) in the following order for the purpose of the relevant transaction: (1) the Confirmation, (2) our applicable product-specific rules and (3) these Conditions.
- 6.3 A contract between you and us for the sale or purchase of an investment is made as soon as its terms have been confirmed orally by our authorised officer or in writing signed by our authorised officer. The terms of an oral contract will be as set out in our written Confirmation.
- 6.4 All transactions constitute a single agreement between the parties (“**Agreement**”) and will be entered into in reliance on

such fact. The parties would not otherwise enter into any transaction.

- 6.5 The parties will make payments and deliveries in accordance with each Confirmation, subject to the condition precedent that no Event of Default (see 6.10 below) 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.
- 6.6 On agreeing a transaction with you, we may put a "hold" in your accounts on funds and Investment(s) in the amounts estimated by us to be required to settle the transaction. Our rights are not affected if we do not do so.
- 6.7 On receipt of your standing offer to conduct one or more transactions, we may put a "hold" in your accounts on funds and Investment(s) in the amounts estimated by us to be required to settle the transactions. Your standing offers are irrevocable, unless we agree.
- 6.8 You will fully perform your obligations before requiring us to perform.
- 6.9 Any payment, delivery or determination, which would otherwise fall to be made on a non-business day, will instead be made on the next business day, unless otherwise agreed.
- 6.10 Events of Default

The occurrence at any time of any of the following events with respect to you or any of your Affiliates 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.

(b) Breach

Failure to comply with any other obligation in accordance with the Agreement.

(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, investment, 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, investment, 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, investment, 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 another entity.

(h) Death

If you are an individual and you die or become mentally incapacitated.

(i) 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.

(j) Adequate assurances

You fail to provide adequate assurances of your ability to perform your outstanding obligations under the Agreement or any other agreement between the parties on or before the second business day after our written request when we have reasonable grounds for insecurity.

6.11 Early termination

- (a) If at any time an Event of Default has occurred and is continuing, we may, by not more than 7 days' notice to you specifying the Event of Default, designate a day as an early termination date ("Early Termination Date") in respect of the affected or all outstanding transactions (which will terminate on the designated date).
- (b) 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 for us 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 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:

- (i) any cost of funding;
- (ii) any 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 HKD or another currency 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 is 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.

(c) 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 paragraph b. above. Such amount will be payable on the day specified in 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 interest.

(d) The parties agree that an amount recoverable under paragraph b. above 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.

7. Risk disclosure

You acknowledge and understand that :

General

The following risk disclosure statements cannot disclose all the risks involved. Every investment transaction you make will also be subject to further risk disclosure statements and disclaimers stated therein. You should undertake your own research and study before you trade or invest. You should carefully consider whether trading or investment is suitable in light of your own financial situation, investment experience and investment objectives. You are advised to seek independent financial and professional advice before you trade or invest. You should seek independent professional advice if you are uncertain of or have not understood any aspect of the following risk disclosure statements or the nature and risks involved in trading or investment.

Risk of investment

Investment involves risk, and the offering document should be read for further details.

(Where past performance is quoted) the past performance figures shown are not indicative of future performance but simply provided for reference.

Risk of securities trading

Transactions conducted through the securities account may involve high-risk investment instruments, you should prudently consider before making any investment decision.

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

Risks of trading of listed RMB products

Investment / Market Risk

Like any investments, RMB equity products are subject to investment risk. The price of the RMB equity products in the secondary market may move up or down. Losses may incur as a result of investing in the products even if the RMB appreciates against HKD or other currencies.

Liquidity Risk

RMB equity products are a new type of investment product in the Hong Kong market. Regular trading or an active secondary market in these products may not be available. Therefore you may not be able to sell your investments in the RMB equity products on a timely basis, or you may have to offer them for sale at a deep discount to their value in order to find a buyer. If the Central Government of the PRC tightens currency controls, the liquidity of RMB or RMB equity products in Hong Kong will be affected and you may be exposed to greater liquidity risk.

Currency Risk

If you are a non-Mainland investor who holds a local currency other than RMB, you will be exposed to currency risk if you invest in RMB equity products. You will incur currency conversion costs, being the spread between buying and selling of RMB, at the time of conversion between your local currency and RMB for the purchase or sale of an RMB equity product. Even if the price of the RMB equity products you are holding remains unchanged, you may not receive the same amount of HKD when you sell the products due to the spread between buying and selling of RMB. RMB is a restricted currency and is subject to foreign exchange controls. Although the Central Government of the PRC has relaxed the restrictions by allowing banks in Hong Kong to conduct RMB business in a specified scope, RMB is still not freely convertible in Hong Kong. You may not be able to convert RMB at your preferred time and/or in your preferred amount or conversion cannot be made, which may lead to investment losses. The policies of the Central Government of the PRC on foreign exchange control are subject to change, and your investment may be adversely affected.

Exchange Rate Risk

RMB equity products that are traded and settled in RMB are exposed to exchange rate risk. The fluctuation in the exchange rate of RMB may result in losses in the event that the customer converts RMB into HKD or other foreign currencies. Moreover there is no guarantee that RMB will not depreciate. Any devaluation of RMB could adversely affect the value of your investment in the RMB equity products. RMB equity products are not an investment instrument for speculating on RMB/HKD exchange rate movements.

Default Risk & Credit Risk

In general, RMB equity products are exposed to the usual kind of default risks that might be associated with equity products denominated in other currencies. The performance of RMB equity products is affected by the underlying business performance and a variety of other factors in connection with the issuers, and is

subject to the credit risks associated with the special profile or special business strategy that the issuers may have.

Emerging Market Risk

RMB equity products associating with the market of the Mainland of China are particularly subject to risks that may arise from the relevant market/industry/sector and other factors such as change in government policies, taxation and political development in the Mainland.

RMB Conversion Limitation Risk (Only applicable to Individual customers)

RMB is currently not fully freely convertible. Individual customers can be offered CNH rate to conduct conversion of RMB through bank accounts and may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

RMB Conversion Limitation Risk (Only applicable to Corporate customers)

RMB is currently not fully freely convertible. Corporate customers that intend to conduct conversion of RMB through banks may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

Risk of trading GEM Stocks

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 HKEx. Companies listed on GEM 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 trading Nasdaq-Amex securities at the HKEx

The securities under the Nasdaq-Amex Pilot Program (PP) are aimed at sophisticated investors. You should consult the licensed or registered person 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 GEM of The HKEx.

Risk of Precious Metal/FX Margin Trading

The risk of loss in leveraged foreign exchange trading and precious metals trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid losses or limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to make additional margin or interest payments. If the required margin 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 margin 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 light of your own

financial situation, investment experience and investment objectives.

If your margin contract or margin fund involves Renminbi, you are subject to the RMB Conversion Limitation Risk.

RMB Conversion Limitation Risk (Only applicable to Individual customers)

RMB is currently not fully freely convertible. Individual customers can be offered CNH rate to conduct conversion of RMB through bank accounts and may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

RMB Conversion Limitation Risk (Only applicable to Corporate customers)

RMB is currently not fully freely convertible. Corporate customers that intend to conduct conversion of RMB through banks may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

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. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid losses or limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. 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. If you give us standing instructions to exercise and settle a currency option by way of physical delivery of the currencies concerned regardless of the exchange rate, the currency option will be exercised and settled notwithstanding the exchange rates of the currencies concerned do not favour the exercise of the currency option and you will thereby suffer loss. You may not be able to change such standing instructions within the prescribed period. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your financial situation, investment experience and investment objectives. If you trade options, you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

Risk of funds and unit trusts

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

Past performance figures are not indicative of future performance but simply provided for reference. You should carefully read the offering documents for details before making any investment decision.

Investment in funds or unit trusts is different to placing moneys on deposit with a bank. The funds or unit trusts are not deposit 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 generally carry some 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 will be subject to market fluctuations or a redemption fee. Capital guaranteed/capital preserved funds or unit trusts are not guaranteed by the guarantor specified in the offering documents.

Risk of margin trading

The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with us. Market conditions may make it impossible to execute contingent orders, such as “stop-loss” or “stop-limit” orders. You may be called upon at short notice to make additional margin or interest payments. If the required margin or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial situation, investment experience and investment objectives.

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 period 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 facilitate margin lending to you or 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 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, Laws of Hong Kong) and the rules made thereunder. Consequently, such assets may not enjoy the same protection as that conferred on customer assets received or held in Hong Kong.

Risk of custody

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

Risk of providing an authority to hold mail or to direct mail to third parties

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.

Appendix 1

(This Instruction Indemnity shall apply to all Individual Customers and shall be deemed to have been executed by each of the Individual Customers)

To: NANYANG COMMERCIAL BANK, LIMITED (the "Bank")

1. REQUEST AND AUTHORISATION

I/We, the customer of the relevant product(s) and/or service(s) provided by the Bank (the "Customer"), hereby request and authorise you to accept and act on instructions from time to time given by facsimile, telephone, electronic mail or other electronic means (as applicable) (including any attachments thereto) (each, an "Instruction" and, for the avoidance of doubt, any instruction contained in any attachment to each such instruction given by electronic mail shall also constitute an integral part of the Instruction) regarding any of my/our business, dealing(s) and/or transaction(s) with you including, but not limited to, the operation of any account(s) which is/are currently, or may hereafter from time to time be, maintained by me/us with you,

the entering into any agreement, indemnity, counter-indemnity, guarantee, charge, trust or whatsoever arrangement with you whether or not in connection with all or any trade finance, bills transactions commercial or documentary credit transactions and/or foreign exchange or currency transactions with you, the utilisation of any banking facility(ies) and/or service(s) which is/are currently, or may hereafter from time to time, be granted or provided by you in our favour and the entering into any transaction in relation to any purchase, sale or dealing whatsoever of or in shares, stocks, bonds or any other form of securities.

2. FORGED OR UNAUTHORISED INSTRUCTIONS

I/We acknowledge that you are not obliged to verify the authenticity of any Instruction (including any signature on the Instruction) or the identity or authority of any person giving or purporting to give any Instruction and I am/we are fully aware of the risks of, inter alia, irregular, forged or unauthorised instructions given by facsimile and electronic mail transmissions. Upon receipt of the Instructions, you may at any time in your sole and absolute discretion refuse to act on any of such Instructions without giving any reason or notice (advance or otherwise) to us and without being liable for any loss, liability, claim, expense or damage which I/we may suffer as a result of your decision not to act or delay in acting upon any Instruction. If you act on any Instruction, you are not obliged to verify the authenticity of any Instruction (including whether any signature on the Instruction is a genuine signature of me/us or my/our authorised signatory(ies)) or the identity or authority of any person giving or purporting to give any Instruction. You are entitled to act on any Instruction if in good faith you believe that the Instruction is genuine or it appears to comply with the applicable terms of the account and/or any authorisation document executed by me/us. I/We agree that you will not be liable for any loss, liability, claim, expense or damage which I/we may suffer if you act on any Instruction as aforesaid.

3. ORIGINAL INSTRUCTION

I/We shall immediately deliver to you the original document containing the Instructions or the written confirmation of the Instructions as soon as such Instructions have been given to you. If you do not actually receive the original document or the written confirmation (as the case may be) or if there is any discrepancy between any Instruction received and acted on by you and the original document or the written confirmation, the Instruction acted on by you shall be deemed to be the prevailing instruction given by me/us.

4. BINDING EFFECT OF FACSIMILE AND ELECTRONIC MAIL INSTRUCTIONS

Any matter, transaction or service effected by you pursuant to any Instruction that you act on shall be binding upon me/us conclusively, whether such Instruction was made with or without my/our authority, knowledge or consent and whether you may or may not subsequently receive the original document containing such Instruction or the written confirmation of such Instruction from me/us.

5. INDEMNITY

In consideration of your agreeing to act in accordance with the terms and conditions of this authorisation and indemnity, I/we shall unconditionally indemnify and keep you and your delegate(s) indemnified (on a full indemnity basis) from and against all actions, suits, proceedings, claims, demands, losses, damages, costs, fees, commissions, charges, expenses and liabilities of whatsoever nature, whether actual or contingent and whether in contract, tort or otherwise, which you or your delegate(s) may suffer, incur or sustain by reason, arising out of or in connection with this authorisation and indemnity or anything done or omitted to be done pursuant to or in reliance upon any Instruction (except caused by your wilful misconduct or fraud), including all legal and other costs, charges and expenses which you may incur in connection with the enforcement, or attempted enforcement of your right under this authorisation and indemnity.

6. TERMS AND CONDITIONS FOR ANY SPECIFIC TRANSACTION

For the avoidance of doubt, I/we hereby acknowledge that any terms and conditions that are imposed by you to govern the relevant type of transactions to be effected by instructions given to you by facsimile and electronic mail transmissions as aforesaid shall remain applicable, and I/we shall continue to observe and be bound by the same.

7. SEVERANCE

Each of the clauses and provisions of this authorisation and indemnity is severable and distinct from the others. If at any time one or more of such clauses or provisions is or becomes invalid or unenforceable, the validity, legality and enforceability of the remaining clause or provision hereof shall not in any way be affected or impaired thereby.

8. MULTIPLE CUSTOMER

Where we consist of more than one person, our obligations and liabilities hereunder shall be joint and several.

9. VALIDITY

I/We agree that this authorisation and indemnity shall remain in full force and effect until the expiration of a notice of termination duly given by me/us to you in the following manner:-

(i) such notice of termination shall be in writing duly signed by me (in the case of the Customer being an individual or sole-proprietor) or all of us (in the case of the Customer being joint account holders or joint borrowers or a firm) or us and supported by a copy of the relevant board resolution, duly certified by the chairman of the relevant meeting (in the case of the Customer being a limited company);

(ii) such notice of termination shall provide for an effective date of termination falling not less than 14 Business Days (as hereinafter defined) from the date of receipt thereof by you.

For the avoidance of doubt, termination pursuant to the foregoing provisions shall not release me/us or any of us from any liability under the terms and conditions of this authorisation and indemnity in



respect of any act performed by you pursuant to this authorisation and indemnity before the effective date of termination stipulated in the relevant notice of termination. Further, for the purpose of this authorisation and indemnity, a "Business Day" means a day on which commercial banks in Hong Kong are open for business but excluding Saturdays, Sundays and public holidays.

This authorisation and indemnity shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region ("Hong Kong"). I/We hereby submit to the non-exclusive jurisdiction of the Hong Kong courts.

Where this Indemnity is entered into by or on behalf of two or more of us the agreements, undertakings, obligations and liabilities on our part herein contained shall take effect as joint and several agreements, undertakings, obligations and liabilities.

This Indemnity shall be binding on and ensure to the benefit of each party and his/her/their /its respective successors and assigns.

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