

# Architects of Wealth

## TERMS AND CONDITIONS GENERAL AND OTHER TERMS AND CONDITIONS

Each natural person or legal entity that is an account holder with the Bank (defined below) or (in each of their capacity as account holder, trustee or fund manager) that otherwise uses its services (hereinafter, the “**Client**”) is subject to the application of different parts of this General and Other Terms and Conditions depending on the products and services that particular Client has applied for and/or the Bank makes available to that Client. This General and Other Terms and Conditions is divided into the following parts:

- A. General Terms and Conditions;
- B. Consent to Treatment as a Professional Investor;
- C. Risk Disclosure Statement for Transactions;
- D. General Conditions for the Granting of Credit;
- E. Specific Conditions for Foreign Exchange, Precious Metals, and Derivatives Transactions (Over the Counter);
- F. Specific Conditions for Forward Contracts and Quoted Options on Exchanges;
- G. General Conditions for the issue of Guarantees;
- H. Terms and Conditions for Renminbi Services; and
- I. Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Terms and Conditions (“Stock Connect Terms”).

Parts A (General Terms and Conditions) and C (General Risk Disclosure Statement for Transactions) apply to the business relationship between the Bank and the Client and apply at all times regardless of the accounts, products and/or services a Client has with the Bank.

B (Consent to Treatment as a Professional Investor) applies to the Client’s business relationship with the Bank at all times if the Client has opted be a Professional Investor, unless and until the Bank actually receives notice of the Client to withdraw the Client’s consent to being treated as Professional Investor.

Parts D (General Conditions for the Granting of Credit), E (Specific Conditions for Foreign Exchange, Precious Metals, and Derivatives Transactions (Over the counter)), F (Specific Conditions for Forward Contracts and Quoted Options on Exchanges), G (General Conditions for the Issue of Guarantees) , H (Terms and Conditions for Renminbi Services) and I (Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Terms and Conditions) apply to the Client once the Client signs the Client Acknowledgment to the General and Other Terms and Conditions. For the Client who has not signed the Client Acknowledgment to the General and Other Terms and Conditions, if that Client applies to the Bank (whether in writing or verbally) for and/or uses any financial instrument, product and/or service referred to in and/or available to the Client under any Part amongst Parts D to I in this General and Other Terms and Conditions, the Client accepts and agrees to be subject to and bound by all the provisions in that Part at all times.

For any financial instruments, products or services not covered by the terms and conditions referred to in this General and Other Terms and Conditions, the Client will have to acknowledge such additional terms and conditions governing such financial instruments, products or services and, where relevant, also acknowledge in the relevant application form, facility letter, master agreement or such other document that that Client has read and agreed to the relevant part of this General and Other Terms and Conditions. Any such terms and conditions shall take effect when the Client applies for, is offered or made available to, trades in the relevant product, service and/ or facility, and should be read together with all terms and conditions referred to in this General and Other Terms and Conditions and any other document signed by the Client for the Bank, where relevant.

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## DEFINITIONS AND INTERPRETATION

In these General Terms and Conditions, defined terms shall have the following meaning unless the context requires otherwise:

“**Account**” means any account held by the Client from time to time with the Bank.

“**Bank**” means CA INDOSUEZ (SWITZERLAND) SA, Hong Kong branch, including its assignees or successors. The Bank was incorporated in Switzerland with members' limited liability. Its registered office and place of business is situated at Suite 2918, Two Pacific Place, 88 Queensway, Hong Kong (telephone number: + 852.3763.6888, facsimile number: + 852.3763.6868) (or such other address or numbers as the Bank may from time to time notify in writing). It is an institution regulated by the Hong Kong Monetary Authority under the Banking Ordinance and is registered to carry out activities regulated by the Securities and Futures Commission in Hong Kong (CE number: AGM683).

“**Banking Ordinance**” refers to the Banking Ordinance, Cap.155 of the Laws of Hong Kong, as may from time to time amended or supplemented.

“**Beneficial Owner**” means, depending the context, the Client, the person(s) identified on the Bank's relevant form as the beneficial owner(s) of the assets held under the Client's Account with the Bank, the beneficiaries and/or controlling person(s) of those assets held under the aforementioned Client's Account.

“**Business Day**” means a day (other than Saturday and Sunday) on which the Bank is open for business in Hong Kong.

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

“**PDPO**” refers to the Personal Data (Privacy) Ordinance Cap.486 of the Laws of Hong Kong, as may from time to time amended or supplemented.

“**SFC Licensed Corporation**” means a corporation which is granted a license under section 116 or 117 of the Securities and Futures Ordinance.

“**SFC Registered Institution**” means an authorised institution (as defined in section 2 (1) of the Banking Ordinance) which is registered under section 119 of the SFO.

“**SFO**” refers to the Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong, as may from time to time amended or supplemented.

Words importing the masculine gender shall include the feminine and neuter genders respectively. Words importing the singular shall include the plural and vice versa. Words importing persons or parties shall include such persons or parties' assigns, transferees or successors, as well as individuals, firms, partnerships, joint ventures, companies, associations or bodies of persons, whether corporate or un-incorporate, states or agencies thereof, and vice versa.

## 1. NEW BUSINESS RELATIONSHIPS AND TRANSACTIONS

The General Terms and Conditions (hereinafter, the “**General Terms and Conditions**”) govern the business relationship between the Bank and each natural person or legal entity that is a Client or that is authorised to act as agent or representative of the Client. The General Terms and Conditions and all other agreements between the Client and the Bank also apply to all heirs and other legal successors, assignees and beneficiaries of the Client. To the extent necessary, the Client undertakes to transmit the General Terms and Conditions, terms and conditions as set out in Parts B to I of this General and Other Terms and Conditions and all other agreements between the Client and the Bank to the Beneficial Owner(s) of the deposited assets.

Any new business relationship such as the opening of an account or custody account and any other kind of transaction, including the acceptance of incoming assets, is subject to prior consent of the Bank, at its sole discretion. If the Bank refuses to accept a new business relationship, it is not required to state its reasons. In this connection,

the Bank is subject to applicable laws, regulations and its internal policy on anti-money laundering and is obliged to carry out “Know Your Customer” procedures in accordance with its policies and regulatory requirements with respect to verification of each Client's identity and, accordingly, the Client shall provide any information requested by the Bank for the purposes of complying with any such laws, regulations and policies. Unless otherwise expressly stipulated, the delivery of any documents by the Bank does not constitute an offer. The Bank may in any case suspend its consent until all the necessary documents and forms have been duly completed, signed and delivered, and until it has received all the information it deems necessary in an acceptable form, at its sole discretion.

## 2. ACCOUNT KEEPING

### 2.1. ENTRIES

#### 2.1.1 Principles

The Bank shall account for transactions conducted and claims and debts relating to assets liable to be recorded in account entries, such as currencies and metals, insofar as such assets are not physically deposited by the Client. Its bookkeeping entries in principle give rise to advices and breakdowns and are summarised in the form of periodic statements. The accounts are drawn up as the Bank sees fit at the end of each month, quarter, half-year or year. The accounting of assets to credit the Client's account is always made subject to collection when the Bank is not required to credit them before having received the corresponding cover.

#### 2.1.2 Refusal to credit an amount or an asset

The Bank nevertheless reserves the right to refuse to credit an amount or an asset to the Client's account, in particular because of the identity, nationality or domicile of the ordering party or of the counterparties involved in the transfer, in particular if there is a risk of violating any International Sanctions or rules to combat money laundering, the financing of terrorism and corruption or if the SWIFT message received is incomplete or imprecise. The Bank is authorised to return the funds and the assets to the bank that is its counterparty in such a situation, subject to a freezing of funds ordered by law or by a competent authority.

#### 2.1.3 Credit subject to final payment

The crediting of assets to the Client's account is always subject to final payment. Accordingly, the Bank is authorised by the Client to debit his account for the amounts or assets that are credited to him in error, or if the Bank has not definitively acquired the corresponding funds or if the funds are debited subsequently, even if the balance of the Client's account was subject to express or implied acknowledgement. The Client undertakes to immediately notify the Bank of the fact that an amount or an asset has been credited to him in error. Lastly, the Client takes note and accepts that he may not object to the Bank's claim for return by asserting the fact that he already disposed of the asset or amount credited to his account.

### 2.2. INTEREST

Unless otherwise agreed between the Bank and the Client, no interest is paid on current or other accounts, whatever their currency, and the Bank is in addition not obligated to invest the liquid assets held in accounts. Notwithstanding the foregoing, the Bank reserves the right to apply a negative interest rate to the liquid assets held in accounts. Such negative rate shall be determined by the Bank on the basis of financial market conditions, which include conditions imposed by central banks. The Bank may amend the applicable rate at any time. Such rate is communicated to the Client upon request.

Debit interest is payable automatically and without notice on any debit balance and may be increased on the basis of a default interest referred to in article 6.4 unless payment is made when due.

### 2.3. SUFFICIENT FUNDS

The Bank shall not be obliged to execute instructions received if the Client does not keep sufficient funds or assets freely available in his Account for that purpose, including through corresponding credit facility(ies), or if the total exceeds the credit limit authorised to execute the Client's instructions. If several orders in excess of the total amount available are given, the Bank may execute them at its discretion, in whole or in part and in any order, regardless of the amount, currency and date appearing on the instructions or the date on which the Bank receives such instruction.

### 2.4. CORRESPONDENTS

The Bank may invest all assets corresponding to claims of the Client in accounts with Hong Kong or foreign third parties of its choice, in its own name and at the Client's exclusive risk. For assets in foreign currencies, the provisions of article 5.1 below are applicable.

## 3. SAFEKEEPING OF ASSETS

### 3.1. GENERAL PROVISIONS

The Bank accounts for, safe-keeps, and administers the assets, deposited with it by the Client with the same care as it does for its own assets of a similar nature. Assets are listed in periodic portfolio valuations. They are valued purely for information's sake on the basis of the particulars and information at the Bank's disposal without liability on its part as to their actual value.

The Client shall pay the Bank all fees in accordance with the Booklet of Fees & Charges provided to the Client or otherwise as the Bank may prescribe from time to time in relation to the custody services provided under these General Terms and Conditions.

### 3.2. OPEN SAFE CUSTODY

#### 3.2.1 Principles

The Bank shall have the right in its absolute discretion to prohibit certain assets, from being deposited with the Bank for open safe custody, including but not limited to any liquid contraband or anything of hazardous explosive or offensive nature or which may become a nuisance to the Bank or any of its other Clients or for any other purposes than for the deposit of valuables or other assets which are negotiable on the market in Hong Kong or as the case may be, at their place of custody, such as securities of all types (stocks, bonds, mortgage certificates, similar rights (bookentry securities), intermediated securities, etc.), precious metals (gold, silver, platinum, in any form, ingots, bars and coins, etc.), money market and capital market investments, negotiable rights not incorporated in securities, insurance policies, documents of proof, and other chattels and moveable assets. The Client shall on demand permit the Bank to inspect the contents of the safe for the purpose of ensuring that this condition is complied with. If the Bank suffers any damage or loss or incurs any liability as a result of the Client's breach of this condition, the Client shall fully indemnify the Bank against such damage loss or liability.

The Bank shall be entitled to deal with the assets as it deems fit for the purpose of providing the safe custody thereof.

The Client acknowledges and agrees that the Bank may have the assets transferred to, kept and administered by local or foreign professional third-party custodians of its choice (hereinafter the "Third-Party Custodian"), according to the laws and customs prevailing at the place of safe-keeping, in its own name, or in the name of such third parties, of their nominees or of the Client (segregated account), but always on behalf of the Client and at his exclusive risk. Provided that the Bank has acted in good faith and used reasonable care in the selection and continued appointment of such Third-Party Custodian, the Client agrees that the Bank shall not be responsible for any act, omission or default or for the insolvency of such Third-Party Custodian.

Unless otherwise instructed or in the case of obstacles, due in particular to the non-fungible nature of the assets deposited or to rules in force at their place of safekeeping prescribing a segregated custody account, the assets may be held by the Bank or the Third-Party Custodian, on a fungible basis, pooled with the Banks' own assets or those belonging to other persons and kept according to their kind in a collective custody account, to which the Client has a right of co-ownership proportional

to the number of assets that have been deposited by the Client, without being able or entitled to demand the return of specific assets. The Client's interest in his assets which have been pooled may not be identifiable by separate certificates, other physical documents or equivalent electronic documents but the Bank will maintain records of the Client's interests in such assets.

The Third-Party Custodians may have a claim, lien or right of retention or sale over the Client's assets in its custody and the Client hereby agrees and consents to such claim, lien or right of retention or sale of the assets.

The Client undertakes not to give any instruction to the Third-Party Custodian and not to carry out any act of disposal (including establishing security interests or appointment of guarantors) with the latter on the assets concerned. In the event of violation of this commitment, the Bank is discharged from any liability in relation with these assets and the Client is required to indemnify the Bank for any prejudicial consequence.

#### 3.2.2 Disclosure of information about the Client

The assets deposited will under all circumstances be subject to the laws and customs of the place of safekeeping, as well as the Third-Party Custodian's general terms and conditions.

In this context:-

- (a) if the Client intends to purchase or sell US certificates or securities (stocks, bonds, investment funds, derivatives and any other assets having a connection with the United States) or transfer cash or assets denominated in US dollars, he is hereby informed that the Bank may be required to supply any information to the US Third-Party Custodian, at its request, with any document and information, including Client Data (as defined in article 7.28.1) concerning the circumstances and background of a particular transaction or concerning the Client or Beneficial Owner(s)/controlling person; and
- (b) in addition to article 3.2.2(a) above, if the Client intends to purchase or sell any certificates or securities (equities, bonds, investment funds, derivatives and any other assets etc. issued, listed, trade or held in Hong Kong or abroad) or transfer cash or assets, he is aware of that the Bank may be required to supply any information to the Third-Party Custodian at its request, with any document and information, including Client Data (as defined in article 7.28.1) concerning the circumstances and background of a particular transaction (including historical data, other transactions conducted in connection with the business relationship concerned etc.) or concerning the Client or Beneficial Owner(s)/controlling person (in particular, the identity, contact information, registered office, residence, address, nationality, tax status, etc.).

In doing so, the Client hereby expressly consents to the Bank making all and any of the disclosures under this article 3.2.2. The Client authorises the Bank to transmit to the Third-Party Custodian the documents and the information requested in connection with the execution of his instructions, including if such information does not originate from the Client but from an authorised signatory. The Client expressly releases the Bank from its confidentiality obligations arising especially from banking secrecy according to article 7.28.1

The Client also understands and accepts that in addition to a duty to disclose confidential information, the Bank may be required in accordance with local regulations to open an account segregated by the Third-Party Custodian or a local broker on behalf of each Client investing in the country in question. In such a case, the Client undertakes, where applicable, to sign and submit to the Bank all required documentation or hereby authorises it to do so on his behalf, keeping in mind that such administrative measures related to opening such an account may delay the execution of orders. The Client alone assumes, without restriction and fully releasing the Bank, all risks and all damages that could result from the transmission of documents or information under this article 3.2.2.



### 3.2.3 Risks associated with asset safekeeping

If according to such laws and customs, the remittance of assets or proceeds from their sale or redemption should prove difficult or impossible, the Bank shall only be obligated to procure a claim for its Client to attempt to obtain the proportional return of the assets entrusted to it at their place of safekeeping, but only to the extent that such claim is transferable.

The Client undertakes not to give any instruction to and not to carry out any act of disposal (including establishing security interests) with any such third parties on the assets concerned. In the event of violation of this commitment, the Bank is discharged from any liability in relation with these assets and the Client is required to indemnify the Bank for any prejudicial consequence.

The Client bears any and all risks and consequences that might directly or indirectly affect these assets as a result of any legal, economic, political, tax, administrative or factual measures, Event of Force Majeure (as such term is defined in article 7.35A), events, acts of uprising or wars in the countries on which such assets depend or in which they are deposited, as well as the risk of default of any correspondent. For the avoidance of doubt, the Bank shall not be responsible for insuring any assets. The Bank shall also not be responsible or liable for any deductions (by way of taxation or otherwise) from any funds received by the Bank as dividend, interest or proceeds of sale of the assets. The Client shall be solely responsible for all filings, tax returns and reports on any transactions in respect of the assets or relating to the assets, as may be required by any relevant authority, whether governmental or otherwise. Upon the Bank's request, the Client shall promptly provide the Bank with any and all documentation necessary for the proper tax treatment in respect of all assets.

Registered securities are recorded in the relevant registrar (such as the shareholders' register) in the Client's name if the Bank has been authorised by the Client to do so or considers it appropriate. The Bank may also register such securities in its own name or in the name of a third party, but on the Client's behalf and at his risk. The Client acknowledges that, in these last two situations, he might not be able to exercise his shareholder rights in relation to such assets, in particular with respect to those of Swiss issuers.

### 3.2.4 Customary administration of the Bank

Unless specially instructed in writing in good time, the Bank only undertakes customary administration of the securities entrusted to it, such as the collection of interest, dividends, proceeds, principal due and payable and other distributions paid, the renewal of coupons, the exchange of intermediate certificates against final certificates/ title documents, the monitoring by the means of information usual in the industry of drawings, lots, terminations, liquidations, redemptions, conversion and subscription rights. It does not, however, have any obligation to undertake this type of act in relation to mortgage titles/ certificates.

The Bank is authorised, on the Client's behalf, to have existing securities converted by the issuer into dematerialised rights/values/ book-entry securities and, for securities with deferred printing of certificates, to demand their printing, issue and delivery of certificates and cancellation of the existing certificates. In case the securities deposited are subject to a drawing procedure, the Bank holds them in a collective custody account and allots the securities drawn by lot proportionally among the Clients concerned.

### 3.2.5 Measures required of the Client

In the absence of such specific instructions, however, the Client is responsible for all acts of disposal and steps necessary to safeguard the rights attached to the securities deposited, such as the exercise, purchase or sale of subscription, conversion or option rights, the payment of amounts due on securities not fully paid up, and the acceptance of public takeover bids, exchange bids or other capital restructurings. However, the Bank may at any time act at its own discretion and at the Client's risk, without being obligated to do so. Unless instructions to the contrary are received at the latest within the time fixed by it or, failing this, two (2) Business Days before the last trading day of subscription rights, the Bank may in particular proceed with the sale of such rights.

The Bank is not obligated to assert or defend the Client's rights arising from the securities deposited in any judicial, arbitration, liquidation, restructuring or bankruptcy proceedings, nor to take part in any other proceedings, whether contentious or not, in particular in collective tort actions (class actions), nor to obtain any information necessary in that respect. Such steps, where required, are to be undertaken by the Client. The Bank shall however, under the following reservations, transmit to the Client information that it receives from its relevant correspondents in that respect.

The Bank is not obligated to remit to the Client the information it receives or that is available to it through the usual sources in the sector, when it has not received such information on time or if processing or using such information would involve research or other investigatory efforts. Furthermore, the Bank is not obligated to transmit the information received by it regarding shareholders' meetings or class actions failing a specific request from the Client.

The Bank does not acquire the right to exercise voting rights at its sole discretion, even if securities are deposited and registered in its name. The Bank exercises voting rights on securities entrusted to it only if it receives specific written instructions and, if such securities are not registered in its name, upon receipt of a written proxy from the Client. In the absence of such instructions or proxy, the Bank has no obligation whatsoever to represent the Client at shareholders' meetings. As an exception to the foregoing, the Client grants to the Bank the special power to represent him at any general meeting of shareholders or of unit holders of collective investment schemes marketed or created by the Bank and, unless by specific instructions to the contrary, instructs the Bank to vote as per the proposals of their board of directors or management or constitution.

The Bank shall not be responsible or liable for the omission of or failure to execute in good time a transaction to be undertaken in connection with securities deposited, unless it is established that the transaction and the time limit for it were sufficiently notified to the Bank and that the omission or failure was caused by the fraud, willful default or negligence on the part of the Bank.

### 3.3. CLOSED SAFE CUSTODY

Only assets, documents and other appropriate precious objects may be accepted for closed safe custody, provided they are not any illegal, flammable, dangerous or fragile objects or objects otherwise unsuitable for safekeeping by a bank. The Client shall be liable for all consequences and damages resulting from a breach of this provision. The Bank reserves the right to verify, in the Client's presence, the nature of the objects entrusted to it or to require the Client to provide proof of the nature of the objects deposited. For reasons of security or if other imperatives so require, the Bank is also entitled to open a closed custody account in the Client's absence and at his expense, insofar as possible in the presence of a public official.

Any closed custody deposit must in principle be accompanied by a declaration of its value and contents, signed by the Client. The packaging must clearly identify the Client and be sealed so that it cannot be opened without damaging the seals. The Client is responsible for insuring the assets deposited. The Bank shall be responsible only for damage caused through its negligence and proven by the Client, in which case the Bank's maximum liability is limited to the amount of the insured value as indicated to the Bank. The Bank does not administer securities in closed custody accounts.

Upon the return of the deposit, the Client must immediately point out to the Bank any alterations to the seals, packaging or contents of the deposit. An unconditional confirmation of receipt by the Client releases the Bank from any liability.

### 3.4. DEPOSIT PROTECTION SCHEME

The Client acknowledges that the Bank is a member of the Deposit Protection Scheme in Hong Kong. Eligible deposits taken by the Bank are protected by the Scheme up to the statutory limit.

## 4. FUND MANAGEMENT SERVICES

### 4.1 INVESTMENT ADVICE ON AN AD HOC BASIS

The Client hereby grants to the Bank a non-discretionary fund management mandate according to which the Bank may provide him advice, recommendations and propose him investment strategies (oral or written) (“**Advice**”) in relation to the management of his assets deposited with the Bank, in accordance with his investment objectives, the investment profile as set out in the Client Suitability and Risk Profile Assessment form as it is currently called (that as amended or supplemented or renewed from time to time is hereinafter called “**Client Suitability Form**”) duly completed and signed by him and with this article 4.1.

Subject to all applicable legal or regulatory restrictions, such Advice will be provided only where expressly requested by the Client and as required in the circumstances and shall apply only to the account or sub-account (as relevant) of the Client to which the Advice relates and not to any other account (or sub-account) which the Client or a related party may maintain at the Bank or elsewhere. Moreover, the Client is aware that any Advice is valid only at the time when it is provided, given that its relevance may be strongly impacted by the volatility and uncertainty specific to the financial markets. The Bank shall provide the Advice to the Client using any channels deemed appropriate by the Bank relying on the most recent contact details the Client has provided to the Bank. However, if the Bank is unable to reach the Client or does not manage to reach him in a timely manner in order to provide the Advice requested by the Client, or if the Client does not manage to contact the Bank in a timely manner to request the Advice, the Bank shall not be held liable for this reason, except in case of gross negligence by the Bank.

The Bank has no obligation to provide to the Client proactive advice and no obligation to monitor any individual investment or portfolio of investments maintained with the Bank. The Client agrees that he shall be solely responsible and liable for the accuracy, correctness and completeness of the information in the Client Suitability Form and further agrees to notify the Bank immediately of any changes relating thereto. For the avoidance of doubt, the Client agrees that the Bank shall be entitled to assume that the information in the Client Suitability Form is accurate, correct, complete and up-to-date, may rely or act on such information without further inquiry or investigation or without verifying it.

The Client shall be under no obligation to follow any Advice provided by the Bank. The Bank shall have no obligation to manage the assets of the Client on a discretionary basis. Unless expressly communicated by the Bank or to the extent permitted by the applicable laws and regulations, an Advice would not take into account the investment objectives, investment profile, financial situation or particular needs of the Client.

A financial instrument may not be appropriate and suitable at all times for the Client. In such cases, the Client shall also be responsible for considering and assessing the Advice as to whether any transaction is suitable or appropriate for him. The Client should also obtain independent financial advice from relevant professional advisors based on his own particular circumstances before making an investment decision on the basis of the Advice. Final decisions in respect of investments shall be taken exclusively by the Client, at his own and exclusive responsibility, and shall be expressly communicated by the latter to the Bank in a timely manner for execution.

The information contained in any Advice is based on sources believed to be reliable, but the information may not have been independently verified. No guarantee, representation or warranty (express or implied) and no assurance can be given that such information is current, accurate or complete. An Advice shall not be construed as an offer, invitation or solicitation to enter in any particular transaction or trading strategy. An Advice may contain information on relevant financial instruments in a summarised form only and may not describe all features thereof. Full information about the issuer and the terms and conditions of the

financial instruments is available upon request and without charge at the Bank and should be carefully reviewed by the Client before any investment decision.

Notwithstanding the foregoing provisions, the Client confirms, understands and agrees that all communication (written or oral) received from the Bank should not be deemed or considered as an Advice unless expressly held out by the Bank as constituting an Advice.

The Bank may, but is not obliged to provide to the Client reports or market materials or information which it issues or which are issued by third parties (collectively “**Reports**” and individually a “**Report**”). The Client agrees that such Reports are provided to him for general information only and should not be inferred as an Advice. The relevant date for the information contained in a Report is, unless otherwise specified, the one indicated on its first page. The Bank makes no representation and the information, projections, estimates, objectives and opinions expressed in the Report reflect a judgment at its original date of publication and are subject to change without notice and without any obligation on the Bank to update them. The Bank may have issued or distributed other reports or documents that are inconsistent with, and reach different conclusions from, the information presented in a Report. The Bank may at any time stop producing or updating a Report. The Bank is not under and does not assume any obligations to ensure that such inconsistent, conflicting or updated documents are brought to the Client’s attention. The Bank may, but is under no obligation to, furnish upon request all investment information available to it supporting any recommendations made in a Report.

Opinions and references to prices, performances and yields expressed in a Report are subject to change at any time without notice. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied, is made by the Bank regarding future performance. Fluctuations in foreign currency rates of exchange may adversely affect the value, price or income of the financial instruments mentioned in a Report in particular if the reference currency of such financial instruments differs from the Client’s reference currency. The market value of the financial instruments may be affected by, amongst other things, changes in economic, financial, political factors, time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Financial instruments may involve a high level of risks which increases when the investments are made in emerging markets. To the extent permitted by applicable securities laws and regulations, the Bank accepts no liability whatsoever for any direct or consequential loss arising from the use of a Report or its content.

Should the Client validly grant to the Bank and the latter accept a discretionary management mandate or an investment advisory mandate (the “**Mandate**”) for all or any part of his assets deposited with the Bank, in any case according to the then relevant form of the Bank, this non-discretionary fund management mandate will terminate for such part of his assets which are subject to the Mandate and only for such time as the relevant assets are subject to the Mandate. If the Mandate is for any reason terminated, this non-discretionary fund management mandate shall automatically apply to the Client’s assets deposited with the Bank.

### 4.2 SERVICES BY THIRD PARTIES AND EXECUTION ONLY

Should the Client (i) grant to an external asset manager discretionary management powers over the assets in his Account, (ii) opt for an execution only account (including without limitation where he has appointed an attorney to be responsible for all investment decisions on the account or an external advisor who provides him advisory services) or (iii) does not complete and sign a Client Suitability Form, the Bank does not assume any fiduciary or other duty or responsibility to the Client including without limitation in respect of suitability of any investments made through it, and the Bank shall not be responsible for any follow up, monitoring or review of the Client’s investments or investments made on the Client’s behalf. The Bank shall only execute orders placed by the Client (or his authorised representatives) and not provide any advisory services, meaning the Client agrees that any Report provided to the Client or any communication (written or oral) between the Bank and the Client (or his authorised representatives) shall not be relied upon or construed by him (or them) as a recommendation or advice from the Bank (whether financial or otherwise). The Bank shall provide only custody, execution and dealing services to the Client which may include

custody of the assets of the Client with the Bank, dealing, placement, reception and transmission of the instructions from the Client (or his authorised representatives).

### 4.3 LIABILITY

The Client agrees that the Bank, its head office, representative offices or other branches, related corporations or affiliates and their respective employees, representatives and agents (collectively the “**Bank or its affiliates**”) shall not be responsible for or liable for any loss, claims, judgments, costs, expenses or damages suffered by him that may arise from action or inaction on the part of the Bank or its affiliates, or in any way arising from or in connection with any Advice, Report or otherwise in connection with any services performed by the Bank, these General Terms and Conditions or any other agreements between the Client and the Bank. The Client further agrees to indemnify and hold harmless the Bank or its affiliates from and against any and all actions, proceedings, claims, liabilities, obligations, penalties, judgments, suits, losses, costs, damages, fees and expenses (including legal expenses on a full indemnity basis) arising from and in connection with any Advice, Report, any services performed by the Bank, these General Terms and Conditions or any other agreements between the Client and the Bank. This indemnification obligation applies regardless of any fault or negligence of the Client.

## 5. SPECIAL TRANSACTIONS

### 5.1. FOREIGN CURRENCY TRANSACTIONS

All transactions in foreign currencies are subject to the applicable laws, regulations and customs of Hong Kong and the countries on which such currencies depend. If their execution proves impossible or unlawful, the Client alone bears any losses and consequences relating thereto.

The Bank reserves the right, without obligation to do so, to execute any transaction in a foreign currency by crediting or debiting any account of the Client at the rate of exchange applicable on the transaction date, or, for securities transactions, on the date on which the Bank receives advices from its correspondents, if the Client has no account in that currency or if cover in the appropriate currency is insufficient, if the currency is unavailable, not freely transferable or not fully convertible, or if the Bank exercises its rights arising from any charge, pledge, mortgage, security interest, assignment or claim of any kind (together the “**Charges**”) and any lien, right of set-off to combine accounts or any other rights, whether in law, in equity or pursuant to any special arrangements or otherwise. Any foreign exchange or other losses, as the case may be, are borne by the Client.

The Client acknowledges and agrees that assets in foreign currencies may be invested in the Bank’s name, on behalf of and at the exclusive risk of the Client, with correspondents of the Bank in the monetary areas concerned or elsewhere. The Client bears his proportional share of all risks and consequences that may directly or indirectly affect these assets as a result of any legal, economic, political, tax or administrative or de facto measures, Event of Force Majeure, acts of uprising or war in the countries on which these currencies depend or in which the accounts are held or assets deposited, as well as the default risk of any correspondent. If owing to such measures, it should prove difficult or impossible to return the assets, the Bank would only be obligated to procure a claim for the Client to attempt to obtain the proportional return of the assets deposited with the Bank at the place of their safekeeping, to the extent that such claim is transferable. The Bank shall effectively release itself from all commitments denominated in foreign currencies particularly by only making book entries at the place where the accounts are held with its correspondents, by remitting to the Client cheques drawn on its correspondents or on institutions in the countries where these currencies are legal tender, or by arranging for the latter to hold the funds at the Client’s disposal.

### 5.2. SECURITIES TRANSACTIONS

#### 5.2.1 Principles

The laws, regulations and customs in effect particularly in Hong Kong and on the exchanges, markets, places of issuing and custody, as well as the articles of association, terms and conditions or prospectuses of the issuers, are applicable to transactions on securities. By giving instructions to the Bank relating to such transactions, the Client accepts

the application of such laws, regulations and customs as mentioned without reservation.

#### 5.2.2 Transmission of information about Client

Pursuant to the provisions deriving therefrom, concerning in particular transparency and supervision of the markets and the levying, exemption or reduction of withholding taxes, the Bank may be required and is hereby authorised by the Client to provide the intervening parties and authorities concerned (including authorised Swiss or foreign authorities, securities issuers, local Third-Party Custodians, central banks, brokers, stock exchanges, Swiss or foreign transaction registers, trade repositories, companies or entities whose equities or shares are acquired by the Client or any other third party designated by the applicable legislation) with documents and information relating to such transactions and relating to the account in question (as well as personal information (such as name, address, date of birth, nationality(ies), the LEI (i.e. the legal entity identifier), client classification, nature of his activities), about the Client, the ordering party and/or the Beneficial Owner/controlling person, even when it is acting in its own name.

In this regard, the Client acknowledges and admits that if he wishes to hold US securities, he is required to sign the appropriate form of the Bank in advance in which he must confirm his status as a “US person” or a “non-US person”. The Client undertakes to immediately inform the Bank if his status changes from a “non-US person” to a “US person”.

#### 5.2.3 Execution of the Client’s orders

Unless by instruction to the contrary is received by the Bank, orders may be executed, at the Bank’s discretion, on any stock exchange, market or trading platform through brokers or market makers or over the counter.

The Bank selects the brokers and market makers used to execute orders. Such brokers and market makers act at the Client’s sole risk.

The Bank may freely execute orders as intermediary or counterparty, or between its Clients, in both of these cases insofar as this means of action is not detrimental to the Client. For all stock exchange orders or orders on all other markets or trading platforms, as a rule, the Bank acts as intermediary, in its own name but on the Client’s behalf and at his risk. When the Bank acts as intermediary, the Bank’s expenses (correspondent’s brokerage fees, carriage costs, insurance, etc.) and the Bank’s handling commission are payable in addition to the price of the transactions.

#### 5.2.4 Obligations required of the Client and duty to report

The Client undertakes to comply with the position limits imposed by the exchanges, markets and trading platforms with respect to his aggregate position, taking into account, if applicable, what he holds with other custodians.

Unless otherwise specially agreed, all orders must be fully covered. In case of a short position, the Bank is in any event authorised to reverse the transaction and to post the result of both transactions to the Client’s account.

The Client is solely responsible for monitoring his positions and complying with his obligations to disclose when he crosses substantial shareholding disclosure thresholds, taking into account the positions he holds, as the case may be, with other custodians. The Bank is not required to inform the Client of his disclosure obligations. The Bank may itself be under the obligation and is hereby authorised by the Client to provide to relevant authorities, stock exchanges, trade repositories and/or issuers information regarding the Client, his positions and his transactions, or even the Beneficial Owner(s), if such thresholds are crossed in its books. The Bank itself may be required to disclose the identity of the Client and his position(s) if such thresholds are exceeded in its books (i.e. in Hong Kong, its head office, the other branches of its head office, and its related companies).

The Bank may refuse, in whole or in part, to manage certain securities if such management might trigger a disclosure obligation, provided it informs the Client of such refusal. The Bank may also register securities in the Client's name when registration in its own name might trigger a disclosure obligation or when the Client's position, considered on an individual or consolidated basis with that of any other Client acting (or appearing to act) in concert, crosses a disclosure threshold.

Furthermore, the Client is solely responsible for complying with any disclosure obligations applicable to transactions made by companies' directors and officers. The Bank is not required to inform the Client of such obligations.

### 5.2.5 Documentation relating to the Client's investments

For investments in collective investment schemes and in financial products or instruments not marketed or distributed by the Bank, the Client must personally obtain any explanatory and contractual documentation relating to such investments and release the Bank from any liability in that respect. Especially when it is acting in its own name, the Bank reserves the right, under exclusion of any liability, to refuse any investment instructions in such securities if the subscription form and any explanatory and contractual documentation duly completed and signed by the Client, are not provided to the Bank.

By sending instructions to the Bank relating to any security, in addition to the other points contained in the provisions of article 5.4 below, the Client represents and confirms:

- he has reviewed all relevant documents and asked any questions as to their content, and has read and understood any subscription documents;
- he meets all the conditions of eligibility set in the subscription documents (nationality, domicile, registered office, profession, status, etc.);
- the accuracy of all the information relating to himself in any subscription forms and that he acknowledges being bound by their terms as if he subscribed himself directly;
- he is aware that holding foreign securities, including but not limited to US or UK securities, may at times have tax consequences, in particular with respect to estate taxes, regardless of the nationality and domicile of the deceased holder.

The Client undertakes to indemnify the Bank and hold it harmless from any consequence arising from an incorrect eligibility confirmation. In such a case, the Bank may sell the securities, without notice or formality, and may not be held liable for any damage arising therefrom unless such damage is caused by the Bank's fraud, negligence or willful default.

### 5.3. FOREIGN EXCHANGE AND PRECIOUS METALS TRANSACTIONS

In keeping with the applicable laws, regulations and customs, the Bank buys and sells at market spot and forward currencies, foreign bank notes and precious metals. If the Client fails to honor his commitments for forward transactions by the due date, the Bank may, at the Client's expense, either cancel the contract by operation of law or execute the transaction in accordance with the terms of the contract. The Client bears the burden to prove that the transactions conform to legal and regulatory requirements concerning foreign exchange transactions. The Client alone bears any losses and consequences resulting therefrom, releasing the Bank from all liability.

### 5.4. RISK DISCLOSURE STATEMENT

Any investment or transaction involves risks, irrespective of the market, the issuer and/or the underlying concerned. The Client should refer to the Risk Disclosure Statement for Transactions section below.

Usual risks include, among others, rate risks, which can be related to fluctuations of interest rates, exchange rates, other general factors influencing the market or specific factors relating to the issuer, as well as creditor's and shareholder's risk related to issuer solvency or default. Past performance of investments is not an indication of their future performance. The absence of investment diversification is a source of risk. The value of a portfolio may vary at any time, regardless

of generalised market fluctuations or the risk strategy adopted and despite the diligence with which it is managed.

Certain types of transactions and/or investments involve particular risks, such as a potential for high risk or a complex risk profile, like, among others, options, forwards, structured products, products used for financing or risk transfer (credit and eventdriven derivatives), alternative or non-traditional investments (hedge funds, private equity, real estate, precious metals or other commodities), or investments in emerging markets.

The Client receives standardised information from the Bank regarding the nature and risks of such securities or financial transactions, which is not in any way tailored to the specific needs of any Client. Such information is similarly applicable, insofar as relevant, to transactions on foreign currencies and other markets or underlying assets.

Moreover, the Bank refers the Client to the prospectuses, announcements, contractual sales documentation, subscription documents and all other similar information documents publicly available on the issue or placement of instruments in which the Client wishes to invest, insofar as these documents provide information on the risks associated with such transactions. The provisions of article 5.2 are moreover applicable in this respect.

Depending on the instruments or transactions, the Client may lose all or part of the sums invested and, in certain cases, may be required to pay a higher amount than that initially invested.

The Client may at any time request additional information from the Bank. Unless by express request, and other than as provided for in article 5.11, the Bank is under no obligation to provide any additional information to the Client. By providing instructions to the Bank relating to any transaction, in addition to the other points contained in the provisions of article 5.2, the Client represents and confirms that the Client has:

- reviewed all relevant documents and asked any questions as to their content, and has read and understood any subscription or transaction documents;
- received from the Bank all useful and necessary information for making a decision in the proposed transaction and have carefully considered the same before conducting the proposed transaction;
- he has sufficient knowledge and experience in financial matters to assess the related advantages and risks (by himself or with the assistance of his own financial, legal and tax advisors), taking into account his objectives and his personal, financial and tax situation;
- he has carried out such an assessment, even if the transaction was first the subject of advice given by the Bank,
- he has understood the nature and scope of the risks related to the proposed transaction and is prepared to fully assume such risks.

These General Terms and Conditions shall be read together with further risk disclosures regarding the specific transaction provided by the Bank to the Client.

## **5.5. TRANSFERS OF FUNDS AND SECURITIES**

### **5.5.1 Providing information to third parties**

The execution of orders to transfer funds and securities, on a domestic and cross-border basis, is subject to the laws, rules and customs in effect in Hong Kong and in the countries concerned, particularly with respect to combating money laundering, the financing of terrorism and corruption, including risks related to International Sanctions.

Under those law, rules and customers, the Bank may be required to provide to third parties involved in electronic payment traffic, such as beneficiaries, bank of beneficiaries, correspondents, and all contributors, participants and operators in the chain and execution systems, including in particular the companies SIC (Swiss Interbank Clearing) or SWIFT (Society for Worldwide Interbank Financial Telecommunication), documents, information and data, including personal data as defined in the PDPO, regarding both the Client (considered as ordering party even if he is not personally the author of the transfer instruction), the Beneficial Owner(s)/controlling person(s) of the assets transferred and the intended recipient of the payment to be credited, including but not limited to first names and last names/company name, account number, and, at the request of certain payment systems, the IBAN (International Bank Account Number) code, residential/registered office address, and the BIC code (Bank Identifier Code). These rules are also mandatory for agreed- designation accounts (accounts under numbers or pseudonyms) and may also apply to transfers of securities, the execution and receipt of national and cross-border transfers in euros on order of the Client or his representative in accordance with the standards governing SEPA (Single Euros Payments Area) payment transactions.

Furthermore, the Client understands and accepts that certain foreign banks request documents, information on the Beneficial Owner(s) of the transferred assets, without which the instructions are not executed or the assets are blocked by such recipient banks; and the Client hereby authorises the Bank to provide those information.

In addition, the Client accepts and agrees that under foreign laws and regulations, all parties involved in a transaction may, from their side, in turn transmit such documents, information and data to the relevant authorities and official organisations to whom they are accountable and to third parties (in particular, for processing or archiving purposes) located in other countries, including without limitation the United States of America. It is recommended that the Client, as necessary, obtain information about the precise scope of these rules, and to appropriately instruct any potential authorised signatory.

Hong Kong domestic transactions denominated in foreign currencies are executed through international channels. The same may be true for transfers in Hong Kong dollars.

The Client expressly authorizes the Bank to disclose such information and data (including Client Data) as are required in the execution of the Client's orders to transfer funds and securities, including when such orders are not issued directly by the Client but rather by an authorized signatory, insofar as required by the above-mentioned applicable laws and regulations. The Client expressly releases the Bank from its confidentiality obligations, arising especially from banking secrecy according to article 7.28.1.

In this regard, the Client is informed of the fact that when information and data concerning him reach a foreign country, such information is no longer protected by Hong Kong laws, in particular bank-client confidentiality, and is subject to applicable foreign provisions and measures. The Client is also aware that certain foreign countries might not have regulations similar to Hong Kong regulations regarding the protection and security of documents, information and personal data. For the rest, reference is made to article 7.28.

### **5.5.2 Filtering of transfer flows**

In order to be able to effectively combat money laundering, the financing of terrorism and corruption in accordance with international rules and relevant laws and in order to comply with International Sanctions as defined in article 7.27B below, the Bank reserves the right to filter all

the Client's incoming and outgoing transfers of funds and securities via an electronic filtering platform of the Crédit Agricole Group SA, Paris. In other words, all Hong Kong, or international incoming and outgoing payment messages associated with transfers for the Bank's Clients will be filtered in real time, regardless of the interbank network used (SIC, SWIFT, SEPA or any other similar processing system) through an automated electronic filtering and payment flow analysis system (hereinafter "Filtering") located in France at Crédit Agricole SA, Paris, or one of its dedicated subsidiaries (hereinafter "Crédit Agricole SA, Paris").

The content of filtered messages including all or part of the data shall be confidentially and securely used and electronically stored with the utmost care at Crédit Agricole SA, Paris, solely for Filtering purposes. Consequently, only a limited number of duly authorised individuals shall have access to this data.

The Client takes note that the Bank has implemented this Filtering solution as from 1 January 2019.

### **5.5.3 Rejection or suspension of instructions - Request for information**

The Bank reserves the right to suspend or reject a payment or transfer transaction issued or received, or to block funds and the Client's accounts if, based on its analysis, the execution of such transaction is likely to constitute a violation of a rule relating to International Sanctions or combating money laundering, the financing of terrorism and corruption.

The Bank may ask the Client to provide it with information concerning the circumstances and background of a transaction, such as the nature, destination and source of the funds, as well as any supporting documentation, particularly in the case of an unusual transaction in relation to the transactions routinely recorded in his account.

The Client is bound to transmit the information and supporting documentation required. As long as the Client has not provided the Bank with enough information to enable it to conclude that there is no risk of violating International Sanctions or rules combating money laundering, the financing of terrorism and corruption, the Bank reserves the right to refrain from executing his instructions and to block the Client's funds and accounts.

The Client is informed of the fact that the Bank may also conduct research and investigations in connection with any transaction that it assesses could be likely to constitute a violation of the aforementioned rules leading it, as the case may be, to delay execution of the Client's instructions.

The Client releases the Bank from liability in case of nonexecution or delayed execution of an instruction, rejection of a transaction or blocking of funds or account(s) under these circumstances. Likewise, no penalty or contractual compensation shall be due to the Client in such circumstances.

## **5.6. BILLS OF EXCHANGE AND OTHER MEANS OF PAYMENT**

The Bank may, on request and under certain conditions, issue chequebooks to be safeguarded with the utmost care. The Bank must be informed immediately of any loss, theft or misuse thereof during its business hours. The Client and holder of such chequebooks bear all losses and consequences resulting therefrom, releasing the Bank from all liability.

In the event of a written stop payment order or written objection to payment from the Client for a cheque issued by him which has been lost or stolen, the Bank may, in the event it should refuse payment thereof, freeze the amount of the cheque until the dispute between the issuer and beneficiary is settled amicably or in the courts.

The Bank reserves the right to pay a cheque even after expiry of the time limit for presentation, to refuse payment of any cheque not fully covered by funds, and to withdraw the authorisation to issue cheques at any time with immediate effect and without stating its reasons, in which case unused cheques must be returned to it immediately. If the Bank refuses to honor a cheque, the Bank shall not be liable for the consequences associated with the particulars which it has had to communicate to its beneficiary.

The collection of bills of exchange and other similar instruments is subject to the provisions below, with the specification that the Bank is under no circumstances obligated to protest them on failure of acceptance or payment, nor is it obligated to give notice thereof, to observe the legal time limits concerning the securities it holds, whether as owner, beneficiary, bearer or agent for collection thereof, and, that, if the Bank nonetheless completes these formalities, it does so without assuming any liability. The Bank is authorised to debit the Client's account for any amount collected, in case the drawee should challenge the payment at any time.

The Client releases the Bank from all liability in respect of all commitments that the Bank may have assumed on its behalf in connection with bills of exchange and other similar instruments.

The Bank may also issue to the Client (or to his representative), at his request and at his expense, a bank card that is governed by the provisions detailed in the application for the card and by the general terms and conditions relating to the bank card issued. If the Client decides to order a bankcard, he acknowledges and admits that the Bank is required to disclose his identity and other personal information to the issuing company, which may be located in a country other than Hong Kong. In using a bankcard, the Client is aware and accepts that third parties may become aware of his relationship with the Bank.

The Client takes note and accepts that the Bank may at any time, and without having to specify its reasons, ask the issuing company to block or terminate the card with immediate effect, particularly if the relationship between the Bank and the Client should be terminated by either of the parties. Such termination renders all sums still due under the bankcard payable without further formality.

The Client is aware and accepts that the Bank shall not return the credit balance of the account available to him until he actually returns any bankcard(s), unused cheques and confirmation that no cheques are still outstanding.

#### **5.7. COLLECTION**

The collection of any documents entitling payment such as bills of exchange, bills of lading, letters of credit, invoices, receipts and debt certificates is subject to the latest version in force of the Uniform Rules for Collections of the International Chamber of Commerce in Paris. And, to the extent not inconsistent herewith, the prevailing practice of banks in Hong Kong.

As a rule, the Bank does not accept for collection on behalf of the Client any cheques, bills of exchange or documents made out directly to the order of the Bank for which the Client is the creditor or beneficial owner.

The Bank may regularise documents or put documents in order, in particular by completing blank documents, at the presenter's risk. The Bank assumes no liability as to the form, correctness and authenticity of the documents that it accepts for collection nor for the statements, references and signatures appearing thereon.

The Bank is not required to observe the legal forms and time limits beyond the means at its disposal for the safeguarding of any rights attached to said documents and assumes no liability for failure to observe them.

The Bank may accept all instruments in payment of any documents to be collected without incurring liability should such instruments not be honored.

If the documents are not paid at maturity, the Bank may debit the Client's account for the amount previously credited or discounted, without this involving any novation, and may retain the documents until the repayment of any balance on the account and exercise for its own benefit all rights attaching thereto against any person obligated in consequence thereof.

In the case of bills of exchange, the Client must at all times refund to the Bank, and the Bank may debit from his account to this effect, any sum collected for which a right of recourse is exercised against the Bank under foreign laws and regulations (in particular those of the United States of America) that give the drawee a right of recourse against the endorser for reimbursement of the amount paid, particularly in the event that the formal validity or endorsement is contested.

#### **5.8. PAYMENT AGENT**

Any specification of the Bank as payment agent of documents and bills drawn on the Client is subject to the Bank's prior acceptance and entails a mandate to the Bank to pay such instruments by debiting the Client's account, subject to sufficient funds. In the absence of any instructions by the Client to the applicable payment arrangements, the Client must advise the Bank of any specific payment instructions well before the due date. Unless instructed otherwise, the Bank shall not pay documents, promissory notes and bills of exchange presented after the due date, if their references differ from those on the payment instructions or if the instructions are imprecise or ambiguous. The Bank is not liable for the authenticity, validity or late arrival of payment instructions concerning payment documents, promissory notes and bills of exchange paid on the Client's instructions.

#### **5.9. OPTIONS**

The rules issued by the Securities and Futures Commission in Hong Kong in respect of options contracts traded on the Hong Kong exchanges (i) prescribe limits on the number of options contracts that a person may hold or control, and (ii) require a person holding or controlling a reportable position to notify the exchanges of this. It is the Client's responsibility to observe positions limits and to make reports where applicable. Article 5.2 is in addition applicable in this respect, directly or by analogy.

#### **5.10. PRODUCT SPECIFICATIONS**

In relation to derivative products, including options, the Bank shall provide to the Client upon request product specification and any prospectus or other offering document covering such products.

#### **5.11. SUITABILITY OF RECOMMENDATION**

If the Bank solicits the sale of or recommends any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of these General Terms and Conditions or any other document the Bank may ask the Client to sign and no statement the Bank may ask the Client to make derogates from this article.

Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

## **6. CREDIT TRANSACTIONS**

### **6.1. APPLICABLE PROVISIONS**

All credit transactions in any form whatsoever are governed by the provisions, terms and conditions in these General Terms and Conditions, supplemented where applicable by the General Conditions for the Grant of Collateralized Credits/the General Conditions for the Granting of Credit (as amended/supplemented from time to time), by a credit confirmation letter, by the special conditions specific to certain types of transactions and any particular conditions agreed in writing.

Any disclosure from the Bank in relation with a credit facility extended to the Client may be sent to him by registered letter, ordinary letter, fax, electronic messaging (hereinafter "**email**"), or any other means of communication that the Bank deems appropriate.

All credit transactions shall be subject to the Client granting such security interests in such manner, of such form and over such assets as the Bank may in its discretion determine and shall be governed by the terms and conditions of the relevant security document(s) creating such security interests.

## 6.2. TERMS AND CONDITIONS

Any credit facility may be used, in accordance with the borrowing Client's needs, for any amounts and in various forms as consented by the Bank, in particular, current account overdrafts or fixed-term advances, issuance of guarantees or documentary credits by order and under the responsibility of the Client, entry into market transactions such as foreign exchange or precious metals contracts, purchases and sales of options, etc. The Bank has the right, at its sole discretion, to refuse any transaction whose terms are not acceptable to it.

In particular, if the Bank agrees to issue by order and on behalf of the Client letters of credit, documentary or stand-by letters of credit (hereafter "L/C"), the text of any such L/C shall be agreed between the Client and the Bank, with the Client's agreement confirmed as provided for in article 7.4 below. In accordance with normal banking practice and the Uniform Customs and Practice for Documentary Credits, the Bank shall be obligated to pay under each L/C, without delay or protest, upon presentation by the beneficiary of all strictly conforming documents required by such L/C. If conforming documents are presented to the Bank, the Bank has no obligation to take into consideration any possible objection or claim, legitimate or not, that the Client may raise, nor is the Bank obligated to request the Client's consent to make the payment under the L/C. The Client assumes full responsibility for all the consequences of any payment made under any L/C and shall have no right of recourse against the Bank. The Bank is entitled to debit the Client's account for any amount that the Bank may have disbursed under any L/C, and the Client is required to cover any debit balance that may result therefrom at the first written request of the Bank. To secure its undertaking, the Bank shall benefit from a first-priority security interest over the Client's rights and title to the goods financed by each L/C, and an absolute and unconditional assignment of the receivables resulting from the sale of such goods.

## 6.3. DURATION AND REPAYMENT

Unless specially agreed, the Client and the Bank each have the right to terminate the credit facility provided thirty (30) days' prior written notice is given to the other party. In such case, the credit facility shall become repayable at the expiry of a thirty (30) days' notice period for current account overdrafts and at the respective maturity dates for fixed-term advances. Other commitments, contingent liabilities and market operations shall be unwound at their initially agreed maturity date. As from delivery of the termination notice, no additional utilisation of the credit facility shall be permitted.

Notwithstanding the foregoing, the Bank reserves the right to terminate the credit facility without prior notice, if any event arises that affects the Client's financial situation, undermines the confidence placed in the Client, or diminishes the value of the collateral furnished for such credit facility, if the Client fails to perform or breaches any of his obligations, including against third party creditors, as well as in case of his death or in the case of any event where the law or general legal principles permit the Bank to so act. If the Bank terminates the credit facility accordingly with immediate effect, all his debts, including those not yet due, such as unexpired fixed-term advances and contingent liabilities become immediately due and payable without further notice. In such a case, the Bank may liquidate market transactions in advance as well as any contingent liabilities, in the latter case by transferring the amount in cash to the beneficiary as coverage.

In the event of accelerated maturity of a fixed-term advance, an early termination sum, the amount of which shall be determined by the Bank according to the prevailing market conditions, may be charged to the Client if the interest rate of such advance is higher than the prevailing interbank rate at that time for the remaining term of such advance.

If the Client does not, or does not appear to, perform its obligations towards any third party creditor, in particular if its assets are seized or attached, the Bank may cancel the Client's right to draw the undrawn part of credit facilities.

## 6.4. COMPENSATION

The Bank shall determine the terms and conditions, debit interest rates (debit interest rates plus margin), and commissions payable for the credit facility on a case-by-case basis, in particular based on conditions in the financial markets and the Bank's refinancing and liquidity cost. The reference debit interest rate determined by the Bank shall under no circumstances be less than zero. **A commission of three percent (3%) per annum shall be specifically calculated at the end of each quarter on the highest amount of each current account overdraft during such lapsed quarterly period.**

Subject to the provisions of article 6.3 above, interest on current account overdrafts is payable quarterly at the end of each quarter. Interest on fixed-term advances is payable at the maturity of the agreed period.

**In the event of any failure to pay at any maturity, the Bank is entitled to increase the interest due until actual repayment by a default interest of 3% per annum on all unpaid principal. Unpaid interest at an agreed maturity bears interest itself under the conditions applicable to current account overdrafts.**

The Bank reserves the right to charge to the Client any increase in credit costs resulting from changes in the rules applicable to the Bank and/or from measures taken by the Hong Kong Monetary Authority or Swiss National Bank or other authorities, such as compulsory minimum reserves, increased capital adequacy requirements, and loan or liquidity ratios.

## 6.5. JOINT AND SEVERAL LIABILITY

Any credit facility entails the joint and several liability among each borrower, when there are more than one, in particular in the case of joint and collective accounts, and among their heirs, successors and assigns in the event of death of any one of them (if being individual) and in the event of dissolution (being an entity). Consequently, the Bank is entitled to claim the total amount due from any one of the Client borrowers or their heirs, successors and assigns (as the case may be).

## 6.6. CREDIT FACILITIES, COLLATERALS AND THIRD PARTY SECURITIES

With respect any credit that the Bank might grant to him, the client is advised to inform the Bank, on a continuing basis, of his financial condition and/or of any potential difficulty in repaying or servicing the credit. The client is advised to seek independent legal counselling before entering into any agreement to secure any credit facility granted by the Bank to another client (borrower), such as a security agreement (third party), a general pledge agreement as security for third party commitments, a joint and several guarantee or a guarantee and indemnity. Where the Client has entered into any such third party security agreement, the Client may at any time, subject to a thirty (30) days prior notice to the Bank and to the borrower, extinguish his related liabilities by transferring to the Bank a cash amount in substitution corresponding to the aggregate of any and all actual, contingent, primary, collateral, several, joint and other commitments of the borrower towards the Bank, any undrawn portion of any credit under which the Bank is committed towards the latter, all costs, fees and other expenses to which the client himself is liable to the Bank in this respect, and a margin of 10 % relating to all such items denominated in a different currency than that of such cash amount, up to the maximum amount of the client liability towards the Bank, if any. The Client acknowledges that full relevant explanation of margin processes and circumstances under which his positions may be closed without his consent are described in the Bank's relevant forms relating to such specific transactions, credit operations and security interests. For the surplus, the client further acknowledges and agrees that credit facilities, collaterals and third party securities are processed in accordance with the laws, rules, regulations and practices in effect at the Bank's place of business.

## 7. GENERAL PROVISIONS

### 7.1. STATUS, PERSONAL SITUATION AND LEGAL CAPACITY

Upon opening the account, and during the account relationship, the Client is required to provide proof at any time of his status, his personal situation, including his tax situation, and legal capacity, and, where applicable, those of the Beneficial Owner(s), according to applicable laws, regulations and rules as well as the Bank's requirements and to notify the Bank immediately in writing of any change relating thereto (name, corporate name, marital status, nationality, address of domicile, tax residence, registered office, tax status, address used for correspondence etc.). The Client has the same duties with respect to those of his directors and officers, representatives and agents, if any, even if the changes have already been officially published and/or appear in public registers. The Client undertakes to inform the Bank immediately in writing of revocation of any power of attorney or signing right of any person relating to the Client's Account.

In this regard, the Client undertakes to provide the Bank with all documents and information that the Bank considers useful and necessary, at its sole discretion, to ensure the account relationship runs smoothly and enabling the Bank to meet its legal and regulatory obligations. The Client undertakes in particular to supply the Bank, upon simple request, with all documents providing proof of his tax status and, where applicable, that of the Beneficial Owner(s), and certifying that all obligations have been properly met in this regard.

The Bank may refuse, delay or suspend the execution of any transaction, including teller transactions and cash withdrawals, until the documents, official supporting documentation and/or vouchers have been provided to it at its request.

#### 7.1A Death

As soon as it is aware of the Client's death, the Bank reserves the right to reject any act of disposal not ordered by the testamentary executor or body of heirs who have proven their status by submitting the official documents required in connection with the legal formalities for succession, yet without incurring any liability if it does not obtain such documentary evidence.

#### 7.1B Client's liability

Any loss resulting from incapacity or death of the Client or a third party is borne by the Client or his heirs, unless previously notified to the Bank in writing. The Bank assumes no liability as to the authenticity, validity, absence of legalization and interpretation of documentary evidence submitted to it. Furthermore, the Bank shall not assume any liability or responsibility for any damages which might arise from the legal or tax status of the Client.

The Client agrees that he shall be held liable towards the Bank for any damage the Bank might incur as a result of inaccurate information it receives about the Client's personal situation and, where applicable, that of the Beneficial Owner(s), or any delay in updating any information submitted to the Bank, in particular, with regard to his tax situation and, where applicable, that of the Beneficial Owner(s).

#### 7.1C Profile, Investment Strategy and Client Classification

To enable the Bank to offer its financial products and services, the Client takes note of the fact that he must provide it with all useful and necessary information on his financial situation, his investment objectives, his knowledge and experience in investment matters in relation with the type of products or services offered or requested. All this information is recorded in a Bank's form, which the Client must in principle sign.

The Client undertakes to provide at any time, on request of the Bank, any information related to his investment profile and strategy and, where applicable, his classification, to ensure that the data provided to the Bank is complete and accurate, and to inform the Bank immediately without prompting of any change that may affect the contents of the form mentioned above.

The Client also takes note that the failure or refusal to communicate information to the Bank with respect to this article may be an obstacle to the provision of financial services by the Bank or even to the maintenance of the banking relationship. In case of failure or refusal to communicate the information mentioned above, the Bank shall

not be liable for any damage that the Client could incur as a result of suspending or ceasing to provide financial services. The Client shall also be fully liable for any damage caused to the Bank due to such failure or refusal.

### 7.2. RIGHT OF DISPOSAL, TELLER TRANSACTIONS AND WITHDRAWALS, VERIFICATION OF SIGNATURES AND VALID IDENTIFICATION

The Client may dispose of the assets held with the Bank at any time, subject to legal or regulatory restrictions, any written agreement to the contrary, any Charges or any lien, rights of retention or set-off, to combine accounts or any other rights in favour of the Bank, whether in law, pursuant to special arrangements, judicial or administrative decisions, or the customary terms and periods of time for delivery and their return to the Bank by its correspondents, as well as specific contractual provisions, such as termination periods, transfer restrictions applicable to certain assets, in particular certain hedge funds, private equity investment vehicles and real estate.

Furthermore, the Client is aware and accepts that pursuant to the regulations requiring all banking institutions to obtain information and documentary evidence from their Clients regarding their personal status, and in particular their tax status, and the economic background of all transactions, the source or destination of the funds, the purpose of the transaction or of the person, the Bank may be required to refuse any inflow and/or outflow of funds, including cash, in the form of shares or securities, or to refuse or delay the execution of any transaction, as long as the documents and supporting evidence that it considers necessary, at its sole discretion, have not been provided to it, or for any other reason whatsoever. The Bank thus remains entitled to refrain from following the Client's transfer instructions if it deems, at its sole discretion, that such instructions represent a legal and/or reputation risk for the Bank.

This provision applies in particular to cash transactions that the Bank might consider unusual or atypical. The Client accepts that teller transactions in the form of withdrawals and/or payments in cash may be completed only within the limits set by the Bank, which reserves the right to limit them for reasons of operational risk related thereto and/or its legal obligations with regard to combating money laundering, the financing of terrorism and corruption, including risks associated with International Sanctions or for any other reason that seems legitimate to the Bank given the circumstances.

The Bank only considers signatures and powers transmitted to it in writing, in such form and manner acceptable to the Bank, as valid until written notification of changes or revocations, notwithstanding any official registrations or publications which may differ, particularly in public registers and official valid identification documents. The Bank compares the signatures presented with the specimens deposited with all reasonable care without being required to make any more extensive identity checks.

In the case of communications via open transmission lines and networks (telephone, fax, email, computer connection, etc.), as soon as the valid identification criteria used for that type of communication, if applicable, together with any code, test or telegraphic key specifically agreed in writing with the Bank or provided by it, appear to be met, the Bank is entitled to consider all instructions as originating from a duly authorised person and to proceed according to the instruction, with no obligation to make any further checks of whatever kind. In the event of communications by ordinary email (i.e. non-secured), the Bank only verifies the electronic address of the sender and does not make any further checks with regard to valid identification of the sender. The provisions of articles 7.4 and 7.5 below are moreover applicable.



All damages resulting from any kind of abuse, forgery, defects in authenticity, alterations or modifications not notified to the Bank of powers and authorisations exercised by the Client, its directors and officers, agents and representatives or from undiscovered deficiency of valid identification are borne by the Client, except in the event of the Bank's negligence.

Each person having collective signature rights may individually at all times exercise his right to information and revoke powers granted to a common representative.

### **7.3. AGREED DESIGNATION AND SIGNATURE**

Should the Client ask the Bank not to mention his name in their interactions, except in the event of any special mailing arrangements, he shall use an agreed number or pseudonym instead of his name and, if requested, an agreed signature instead of his ordinary signature. In such cases, the Client acknowledges in advance that all orders, instructions, commitments, declarations, receipts, releases, correspondence and agreements, and all documents generally bearing said number or pseudonym with his ordinary signature or, if requested, his agreed signature, are valid and enforceable against him without restriction. The Client bears all risks and consequences resulting from the use of such a designation and signature, including their use by third parties.

### **7.4. FORM AND MEANS OF TRANSMISSION OF INSTRUCTIONS AND OTHER COMMUNICATIONS**

In the absence of express written instructions to the contrary to the Bank, the latter may, at its full discretion, accept to execute instructions transmitted otherwise than in original written form, whatever their form and mode of transmission (for example, verbal, by telephone, fax, email, instant messaging or computer connection, or by any other means of transmission). Such instructions may in no event be disputed by the Client, even if their form does not permit the Bank to show effective proof thereof, the Bank's book entries being considered sufficient proof that such instructions have been given as executed, subject to obvious error. The Bank may, without the obligation to do so, suspend execution thereof until more precise indications, original confirmation in writing or valid identification of their author by other means, particularly if it considers that they are incomplete, confused or lack sufficient authenticity, and shall incur no liability by doing so. Whether the Bank receives original confirmation in writing or not, and/or additional information from the Client, the Client hereby discharges the Bank from any liability and without restrictions regarding any harmful consequences that may result from the use of such forms and means of transmission, including in the case of abuse, imitation or use by unauthorised third parties.

These provisions also apply, insofar as relevant, to all other communications between the parties, as well as to all those emanating from or addressed to any authorised representative or agent of the Client, and the Bank is free, unless expressly indicated otherwise in writing, to accept or refuse the transmission and communication method chosen by the Client.

Moreover, the Client accepts in all cases that the Bank communicates with any correspondent or any other authorised third party by any mode of transmission and communication, at the Client's risks.

The Bank may, from time to time and at its discretion, provide the Client information and/or updates on products, services or investment opportunities via telephone, facsimile, emails, post and other modes of communication. In this connection, the Client requests, authorises and consents to the Bank, its employees and representatives contacting the Client via these modes of communication to provide such information and/or updates.

### **7.5. RISKS RELATED TO MEANS, ERRORS AND PROBLEMS OF COMMUNICATION AND TRANSMISSION**

The use of any remote means of communication, such as in particular mail, telephone, fax, email, unencrypted email, instant messaging

system, computer connection and any other nonsecure electronic communication channel, whether it is operated by a private or public company, involves risks which are not under the control of the Bank. These means of communication use infrastructures (open lines and public networks, letter-boxes, etc.) without particular protection, easily accessible to unauthorised third parties and therefore involving significant risks. The main risks arising therefrom are described below, and the Client acknowledges that the modes using the Internet network without adequate protection, such as ordinary email (without sufficient encryption or electronic signature), instant messaging (without sufficient encryption) and non-protected computer connection, present increased risks of integrity, virus, intrusions and hacking and of imitation or falsification of the means of valid identification. As emails and instant messages exchanged between the Bank and the Client may use the unprotected internet, the Client takes note of the fact that neither his identity and that of the Bank, nor the content of the messages can be kept confidential. Furthermore, data shared with the communications service provider (for example, the Client's phone number in the case of instant messaging) and the flow of data exchanged, encrypted or not, between the Client and the Bank may enable third parties, including foreign authorities to deduce the existence of a business relationship between the Client and the Bank.

Each of such means of communication may suffer from disturbances. Exchange of information may be slowed down or interrupted in particular as a result of transmission errors, technical faults, interruptions, being out of order, over-utilisation of the network, inadequacies of the provider, deliberate blocking of access by third parties or illegal interventions.

The confidentiality of information and data remotely transmitted, using communications lines and networks, in particular if it is effected without encryption or using inappropriate encryption, may be subject to attacks, thus allowing unauthorised third parties to intercept, to read, draw conclusions as to the existence of a banking relationship, to disclose such information or data and even make an improper use thereof. The Bank advises the Client not to use such unprotected means of communications in the absence of need for quick communication and recommends in case of such need to choose more traditional modes, such as fax and telephone, over those with increased risks if the Client wishes to keep his relationship with the Bank confidential (especially in the event of a relationship with an agreed designation/ pseudonym).

The integrity of the information and data transmitted may also be subject to attacks, as it may be modified, garbled, manipulated, changed or falsified, including in respect of the identity or contact details (i.e. email address) of their author. Risks from viruses, hacking or any other kind of computer piracy (in particular "phishing"), intended to force access, gather, copy, destroy or modify information or data, contaminate files, software or hardware of the Client also exist in the event of electronic communication (as well as in the event of use of data transport mediums, such as USB keys, CD-ROMs and disks, or in the event of connection to a computer network). It is the duty of the Client to take all appropriate steps in order to prevent such risks and to protect his data, software and computer hardware.

Means of identification specific to these means of transmission present a risk of imitation, forgery or manipulation. In addition to communications via the Internet network without adequate protection, communications by public or private postal services with certain countries involve an increased risk in this respect. The provisions of articles 7.2 and 7.4 above are applicable to the control of valid identification and the possible refusal or postponement of executing instructions.

In the event of communication by ordinary email or instant messaging, the Bank does not warrant that the received message shall be read and dealt with. It is the Client's duty to check, using another communication method, that the Bank has read his communications and possible instructions. Furthermore, as a matter of principle, the Bank only checks the origin of emails by checking the address of the sender for emails and their phone number for instant messages respectively. The Bank shall be entitled to consider any instructions contained in emails as authentic and rely and act on any instructions therein, so long as the email address matches the Client's email address in the Bank's records. The Client understands and acknowledges that the use of

such email addresses and phone numbers respectively are associated with an important risk of forgery or manipulation and that it is the Client's duty to advise the Bank immediately if there is a risk that unauthorised third parties might utilise these means of communication abusively. The sending by the Bank by email or instant messaging, on request, of information relating to the Client's assets, such as statements of accounts and portfolio valuations, if applicable, supplements the conditions for dispatch of correspondence or for hold mail custody in force that are governed by the provisions of the article 7.12 below, of which it does not modify the effects.

In view of the foregoing, the Bank recommends that the Client use other communication channels, such as the Bank's e-Banking services and mobile applications, telephone, etc.

By communicating with the Bank by ordinary email, instant messaging or any other non-secure electronic communication channel, the Client expressly waives his right to banking secrecy. The Client expressly acknowledges that in such a case, his personal data may be processed by third parties (for example, instant messaging operators) acting as independent processors, in accordance with their own terms and conditions of use as well as data protection rules and policies. The Bank recommends that the Client reviews the terms and conditions of use, rules and policies of said third parties before using their services. Given that the Bank has no influence over the processing of personal data carried out by said third parties, it assumes no responsibility associated with said processing.

In the absence of proof of the Bank's negligence or to the extent permitted by the applicable laws, the Client bears any risk and damage of any nature that either the Client or the Bank may sustain, originating in the use of these various above-mentioned means of communication and transmission, in particular in case of error, loss, delay, misunderstandings, alterations, garbled messages, multiple dispatches, breakdowns, defects or technical problems, overload, virus, hacking, illegal or fraudulent interventions (including in the computer systems of the Client, through hacking), interruption or other failure. In case of dispute, the Client bears the burden of proof.

## 7.6. RECORDING OF TELEPHONE CONVERSATIONS

The Bank may (but is not under any duty to), at its sole and absolute discretion and without any notice to the Client, record any instructions, orders and/or communications made by phone, tele-communication devices and/or more generally conversations via telephones and/or tele-communication devices with the Client, his authorised representatives or any other third parties particularly for the purpose of controlling quality, authenticity and content checks and the Client hereby consents to such recording. The Client represents and warrants to the Bank that he has informed his authorised representatives or all other third parties that such conversations will be recorded and obtained their consent to the Bank doing so. The Bank is not obligated to give the Client or any other party access to such recordings (to the maximum extent permitted by the applicable laws) and determines freely, subject to its possible regulatory obligations, their retention period, if any. The Client accepts that any such recordings shall be admissible in evidence against him and against all his signatories or other authorised representatives, particularly in any dispute or proceedings, particularly for any dispute or proceedings, even if such conversations are recorded without informing the interlocutor at the beginning of each call. The Bank is not obligated to give the Client access to such recordings and has full discretion to determine their retention period, subject to any regulatory obligations.

## 7.7. EXECUTION OF INSTRUCTIONS IN GENERAL

### 7.7.1 Principles

The Bank shall endeavor to process as soon as possible instructions received regarding transactions to be carried out, taking into account the opening hours of its services and in accordance with the laws, regulations and customs applicable in Hong Kong, Switzerland, and at the place of business of the Bank's counterparts, brokers, market makers and of the exchanges, markets and trading platforms concerned, particularly with regard to combating fraud, market abuse

and insider dealing.

Any order must indicate the direction of the transaction (purchase or sale), the amount or, depending on the case, the designation, characteristics and number of securities to which it relates and all other information required for its proper execution. The Bank reserves the right not to execute imprecise or ambiguous orders and the Client bears any loss resulting from their execution or failure of execution.

For technical reasons, (e.g. maintenance, overload, etc.) or for reasons beyond the control of the Bank, a certain lapse of time may occur between the time an instruction is given and the time it is registered by the Bank's systems. The prices and the quotes transmitted to the Client may vary substantially in volatile markets and shall not necessarily be applicable when the Client's instructions are being carried out. The Bank shall not be liable if, in view of the circumstances, the deadline set by the Client is too short.

Conditional orders that the Bank is unable to pass on as such to exchanges, markets or trading platforms, such as limited orders on bonds and other instruments traded over-the-counter, are taken on a best-effort basis only. The Bank may not be held liable for not executing such orders, nor for their execution under different conditions. When the Client does not want to bear these risks, he has to make sure that the Bank can indeed place such orders as received. Likewise, the Client alone bears all damages and consequences resulting from orders for which execution proves to be impossible or unlawful.

The Bank notes the instructions received in chronological sequence. An order undergoing execution shall be recorded as a new order if confirmed or amended without further indications. In order to avoid unwanted duplication of instructions, it is the Client's duty, in case of doubt, to make sure, if necessary by using other means of communication than those used for the communication of the instructions, that those instructions were indeed received by the Bank. The cancellation of instructions is only possible for as long as the processing of such instructions has not been started, which the Client has to ascertain, if necessary, by employing other means of communication than those used for the transmission of such instructions. When pending instructions cannot be processed according to the instructions received, the Bank is authorised to cancel them after a duration in conformity with banking customs (usually one month), provided it informs the Client accordingly through any useful means, even if the Client did not set a deadline.

The Bank is not obligated to verify the reasons for which an authorised representative is willing to effect any transaction. The Client shall be exclusively responsible for the risk of abuse or potential damages which might result from such transactions.

Upon instruction or request by the Client, the Bank may (but is not under any duty to) provide advice, opinions and/or warnings and carry out quality and/or relevance checks in connection with instructions that are transmitted to it. **However, other than as provided for in article 5.11, the Client is responsible for all consequences of his decisions or the instructions given by him or by any authorised representative. Subject to article 5.11, the Client is aware and accepts that the Bank does not monitor the evolution of the market price of the securities that the Client has deposited with the Bank, even if such securities were purchased on the basis of recommendations, advice or other information provided by the Bank, unless the Bank has expressly undertaken to do so, where the Client has signed the Bank's investment management agreement.**

**Other than as provided for in article 5.11, the Bank is not obligated to verify the reasons for which a Client's authorised representative wishes to conduct any transaction.** The Client alone bears all risks of any abuse and all potential damages that may result from such transactions.

**7.7.2 Refusal to execute or request for additional information**

The Client acknowledges and agrees that the Bank must act in accordance with the laws and regulations in effect in various jurisdictions, in particular, with regard to preventing money laundering, the financing of terrorism and corruption, and with regard to financial services and other matters, and that it must also comply with International Sanctions. Accordingly, with regard to International Sanctions, the Bank may be required to refrain from carrying out any payment or transfer that could be sanctioned by the OFAC (American Office of Foreign Assets Control) or by any Hong Kong or foreign authority or to block or reject a transaction or even freeze the Client's assets.

Furthermore, pursuant to any applicable legal and regulatory provisions, as well as upon request from any Hong Kong or foreign financial intermediary (for example, a correspondent bank, custodian, broker or clearing institution) that the Bank uses / has used to execute the Client's instructions, the Bank is authorised to ask the Client to provide it with information concerning the circumstances and background of a particular transaction.

In such a case, the Client is bound to immediately provide the required information. As long as the Client has not provided the information requested by the Bank, the Bank is authorised to refrain from executing the instructions received from the Client and, in particular, to refrain from following its instructions requesting the transfer of assets. If the Bank considers the information provided to be unsatisfactory or insufficient, it is entitled, at its full discretion, to terminate its business relationship(s) with the Client immediately and/or to prohibit the Client from withdrawing any assets. In accordance with applicable legislation on the banking sector, the Bank may alert the appropriate governmental authorities and take the measures required of it to suspend its business relationship(s) with the Client and freeze the Client's assets, until the aforesaid authorities are able to rule on the case in question.

Insofar as the Bank has acted in good faith in accordance with any International Sanctions or with the provisions and prescriptions established under applicable legislation, the Client is required to bear the losses and other damages resulting from non-execution or delayed execution of his instructions.

**7.8. ERRORS AND DELAY IN EXECUTING INSTRUCTIONS**

When the Client is required to meet certain payment deadlines with regard to third parties, it is his responsibility to anticipate possible delays in the execution of his instructions. The Bank is not liable for any failure to meet the deadlines imposed by third parties if it was not informed thereof in writing with sufficient advance notice when the Bank proceeded with transfer or payment transactions with the customary diligence.

The Bank shall not be liable for any damage arising from any error and/or delay in executing instructions not due to the Bank's negligence, willful misconduct or fraud. In the event that it is proved that a damage due to the Bank's negligence, willful misconduct or fraud resulting from failure to execute or from defective or late execution of instructions other than stock exchange orders, the Bank shall, where a due date has been fixed, be liable only for the loss of interest, unless it has been informed in writing in the particular case of the urgency and warned against a risk of more extensive damage, and it has guaranteed in writing the execution of the instruction within the stated period. The Client therefore expressly undertakes to inform the Bank in writing each time the delayed or incorrect execution of an instruction may result in damages in excess of the loss of interest. Except in the event of negligence willful misconduct or fraud, the Bank's liability is limited in all cases to the amount corresponding to the loss directly incurred by the Client in connection with the transaction in question, excluding any liability for any other loss or any other consequential or incidental damage. If, for reasons beyond the Bank's control, the Bank is not able to execute a transaction in strict accordance with the Client's instruction, it shall inform the Client thereof. The Bank assumes no risks resulting from being unable to reach the Client.

The Bank may at any time automatically correct material errors it has made, whether or not as the result of executing instructions, and in particular may debit the Client's account or custody account, at such relevant value date, for all amounts or assets (or proceeds from their sale or their equivalent value) credited in error and for which the Bank

has not received cover, and the Client may not object thereto by arguing that he has already disposed of such assets or amounts or that he may have believed in good faith that they were intended for him.

**7.9. RISKS RESULTING FROM AN ATTACK TO THE OPERATING SYSTEMS OR FROM AN OVERLOAD THEREOF**

In the absence of proof of the Bank's negligence willful default or fraud, the Bank is not liable for disturbances and/or attacks on its operating systems.

**7.10. INFORMATION PROVIDED BY OPERATING SYSTEMS**

The information supplied by the Bank originating from its own systems (such as statements of accounts and portfolio valuations) or from systems of third parties (such as rates or prices and valuations of assets) is neither guaranteed by the Bank nor by the third parties involved. They must always be considered as provisional and provided for information purposes only, irrespective of the means of communication and of transmission used between the Bank and the Client (including by computer connection).

Any intellectual property rights, in particular copyright and trademarks, concerning all documents and information of any kind provided by the Bank, originating from its own systems or from those of third parties, are the exclusive property of the Bank or of those third parties. These documents and information can accordingly only be used by the Client for strictly personal purposes limited to the activity deployed in the framework of his business relationships with the Bank.

**7.11. CONFIDENTIAL INFORMATION**

The Bank has no obligation to provide information to a Client, if such information is covered by confidentiality obligations due to an authority, another Client or any third party.

**7.12. CORRESPONDENCE AND COMMUNICATIONS TO THE ATTENTION OF THE CLIENT****7.12.1 Dispatch by postal mail**

The Client is required to inform the Bank in writing of the postal address to which his correspondence, in principle by ordinary mail, is to be sent until further notice, including correspondence received by third parties for his attention. When such information is missing or no longer appears valid, the Bank may, at its discretion, send correspondence by means of communication that it shall deem appropriate or retain it as mail held available to the Client for (3) three years as from the date appearing thereon. After that period, the Bank is authorised to destroy the correspondence.

Any correspondence sent to the last address transmitted in writing to the Bank by the Client is deemed validly delivered to the Client at the end of a period of five (5) Business Days as from the date appearing on the correspondence and at the Client's expense. The Client bears full liability and bears all damages that may result therefrom. Outgoing mail is deemed to be sent on the date appearing on the Bank's copy and correspondence held by the Bank is deemed to have been delivered on the date appearing thereon.

**7.12.2 Dispatch via the Bank's Online Services**

Any communication received by the Client through the e-Banking online services established by the Bank at his request is deemed to have been validly delivered to him on the date appearing thereon.

When banking correspondence is made available to the Client exclusively via online services, the Bank remains entitled, but is not required, to inform the Client and/or any authorized representative of the Client by any other means that it deems appropriate and to any location where the Bank believes it will be able to reach him.

Similarly, whenever it no longer seems possible for the Client to access the online services (e.g. in case of the suspension or suppression of such access), the Bank may, at its discretion, send correspondence by any means of communication that it shall deem appropriate or retain it as mail held (see article 7.12.3 below) available to the Client for three (3) years as from the date appearing thereon. After this time, the Bank is authorized to destroy the correspondence.

### 7.12.3 Hold Mail

When the Bank agrees, at the Client's request and by way of exception, to retain correspondence ("hold mail" service), such correspondence is deemed to be validly delivered on the date appearing thereon.

If the Client has instructed the Bank to retain his correspondence as hold mail, the Client agrees to collect it and read it at least once during the calendar year. Otherwise, the Bank reserves the right to send said correspondence by postal mail or by any electronic means of communication deemed appropriate, at its sole discretion.

The dispatch of such information has no effect on the Client's ordinary correspondence sent or held at the Bank, but supplements it.

The arrangement to hold the Client's correspondence at the Bank may be terminated at any time in writing, either by the Client, in which case such termination is only effective two (2) Business Days after receipt of such written notice by the Bank, or by the Bank, with immediate effect and without any special formality. Such termination shall consequently entail sending all correspondence and all other documents related to the operation of the account to the last address transmitted to the Bank by the Client or, where applicable, to any other address mentioned by the Client at the time such arrangement is terminated.

### 7.12.4 Risks associated with use of e-Banking Services and hold mail

When the Client has opted for the Bank's e-Banking and/or hold mail services, the Bank recommends that the Client read his correspondence available online and/or collect his mail held at the Bank on a very regular basis. In any case, the Client understands and accepts the risk that he may be irrevocably unable to exercise certain rights, in particular, to appeal a binding decision issued by an authority (such as an order for attachment or transmission of documents) or to dispute a document having legal effect in the timeframe required, as a result of its delivery according to the contact instructions chosen.

In any case, the Bank is released from all liability resulting from holding correspondence at the Bank or sending the Client's correspondence via e-Banking services.

### 7.12.5 Other means of communication

In addition to such conditions for dispatch of correspondence for hold mail custody, the Client may also indicate to the Bank other forms of communication (fax, email address, etc.) for sending certain documents or specific information. Such sending shall have no influence over the effects of sending or keeping hold mail ordinary correspondence, but shall supplement such effects.

Regardless of the means of contact chosen by the Client (including hold mail), the Client accepts that the Bank retains the right to send him any correspondence and to contact him by any method that it shall deem appropriate, at the Bank's discretion and with no obligation in this regard, in particular by postal mail or by telephone, and via electronic channels (for example, email, fax, text, e-Banking services, mobile applications or any other electronic means).

The Client understands and accepts that the Bank may also make information and documents with legal content available to him by publishing them on the Bank's website (<https://hongkong.ca-indosuez.com/pages/terms-conditions>) and thereby fulfil its obligations to inform, explain and publish (e.g. with regard to protection of personal data). Subject to legal or regulatory requirements to the contrary, the Bank is not required to inform the Client by any other method.

The Bank is not liable for risks and damages of any nature, such as loss, misunderstandings, errors, forgery, multiple sendings due to the use, interruption or failure of any transport or mailing companies or of any means and systems of communication and transmission used. The provisions of articles 7.4 and 7.5 above are applicable in that respect.

## 7.13. NOTIFICATIONS SENT TO THE BANK

Notifications sent to the Bank associated with the occurrence of events of any kind, such as changes or loss of capacity, status, signature authorities, terminations, deaths, etc., must be sent to the Bank in writing and shall not be binding on the Bank until two

(2) Business Days after their receipt, insofar as implementing the change is not contingent on the delivery of additional documents required by the Bank. For example, the notification of a change of address of domicile shall not be binding on the Bank until two (2) Business Days after the Bank receives the documents required.

## 7.14. DISPATCH AND TRANSPORT OF ASSETS AND DOCUMENTS

Assets and documents of any type sent to the Bank or by the Bank, particularly by special or express courier, are dispatched at the expense, risk and perils of the Client who sends them or to whom they are sent or on behalf of whom they are sent. If items are sent by special or express courier, the Client authorises the Bank to specify the contact information of the intended recipient, including his telephone number, and the name of the Bank. Assets or documents picked up from or delivered to a person's home are also sent at the expense, risk and perils of the Client.

The Bank may but is not obligated to purchase any insurance, at the Client's expense, that it deems necessary when sending such items to the Client or picking up or delivering assets.

The dispatch may also be insured upon express request of the Client and at his expense. The Bank enters into the insurance policy with the insurer of its choice. It shall not incur any liability in this regard. In the event of loss, the Client shall be entitled only to the insurance compensation that shall be paid to the Bank.

## 7.15. INTEREST, EXPENSES, COMMISSIONS, RIGHTS, DISBURSEMENTS, INDEMNITIES, FEES, TAXES AND DUTIES

**Charges, fees and commissions are those in effect from time to time as determined by the Bank and notified by it to the client by any appropriate means. The Bank's standard fees and charges schedule is also available at the place of business of the Bank.**

**Other information in connection with transactions or the client's Account, such as interest calculation methods, will be provided within a reasonable delay upon request of the client.**

**The Bank shall debit the Client's account with all debit interest, expenses, commissions, set price for securities administration, disbursements, taxes, duties and drawings of any kind owed to it by the Client as compensation for an activity undertaken on his behalf such as keeping the accounts and custody accounts, correspondence, postage, communications, dispatch, transport, insurance, safekeeping, administration and management of assets.**

**Furthermore, any taxes associated with or arising from the Client's relationship with the Bank such as defined by Hong Kong law, international treaties or agreements entered into with foreign authorities (i.e., withholding tax such as provided for in US regulations under FATCA - Foreign Account Tax Compliance Act - transposed in Hong Kong) are payable by the Client.**

**The Client undertakes to inform the Bank on his own initiative and in a timely manner of any changes to his tax residence and his tax status and, where applicable, to those of the Beneficial Owner(s), and of any other circumstance that may affect the levying, exemption or reduction of withholding tax and to provide all documentation required by the Bank to implement such changes. Where there is more than one account holder or beneficiary of income, the Bank shall apply the least favorable applicable withholding tax rate.**

**Debit interest, expenses, commissions, set price or fees for securities administration and other amounts payable to the Bank for its activities apply without deductions of any kind whatsoever for the Bank and shall be charged according to its prevailing rates, subject to any agreement to the contrary or to work undertaken where extraordinary services require supervision or a special**

activity. Except for interest and the provision of extraordinary services, these amounts shall be payable in advance for the year or for the full period, even if the relationship is terminated prematurely. The Bank's fees, charges and commissions may be amended at any time, the Client being notified thereof by any appropriate means, such as an advice, circular or display on a notice board.

All charges for carriage, dispatch, transport, communication and research incurred by the Bank, including fees for lawyers or other appointed third parties, following requests for information and documents, arising from proceedings or legal or administrative measures directed against a Client, and all those undertaken by the Bank on behalf and in the interests of a Client or his successors, or undertaken to clarify their legal status, legal capacity and contact details, including in the event of death (passing of an estate to heirs) or loss of contact, are borne by the Client or his successors.

Any expenses and legal and other fees that the Bank may incur as a result of setting up transactions of any kind on the Client's behalf, especially credit transactions, recovery of its claims, constitution and realisation of its collateral, investigation regarding the existence of security over the Client's assets, disputes, proceedings or legal or administrative measures directed against the Client or objections, including with the aim to prevent or defer the execution of commitments issued by the Bank in favor of third parties on the Client's behalf, are borne by the Client.

The Client undertakes to indemnify the Bank, its directors and officers, executives and employees, as well as those of its correspondents, for any damages, costs or other reasonable expenses (including costs of proceedings and attorneys) incurred or for which they are liable or might be liable, for instance as a consequence of any claim or proceeding, towards the Bank or any Hong Kong, Swiss, or foreign correspondent, authority, or third party, as a result or due to acts on behalf of the Client, including in the event of acts undertaken on instructions of representatives or agents of the Client, or forgery or abuse committed by persons other than the Bank's directors and officers, executives or employees. The Bank is authorised to debit the Client's account for any such amounts.

The Client remains liable for all such amounts, even if such amounts have not been assessed or if their payment is requested after termination of the business relationship with the Bank.

## **7.16. CONFLICTS OF INTEREST, COMPENSATION RECEIVED FROM OR PAID TO THIRD PARTIES**

### **7.16.1 Conflicts of interest**

The Bank is part of a large international banking and financial group. It acts simultaneously for a large number of Clients, as well as for its own account. Furthermore, the Bank offers its Clients a broad choice of financial instruments, particularly collective investment schemes and structured products, that it creates, structures, manages, selects, promotes and/or distributes. This service involves the use of a wide network of correspondents, such as distributors, issuers, representatives, arrangers, managers, financial analysts and agents for such instruments, with which the Bank enters into agreements.

In view of the nature of its activities (such as investment advisory services, asset management, securities trading, the creation and promotion of collective investment schemes, issuing investment products, extending loans, etc.), the Bank may be called on to provide services to other clients whose interests may directly or indirectly conflict with the interests of the Client.

The Bank may have a personal interest in certain transactions which could conflict with those of the Client. This is especially if the Bank acts as the Client's counterparty in a transaction. A conflict between

the interests of the Bank and those of the Client may also arise from proceeds and benefits that the Bank may have occasion to receive or to pay to entities of the Crédit Agricole Group or third parties. Reference is made to articles 7.16.2 and 7.16.3.

The Bank makes every effort, through appropriate organisational measures, to avoid conflicts of interest between itself and the Client or between its employees and the Client. When such conflicts cannot be avoided, the Bank takes care in all cases to preserve or take equitably into account the Client's interests.

The Bank and its subsidiaries (defined in the Companies Ordinance (Cap 622 of the Laws of Hong Kong), parent companies, offices (including but not limited to the head office in Switzerland and branch offices), representative offices, and associated companies in any jurisdiction (together "Affiliates") may in particular:

- issue financial instruments;
- combine the Client's orders with their own orders or the orders of other Clients;
- make investments or effect transactions through or with a counterparty belonging to the same group;
- hold positions or a direct or indirect interest in any financial instrument or transaction;
- buy or sell any investments or enter into any transaction as principal or on behalf of other Clients;
- have other banking, advisory or business relationships with issuers whose instruments are held, purchased or sold on behalf of the Client, or with third parties wishing to gain control of such issuers;
- have as directors, officers or employees persons who may also be directors, officers or employees of such issuers.

When the Bank acts as counterparty in a transaction with the Client, it is not acting as its agent and is thus not required to protect the Client's interest. Any transaction or engagement with the Bank as a counterparty could in particular result in a loss for the Client and a profit for the Bank. The Bank, however, ensures that this means of action is not detrimental to the Client.

### **7.16.2 Indirect fees received by the Bank**

In connection with the financial services that the Bank provides to the Client, the Bank may receive commission or other types of fees or monetary benefits from third parties (including from affiliated entities of the Bank, particularly in the context of its securities offering activities). The nature and amount of indirect fees vary according to the type and categories of financial instruments in which the Client's assets are invested and the financial service provided. The Bank may also receive such indirect fee in connection with the introduction of the Client to another Crédit Agricole Group entity or to a third party for the acquisition of new assets or the conclusion of business deals.

Important information about such indirect fees (including calculation parameters and ranges) is featured in the risk disclosures or such other documents the Bank may provide to the Client and update at its discretion. The Client confirms having reviewed such information and accepts the contents thereof.

The Client understands and accepts the fact that the Bank's receipt of such indirect fees may result in conflicts of interest since such fees may encourage the Bank to select or recommend certain types of financial instruments or service providers with which it has entered into a fee agreement that is autonomous and independent of the Bank's relations with its Client. The Bank has set up procedures for the purpose of acting in the Client's best interest.

To avoid potential conflicts of interests, the Bank shall ensure, in particular that, the investment decisions made on behalf of its Clients are independent of any fees related to the financial instruments in question.

The Client hereby expressly agrees and consents to the Bank retaining the entirety of above-described indirect fees as supplementary compensation in addition to the commissions set out in the Bank's fee schedule and expressly waives any right to restitution of such indirect fees already collected by the Bank prior to the effective date of these General Terms and Conditions which fees may be retained by the Bank as additional compensation. The Bank shall inform the Client, upon request, of the amount of indirect fees it received from third parties, providing that it is reasonably possible to provide such a customer-specific breakdown; the Bank reserves the right to charge the Client for any related research fees.

### 7.16.3 Fees paid by the Bank

In addition, the Bank may pay financial benefits to other financial service providers, particularly external managers (independent asset managers or managers of collective assets) or business introducers. Such benefits may either consist of a percentage of the annual net returns obtained by the Bank on the account in question or consist of a finder's fees and/or a flat fee.

The Client understands and accepts the fact that the Bank's payment of such compensation to other financial service providers or business introducers may lead to potential conflicts of interests between the Client and such third party.

The Client understands and accepts that the obligation to inform clients about the fees paid by the Bank is incumbent on the third-party recipient, i.e. the third-party financial service provider or business introducer. The third-party recipient is therefore responsible for informing the Client of the existence and mode of calculation of any indirect fees that it may have agreed on to its benefit with the Bank.

Irrespective of whether the Client has authorised the Bank to disclose to the third party information relating to the account or the Client, the Client expressly authorises the Bank to communicate to the third party the amount of the compensation paid or to be paid to the third party in connection with the account of the Client opened/to be opened with the Bank by the Client as the account holder pursuant to the third party's referral of the Client to the Bank.

The Client is aware and understands that the third party may be able to deduce information relating to the Client, in particular the amount of the Client's assets maintained with the Bank, the operations carried out, etc. and the Client expressly agrees to the aforementioned communication of compensation to the third party.

To this end, the Client hereby releases the Bank from all duties and obligations of confidentiality, banking secrecy and personal data protection under Hong Kong and any other applicable laws including without limitation duties and obligations under PDPO and under common law. The Bank is relieved and released of all liability in this respect. The Client agrees that the abovementioned communication of compensation to the third party may entail the transfer of such information outside of Hong Kong.

The Client acknowledges that any transmission referred to herein may be made by any means of communication (postal or electronic mail, fax, telephone, etc.) and the Bank does not assume any responsibility for the risks and damages that may result from the use of such means including without limitation the risks and damages set out in article 7.7 herein. The Client accepts and agrees to bear all these risks.

However, if such Third Party should not or should be unable to carry out its obligation to inform the Client, the Bank shall provide such information to the Client upon his written request.

### 7.17. COMPLAINTS BY THE CLIENT

The Client is required to verify immediately the contents of documents, excerpts, communications or notifications by the Bank and to advise the Bank immediately of any error, including in its favor, that they may contain.

Any complaint or objection by the Client concerning the execution of or failure to execute orders or other communications, notifications or measures taken by the Bank must be submitted immediately upon receipt of the notice in question or, at the latest, within the time limit set by the Bank, failing which the particulars that they contain shall be deemed correct and approved by the Client, except in the case of

obvious error as to the content.

Specific cases in which circumstances require an immediate reply from the Client are reserved. In the event he does not receive any mail, communication or notification that he should have expected, the Client is required to advise the Bank immediately and to present his complaint as soon as he should normally have received it.

Complaints concerning periodic statements of account, portfolio valuations, advices and notices should be submitted in writing within ninety (90) days from the Client's receipt of that document. Express or implied approval of statements of account, portfolio valuations, advices and notices entails approval of all items and references appearing therein and of any reservations made by the Bank and, in the case of debit balances, acknowledgement of the debt in accordance with legal provisions. Entries on a statement or a portfolio valuation may not be contested where they correspond to notifications of transactions, which have not been contested in due course. Any loss resulting from a late complaint is borne by the Client.

The Bank reserves the right to freeze all the assets of the Client maintained in the account(s) which are the subject of a complaint or a legal proceeding. The Bank further reserves the right to freeze the assets maintained in any accounts maintained by a party who is related to such Client including without limitation (where the complainant is the holder of an entity account) accounts belonging to the beneficial owner of such entity or (where the complainant is an individual) accounts belonging to entities or trusts where such individual is a beneficial owner or settlor.

### 7.18. INTER-CONNECTIVITY OF TRANSACTIONS

All transactions by a Client dealing with the Bank are interconnected. The Bank may, therefore, in particular, refuse to execute its obligations if the Client fails to execute any one of his commitments.

### 7.19. UNITY OF ACCOUNTS, RIGHTS OF PLEDGE, RETENTION AND OFFSET

Without prejudice to any general or banker's lien, right of setoff or other right to which the Bank may be entitled, if the Client directly or indirectly (co-)holds several accounts at one or more offices and/or entities of the Bank, such accounts form a single unit, whatever their holder, title, nature or currency. The Bank may assert its claim to the balances thereon individually or at any time, without notice to the Client, combine, consolidate or merge all or any of such accounts with any amounts then owing whether actually or contingently, jointly or severally to the Bank and/or set off them in whole or in part after having made the necessary conversions into the currency of its choice.

As security for all its claims against the Client (in principal, interest and fees), regardless of their due date or their basis, resulting from their current or future business relationships, conditional or otherwise, including secured or unsecured credit facilities or third party receivables or claims, irrespective of their due dates or currencies or nature, the Bank shall have the right of setoff, combination of accounts, lien and all other rights available to it or to which it may at any time be entitled (whether at law, equity or by way of contract or otherwise) relating to all present and future assets or securities (including cash, account balances, receivables, book-entry securities, securities evidenced by share certificates, as well as all future rights relating thereto, precious metals, rights relating to securities evidenced otherwise than by share certificates and rights relating to securities lending) of the Client as well as those of third parties belonging to the same group as the Client, which the Bank holds and/or keeps currently or in the future, directly or indirectly, whatever their name, nature and currency, in its own premises or elsewhere on behalf of the Client or of third party members of the same group as the Client i.e. (where the Client is the holder of an entity account) accounts belonging to the beneficial owner of such entity or (where the Client is an individual) accounts belonging to entities or trusts where such individual is a beneficial owner or settlor, including those in closed safe custody (collectively known as the "Assets"), including for the avoidance of doubt, all credit balances in all accounts of the Client or of third party members of the same group as the Client as described above.

The Bank also has (without in any way affecting any such aforementioned rights), to the maximum extent possible and permissible under all applicable laws, a pledge, charge, mortgage, assignment of and security interest in and to the Assets, with power to sell, realise or liquidate any or all of such accounts, assets or securities and to apply the net proceeds thereof against any of the Client's liabilities and obligations to the Bank. The Bank's claims may also arise from the breach of any of the Client's obligations resulting from unrealised claims, such as actions and rights of redress or claims of unlawful enrichment or for damages or for breach of statutory or contractual obligations by the Client, including those arising from the General Terms and Conditions and/or all other agreements between the Client and the Bank. In the event of debts due, the Bank may without any other formality or warning realise such collateral in any order it sees fit, by private treaty or by enforced sale at its discretion, and liquidate uncovered forward positions of any kind by appropriate purchases and sales. The Bank may, as the case may be, purchase assets pledged and charged in its favour provided that the purchase price is equivalent to the market price of such assets. The rights granted to an entity of the Bank shall similarly cover claims that any other entity may have against the Client.

The Client may only set off his claims against the Bank against his debts towards it where his claims are undisputed or result from a final, enforceable judgment.

#### **7.20. LEGAL AND OTHER ATTACHMENTS**

Unless specially provided otherwise, the Bank may take account of all extrajudicial attachments notified to it on the Client's assets and freeze his assets as a result. It need not consider their formal regularity nor the basis of such attachments or judicial attachments and shall not be held liable for conservatory measures that it may undertake in this connection.

#### **7.21. COMMERCIAL INFORMATION**

All commercial and financial information of any kind provided by the Bank at the Client's request is given in accordance with prevailing customs and with due regard to banking secrecy, without guarantee or liability (subject to article 5.11), in strict confidence and may in no way be communicated to third parties.

#### **7.22. RIGHTS OF THE BANK**

The exercise of all rights vested in it is left to the Bank's sole discretion and in no way amounts to an obligation on its part. The Bank consequently assumes no liability in respect of the moment or of the use or non-use of all or part thereof. Furthermore, any delay or omission in exercising all or part of its rights does not imply that it has waived any of its rights thereunder.

#### **7.23. RESTRICTIONS TO THE BANK'S AND ITS EMPLOYEES' LIABILITY**

Apart from the other agreed or customary restrictions to its liability, the Bank may not be held liable for the consequences and losses resulting from acts, omissions or the insolvency of third parties instructed to execute the Client's orders if the third party has been chosen by the Client or, if chosen by the Bank, it has chosen it in good faith and instructed with customary care, nor for events, circumstances or disorganisation of its services or those of its correspondents or auxiliary persons that are beyond its control, such as acts of war, civil commotion, riot, attacks by armed persons, strike, natural events, weather conditions, earthquake, flood, fire, ionizing radiation, fortuitous events, force majeure, or other similar circumstances. Otherwise and in general, the Bank is only liable for its own negligence and the Client bears the burden of proof. This restriction of liability also applies to acts committed by the Bank's auxiliary persons.

#### **7.24. PROOF AND ARCHIVES**

The Bank's books and documents, as well as all data registered in electronic, numeric, magnetic form or in any other similar form, particularly in relation with the Bank's online services such as e-Banking services, even if such books, documents and data exist only in such forms are regarded as conclusive evidence until proven otherwise.

The Bank is expressly authorised to archive on data processing equipment all original documents and data originating in communications between the Bank and the Client with any means of

communication, including computer connections related to e-Banking services. Contrary proof to microfilm reproductions and computerised data made by the Bank from original documents may be submitted by the Client only on the basis of a similar document or in writing.

The Bank may destroy all original documents and instruments in its archives that are more than ten (10) years old, starting from the last day of the calendar year in which the document in question was issued, and more than one (1) year old in the case of microfilm reproductions or computerised data.

If the Client asks the Bank to transmit to him all archived documents before the expiration of the period of ten (10) years or, where applicable, still archived after such period, the Client must pay all expenses related to the research done and photocopies of documents requested in accordance with the Bank's applicable rates and conditions.

#### **7.25. INTRA- GROUP DISCLOSURES**

The Bank belongs to the Crédit Agricole Group, an international banking and financial group. As such, a certain amount of information, including Client Data (as defined in article 7.28.1), needs to be shared within the Crédit Agricole Group in order to ensure access to certain financial services and products, effective management of the banking relationship and proper global risk management.

The disclosures mentioned in this article are made in accordance with the "need to know" principle and are subject to provisions ensuring the confidentiality, security and integrity of the relevant data within the Group.

Such disclosures are in particular necessary for purposes of:

- a) control and management of the risks of the Bank and of the Crédit Agricole Group, including the management of risks related to International Sanctions, credit risks, legal risks, risks to compliance and reputation as well as for purposes of the fight against money laundering, terrorist financing and corruption.

In this context, information may especially be shared with the regional or global control functions of the Crédit Agricole Group, such as Compliance, Risk, Legal functions or other units or competence centres related to internal control, management and follow-up of disputes and investigations or to the oversight and assessment of business relationships, transactions and payments pertaining to International Sanctions and risk criteria in matters of money laundering and terrorist financing.

- b) administration, follow-up and oversight of banking relationships

In this context, information may particularly be shared with the Crédit Agricole Group's central cross-divisional functions that may need to become involved for the purposes of administration and monitoring of the relationship; information may also be shared with employees, executives and directors of the Crédit Agricole Group who may be called on to access such information by reason of their functional or geographical areas of authority or expertise (country, region, world).

- c) offering or supplying certain services or products required by the Client

Access to certain promoted products or services offered and/or distributed within the Crédit Agricole Group may make it necessary for the Bank to disclose certain information to affiliated entities. Whenever clients apply for such products or services, their consent to the transfer of the information required for the relevant offer or distribution shall be documented on a case-by-case basis.

The Bank's communications of Client Data outside Switzerland shall be made exclusively to members of the Crédit Agricole Group located in an EU Member State or in a third country whose legislation reputedly ensures an adequate level of data protection. Unless the Client specifically consents thereto, any disclosure to a third country that does not reputedly ensure an adequate level of protection may only occur subject to the conditions established by the applicable legislation and in compliance therewith.

## 7.26. OUTSOURCING OF ACTIVITIES

The Bank has the right to delegate or outsource, temporarily or over a long period, to (i) Crédit Agricole SA, Paris, to other banks and legal entities of Crédit Agricole Group and/or (ii) other third parties of its choice, namely external service providers in Hong Kong or abroad, a portion of its activities and/or certain tasks related to its activities, such as the execution of securities or foreign-exchange transactions, the processing of certain securities or foreign-exchange transactions, in particular when such delegation appears more favorable from the point of view of execution deadlines, compliance controls to prevent fraud, to combat the financing of terrorism and money laundering, to combat the financing of corruption, computerised data processing, the management of administrative and other tasks with regard to credit risk management, processing client data, as well as data hosting, archiving and storage on computer servers (including electronic correspondence exchanged between clients and the Bank and between the Bank's employees themselves), the development and implementation of computer programs and applications, and back office activities of any type (administration of banking transactions, sending mail, payment and clearing transactions, filtering of transfer flows as described in article 5.5.2, etc.). The Bank may also outsource tasks to service providers for which particular expertise is required, including the preparation of any tax documents or valuations of certain assets.

The Bank must take care to do so in compliance with the framework and conditions provided for by applicable laws and regulations. Service providers are carefully chosen, instructed and supervised by the Bank and are required to comply with confidentiality provisions.

Whenever deemed necessary or useful for the performance of their tasks, the Bank may transmit Client Data (as defined in article 7.28.1) to the service providers so that they may perform their assigned activities, carry out the instructions received and/or meet their statutory, regulatory or contractual obligations.

The Bank may make disclosures of Client Data outside Switzerland exclusively to service providers located in an EU Member State or in a third country whose legislation reputedly ensures an adequate level of data protection. Unless the Client specifically consents thereto, any disclosure to a third country that does not reputedly ensure an adequate level of protection may only occur subject to the conditions established by the applicable legislation and in compliance therewith.

## 7.27. CLIENT'S TAX LIABILITY

### 7.27.1 Client's tax obligations

The Client represents that he is aware that holding assets deposited with the Bank is liable to entail tax consequences, particularly with regard to income, wealth or estate taxes associated with his domicile, his registered office, his residence or his nationality or due to the nature of the assets deposited in his account.

The Client confirms that he is responsible for his own tax affairs, that his business relation with the Bank will not be used as a conduit for funds that are proceeds from serious tax crimes and that the source of funds in relation to the business relation which he holds with the Bank is legitimate.

As a consequence, the Client confirms that he has discharged his tax obligations (tax filings and payments) and undertakes to continue to meet his obligations with regard to the authorities of the country/countries in which the Client is required to pay taxes relating to the assets deposited with the Bank and any profits and/or gains derived therefrom. In the event the Client is not the Beneficial Owner of the aforesaid assets, he undertakes to inform the latter of such obligation and shall ensure that the Beneficial Owner meets the same obligation.

The Client was made aware of the fact and understands that failure to comply with his tax obligations may be subject to financial penalties and

criminal sanctions according to the applicable legislation of the country or countries in which the Client must pay taxes.

The Client is aware and agrees that pursuant to the international agreements to which Hong Kong or Switzerland is a party (as the case may be), the name of the co-contracting party and that of the Beneficial Owner, if it differs, may be transmitted by the Bank to the competent foreign authorities, including tax authorities, provided that the terms and conditions of these international agreements are met.

Lastly, the Bank assumes no liability for legal or tax advice. Consequently, the Bank asks the Client, and through him, the Beneficial Owner, to consult an attorney, a tax expert or any other competent specialist as needed and to take any measure that could result therefrom.

### 7.27.2 US withholding tax and obligation to inform

The Client undertakes to immediately inform the Bank if it is or is going to become a US Person pursuant to the regulations of the United States of America.

Under the rules governing US withholding tax, the Bank undertook with regard to the US tax administration or the IRS (Internal Revenue Service) to act as Qualified Intermediary in view of collecting withholding tax on income from capital.

The Bank furthermore undertook to act in compliance with the US FATCA (Foreign Account Tax Compliance Act) regulations such as in force at the time of their implementation and transposed in Hong Kong.

Accordingly, in connection with its commitments and obligations arising therefrom, the Bank is required to identify any business relationship opened by or on behalf of any US taxpayer. Furthermore, if a Client declares himself a "US Person" or if he is identified as such by the Bank with regard to applicable US regulations, the Bank may be required to transmit certain information to the IRS concerning him and his assets held and/or income collected at the Bank. Given this, a Client who is a "US Person" is expressly made aware of the fact that the Bank is required to obtain his consent to disclose the abovementioned data in the timeframes set forth by US FATCA regulations such as in force at the time of their implementation and transposed in Hong Kong.

In this regard, the Client acknowledges and accepts that he is required to carefully comply with all of the Bank's administrative provisions and procedures, particularly to promptly sign any Bank's form or submit any documentary evidence or supporting documentation to it, if there are any indications that he could have tax obligations with regard to the United States of America because of his US nationality or his status as a resident on US territory.

The Client acknowledges and accepts that if he does not satisfy or is late in satisfying any of these provisions, the Bank is entitled – in connection with the obligations required of it regarding deducting the withholding tax mentioned in this article – to consider him, simply on the basis of indications which it could have at its disposal, a US taxpayer. The Client is aware that he shall incur all the tax and financial consequences that could result therefrom. In this regard, the Bank may be required, among other measures, to deduct withholding tax, alienate the assets held, on behalf and at the risks of the Client, regardless of the result arising therefrom, and/or terminate its business relationship with the Client without further notice.



In any case, the Bank may not under any circumstances be held liable for the damaging consequences resulting from failure to declare or a false or erroneous declaration by the Client as to his status as a “US Person” or “non-US Person” or in the case of delay in transmitting the information requested by the Bank in this regard.

Lastly, the Client is aware that federal US estate taxes may, in certain cases, be collected in the case of succession of a deceased person domiciled outside the United States and qualified as a “non-US person”, because at the time of his death such person held US securities (i.e. equities or bonds issued by US companies or shares of US investment funds) or real estate assets located in the United States. The Client’s heirs also have an obligation to declare in this case.

#### 7.27A AUTOMATIC EXCHANGE OF INFORMATION ON TAX MATTERS

As a Hong Kong financial institution, the Bank is required to perform certain due diligence procedures in order to identify the financial accounts and the persons that must be reported under international agreements signed by Hong Kong on the automatic exchange of information on tax matters. In this regard, upon entering into the business relationship and on request of the Bank, the Client is required to provide the Bank’s self-certification form for tax purposes intended to collect the information required under Hong Kong law on this exchange of information. He is also required to submit, upon first request, all additional documents that the Bank could deem useful to properly perform its due diligence obligations.

As from 2018, the Bank may have to transmit the information described below to the Inland Revenue Authority of Hong Kong for transmission to the competent authorities of Hong Kong’s partner jurisdictions with regard to which the Client and, where applicable, the Beneficial Owner have been identified as reportable. This information includes data relating to reportable financial accounts, in particular the account number, balance or value at the end of the calendar year in question (or when closed if closed during the year), interest, dividends and other gross income generated by the financial assets held during the year, and gross proceeds from the sale or redemption of such assets. This information also includes the identification data of the persons concerned, in particular their name(s), address, tax residence jurisdiction(s), date of birth (for natural persons), type of account holder (for legal entities) and tax identification numbers (TIN).

The Client is required to inform the Bank as soon as possible of any change in the information contained in the self-certification form. The Client is also required to transmit to the Bank as soon as possible a new self-certification form for tax purposes or any additional document following a change of circumstances. Otherwise, the Bank shall be required to consider him a resident of both the jurisdiction in which he declared himself a resident in the original self-certification form and the jurisdiction in which he may be resident due to the change of circumstances. These provisions also apply to changes concerning the Beneficial Owner.

#### 7.27B INTERNATIONAL SANCTIONS

##### 7.27B.1 Definitions

“International Sanctions” means all mandatory, restrictive measures laying down economic, financial or commercial sanctions (in particular all sanctions or measures relating to an embargo, a freezing of funds and economic resources, to restrictions on transactions with natural persons or legal entities (hereinafter “Persons” and, individually, a “Person”) or relating to specified goods or territories) issued, administered or enforced by the United Nations Security Council, the European Union, France, Switzerland, the United States of America (including the US Department of Treasury’s Office of Foreign Assets Control (OFAC) and the US Department of State) or by any other competent authority, including other States, having the power to lay down such sanctions.

“Sanctioned Person” means any Person who is subject to or the target of International Sanctions.

“Sanctioned Territory” means any country or territory that is subject to or whose government is subject to a regime of International Sanctions forbidding or restricting relationships with such country, territory or government.

##### 7.27B.2 Client’s representations

Neither the Client, nor to its knowledge, if it is a legal entity, any of its subsidiaries, any of their respective legal representatives, directors, senior managers or employees:

- (a) is a Sanctioned Person; (b) is a Person:
  - (i) held or controlled by a Sanctioned Person;
  - (ii) located, incorporated or resident in a Sanctioned Territory;
  - (iii) engaged in an activity with a Sanctioned Person;
  - (iv) having received funds or any other asset from a Sanctioned Person;
  - (v) engaged in an activity with a Person located, incorporated or resident in a Sanctioned Territory.

To the extent applicable, the Client has established and maintains policies and procedures that aim to comply with International Sanctions. These representations shall be deemed to be reiterated until the end of the business relationship with the Bank.

##### 7.27B.3 Client’s commitments

The Client undertakes to inform the Bank immediately of any fact he may be aware of that would cause any of his representations relating to International Sanctions provided in these General Terms and Conditions to be inaccurate.

The Client undertakes not to use directly or indirectly assets deposited with the Bank or funds lent and not to lend, contribute or otherwise make these assets or lent funds available to any Person, including, if it is a legal entity, any of its subsidiaries or joint ventures, for any transaction that may finance or facilitate, in purpose or effect, any activities or business relationships:

- (a) with a Sanctioned Person or with a Person located in a Sanctioned Territory or,
- (b) likely to constitute in any manner whatsoever a violation of International Sanctions by any Person, including any Person concerned by a credit facility extended by the Bank.

The Client undertakes not to use any income, funds or profit originating from any activity or transaction conducted with a Sanctioned Person or with any Person located in a Sanctioned Territory for the purpose of repaying, prepaying or otherwise paying amounts due to the Bank in connection with his business relationship with the Bank.

##### 7.27C Joint Relationships

When the Client requests the Bank open for the Client a joint account and, where applicable, a joint securities deposit, **all joint account holders agree and understand that they can exercise all rights jointly and severally and that they shall be liable jointly and severally for all obligations arising out of such relationships** and consequently this article 7.27C shall apply :

Each joint account holder shall be entitled at all times and without any restriction with individual signature authority to carry out any act of management and disposal relating to the deposited funds and assets, including in favour of himself or herself and/ or any third party, such individual signature of any joint account holder being sufficient to discharge the Bank from any liability towards the other joint account holders and to bind all the other joint account holders. Any signature powers granted by any joint account holder shall be binding upon all the other joint account holders and any such attorney shall be presumed to act as the attorney on behalf of all the joint account holders.

All acts of disposal shall include the exchange, conversion, withdrawal and transfer of all or part of the funds and assets, and shall extend also to any pledge thereof, any subscription of commitments and credit facilities of any nature, the granting and revocation of any powers of attorney, all forms of approvals, discharges and instructions, including correspondence, closure of the joint account and of any securities deposit, and more generally to act as an individual owner in respect of any funds and assets.

Each joint account holder shall be liable jointly and severally for all obligations in connection with the said joint account and securities deposit and bound by all acts of management and disposal and all operations undertaken in the framework of this article 7.27C, notably by all present and future contractual obligations and debts, including those contracted by any one joint account holder. The Bank shall have the absolute right, in the event of default of any of the joint account holders, to set off the credit balance in the joint account and/or the joint securities account against a debit balance in any other account held by one or more of the joint holders and/or any amount(s) due to the Bank by one or more of the joint account holders.

The Bank shall be entitled to credit the joint account and/or the joint securities account with any funds and assets received by and/or for any one of the joint account holders without any obligation to give any special advice thereof to any such joint account holder.

The Bank shall also be authorised to address to any one of the joint account holders any communications relating to the joint account and/or the securities deposit. Any communication addressed by the Bank to any one of the joint account holders shall bind all the other joint account holders and shall be valid with regard to all of them without any restriction. The addressee of such communications shall in such case have the exclusive and personal responsibility to address them to the other joint account holders but the Bank shall have no obligation to check that such addressee does so and shall not be under any liability if such addressee does not do so.

It is expressly agreed that in case of death or incapacity of any one of the joint account holders, due to joint tenancy rules under Hong Kong law, the right of survivorship shall apply to pass the entire property of funds and assets in the joint account directly to the surviving joint account holder(s). Transferability due to death or incapacity of the rights arising from such relationships is excluded for all the joint account holders, such rights becoming null and void upon their death or upon the advent of any such causes of incapacity. The estate of a deceased joint account holder and/or its heirs (as relevant under applicable inheritance laws) shall, however, be jointly and severally liable for any joint and several obligations and debts of the deceased. The Bank shall be entitled to communicate to the personal representative of such deceased joint account holder and/or its heirs (as relevant under the applicable inheritance laws) information relating to the joint account and securities deposit and the name of each surviving joint account holder and of any attorney. For the avoidance of doubt, the surviving joint account holder(s) shall retain the sole rights vis-à-vis the Bank to use the funds and assets in the joint account, to the exclusion of any heirs or other beneficiaries of the deceased joint account holder and independently of the ownership rights pertaining to the funds and assets in the joint account. Consequently, the surviving joint account holder(s) shall be able to continue disposing freely of the funds and assets, any conferred powers shall remain unchanged and the joint account and the securities deposit shall continue to function normally. A payment by the Bank of the outstanding funds and assets in the joint account to the remaining joint account holders shall fully discharge the Bank of its liability under the joint account.

Notwithstanding the foregoing, the Bank may in its sole discretion freeze any funds or assets in the joint account without notice and retain such funds or assets in the joint account until the executor or administrator of the deceased joint account holders provides to the Bank a grant of probate or letters of administration which are to the satisfaction of the Bank. The Bank shall not, however, bear any liability in case of a full or partial exercise or a lack of exercise of such right to freeze the funds or assets the joint account.

This article 7.27C govern the legal relationships between the joint account holders and the Bank but does not affect in any way the internal relationships between joint account holders, especially as regards their

rights of title to funds and assets or such rights of heirs. All references in all other agreements or documents between the Client and the Bank to the document titled "Joint Relationships" shall be deemed to refer to this article 7.27C.

In the event of any inconsistency between this article 7.27C and any other article(s) of the General Terms and Conditions, this article 7.27C shall prevail.

#### 7.27D COLLECTIVE RELATIONSHIPS

When the Client requests the Bank to open for the Client and any other collective account holder(s) a collective account and, where applicable, a collective securities deposit, **all collective account holder(s) agree and understand that they shall be obliged to exercise all rights jointly and collectively and that they shall be liable jointly and severally for all obligations arising out of such relationships** and consequently this article 7.27D shall apply:

Unless otherwise expressly agreed or unless operated by any commonly designated attorneys, the account and the securities deposit shall only be operated with the joint and collective signatures of all the collective account holders. The signature powers granted by any one of the collective account holders shall only bind that account holder and the attorney designated by any one of the collective account holders shall be presumed to act only on behalf of that account holder. In case of the appointment of any attorney in common for certain or all of the account holders, each such account holder shall maintain the right to revoke individually any powers conferred.

The authorised signatories shall be entitled at all times and without any restriction, in accordance with the applicable signature powers, to carry out any act of management and disposal relating to the deposited funds and assets, including in favour of themselves and/or any third party. All acts of disposal shall include the exchange, conversion, withdrawal and transfer of all or part of the funds and assets, and shall extend also to the creation of any security or rights over such funds and assets in favour of the Bank, any subscription of commitments and credit facilities of any nature, the granting and revocation of any powers of attorney, all forms of approvals, discharges and instructions, including correspondence, closure of the account and of any securities deposit, and more generally for all of the collective account holders to collectively act as an individual owner in respect of any funds and assets.

Each collective account holder shall be liable jointly and severally for all obligations in connection with the said account and securities deposit and bound by all acts of management and disposal and all operations undertaken in the framework of this article 7.27D, notably by all present and future contractual obligations and debts, including, in accordance with the applicable signature powers, those contracted by any one of them or by any common attorney.

The Bank shall be entitled to credit the collective account and/or the collective securities deposit with any funds and assets received by and/or for any one of the collective account holders without any obligation to give any special advice thereof to any such account holder.

Any communication concerning the account and/or the securities deposit addressed to the collective account holders at the address notified by them to the Bank shall validly bind all the collective account holders and shall be valid with regard to them without any restriction. The addressee of such communications shall in such case have the exclusive and personal responsibility to address them to the other collective account holders, but the Bank shall have no obligation to check that such addressee does so and shall not be under any liability if such addressee does not do so.

The freezing of any funds and assets to the detriment of any one or more collective account holders, at the request of any other collective account holder or any heir of any such collective account holder, is excluded, unless ordered judicially. However, in case of opposition by any collective account holder or dispute relating to the applicable signature powers, the Bank shall be entitled to rely upon the joint and collective signature powers of all the collective account holders, for so long as they shall not have communicated to the Bank their written agreement as to a new set of signature powers.

In case of death or incapacity of any one of the collective account holders, the rights and obligations of such collective account holder shall be transmitted to his or her personal representative(s) and/or his or her heir(s) (as relevant under the applicable inheritance laws). The death or incapacity shall only be opposable to the Bank two(2) Business Days after its reception of the official certificate of death or incapacity. Notwithstanding the foregoing, the Bank may in its sole discretion freeze any funds or assets in the collective account without notice and retain such funds or assets in the collective account until the executor or administrator of the deceased collective account holder provides to the Bank a grant of probate or letters of administration which are to the satisfaction of the Bank. The Bank shall not, however, bear any liability in case of a full or partial exercise or a lack of exercise of such right to freeze the funds or assets the collective account.

This article 7.27D governs the legal relationships between the collective account holders and the Bank but does not affect in any way the internal relationships between collective account holders, especially as regards their rights of title to funds and assets or such rights of heirs.

All references in all other agreements or documents between the Client and the Bank to the document titled “Collective Relationships” shall be deemed to refer to this article 7.27D of the General Terms and Conditions.

In the event of any inconsistency between this article 7.27D of and any other article(s) of the General Terms and Conditions, this article 7.27D shall prevail.

## 7.28. BANKING SECRECY AND DATA PROTECTION

### 7.28.1 Principles and Client’s consent to transmit information

The Bank is required by law to treat any data about its business relationship with the Client (“**Client Data**”) in a confidential manner. Client Data includes any document or information concerning the Client, the business relationship, the persons connected with the relationship and/or the transactions concluded or pending execution. Client Data may include sensitive and/or personal data (such as the name, address, contact information, nationality, date of birth, marital status, profession, origin of the funds, identification numbers or indicators, etc.) concerning the Client or persons connected with the relationship (including beneficial owners, controlling persons, beneficiaries, officers, representatives, guarantors, holders of power of attorney).

The Client expressly releases the Bank from its confidentiality obligations, arising especially from banking secrecy, and consents to the transfer and disclosure of Client Data:

- (a) whenever disclosure of Client Data is provided for by these General Terms and Conditions, particularly:
  - (i) for the purposes of disclosures within the Group, such as those provided for by article 7.25 of the General Terms and Conditions;
  - (ii) for the purposes of outsourcing as provided for by article 7.26 of the General Terms and Conditions;
  - (iii) with regard to securities transactions in financial markets or exchanges and the safekeeping thereof with Third- Party Custodians (article 3.2), transfers (article 5.5 above), tax matters (article 7.15 and article 7.27.2) and in case of termination of business relationships (article 7.29 above).
- (b) whenever the Client has given consent to the transfer and/or disclosure of Client Data separately;
- (c) whenever the Client or any other person connected with the relationship publicly makes allegations against the Bank,

particularly in the media, or threatens or decides to initiate legal proceedings, to make a complaint or make other disclosures against the Bank (including as a third party) with government authorities in Switzerland or abroad;

- (d) whenever it is necessary to do so in defense of the Bank’s legitimate interests, particularly in order to safeguard or assert the Bank’s rights with regard to the Client and to realise the security interests of the Client or third parties (in the case where third-party security interests have been established as collateral for the Bank’s claims with regard to the Client) or in the case of recovery of the Bank’s claims against the Client, attachment or legal proceedings relating to assets, brought against the Client or the Bank, both in Hong Kong and abroad;
- (e) whenever required or authorized by applicable Hong Kong laws or regulations, particularly if required by an authority (a court, supervisory body or other government authority or agency), e.g., in order to comply with international judicial or administrative mutual assistance procedures.

The Client acknowledges and accepts that Client Data transferred or communicated abroad is no longer governed by Hong Kong law but rather by the relevant foreign law, which may, where appropriate, require the Client Data to be disclosed or made available to authorities, regulatory bodies or other third parties.

The Client confirms having informed, to the required extent, the persons connected with the relationship and obtained their authorization for the Bank to process and disclose their data as provided for by the present General Terms and Conditions, especially under the present article 7.28.1.

### 7.28.2 Data Protection

As part of its activities, the Bank is called upon to collect, record, store, use and process Client Data, including data of a personal and/or sensitive nature, in particular to be able to offer and provide its services, to meet its statutory and regulatory obligations, and to comply with industry standards, its internal policies and those of the Crédit Agricole Group (cf. particularly the transfers referred to in article 7.25 and 7.26 above). More detailed information about how the Bank processes such data, the purposes of the processing and the data subjects’ rights is available online (<https://hongkong.caindosuez.com/pages/privacy-policy>). Such information is periodically updated. The Client is asked to consult the Bank’s website on a regular basis in order to obtain additional and up-to-date information on this subject.

The Client understands that where Personal Data is collected by a party who is not in Hong Kong, such party may not be subject to the PDPO and the use of such Personal Data may not enjoy the same protection as conferred by the PDPO. The Client has the right to request access to and correction of such personal data, subject to the Bank being entitled to make a reasonable charge for processing accordingly. Any such request is to be addressed in writing to the Data Protection Officer at the above mentioned address of the Bank.

**Without prejudice to the foregoing, the Client allows and authorises the Bank to disclose and/or provide any information relating to the Client (including without limitation to the Client’s personal data and credit standing), the Client’s Account, assets of the Client with the Bank and/ or any dealings and transactions of the Client with and/or conducted via the Bank (together the “Relevant Information”) in accordance with the prevailing Bank’s notice on personal data to the Client (currently titled “Notice to Customers Relating to the PDPO (the “PDPO Notice”)).**

**The Client further allows and authorises the Bank to disclose and/ or provide the Relevant Information to:-**

- (a) any party(ies) set out in paragraph (e) in the PDPO Notice;

- (b) any legal, regulatory, governmental, tax law enforcement or other authorities (whether in or outside Hong Kong), including without limitation to the aforementioned authority(ies) of/relating to the first-mentioned person in sub-paragraph (c) immediately below;
- (c) any person (including without limitation to any exchange, clearing house, counterparty, custodian, nominee or service provider to the Bank, CA Indosuez (Switzerland) SA (“CAI”) and/or any Group Company) whom, the Bank assumes any duty, obligation, commitment or arrangement with the first-mentioned person in this sub-paragraph (c) or any other third party (each a “Service Agreement”) to provide the Relevant Information (or any part thereof) to;
- (d) any employee, directors and officers of any Group Company of the Bank;
- (e) any person providing a guarantee or security in favour of the Bank to guarantee or secure the Client’s obligations and/or liabilities to the Bank and/or to any professional adviser of the aforementioned persons;
- (f) any person who has incurred, incurs and/or will incur any liability and/or obligation to the Bank, for which the Client provides any guarantee or security in favour of the Bank and/or to any professional adviser of the aforementioned persons;
- (g) any professional advisers acting for the Bank and/or the Client;
- (h) any person to whom the Banks is required or expected to disclose the Relevant Information for or in relation to any (whether actual or potential) litigation, arbitration, administrative and/or regulatory investigations and/or proceedings impacting or relating to the Bank; and/or
- (i) any central depository(ies) or custodian(s) in Hong Kong or other jurisdictions in which the Client’s assets are registered, deposited or held with or custodied; or any insurer, valuer, proposed insurer and/or valuer of any asset of the Client with the Bank;

for any of the following purpose(s):-

- (1) the purpose(s) set out in the prevailing PDPO Notice of the Bank to the Client; and
- (2) the recipient of the Relevant Information to use such Relevant Information pursuant to the term and usage in the Service Agreement;

no matter during or after termination of the banking relationship between the Bank and the Client; and when these General Terms and Conditions are binding on the Client or after termination of the same for whatsoever reason. The Client further agrees and confirms that all the Client’s consent, authorisation and agreement in article 7.28 shall survive after termination of these General Terms and Conditions for whatsoever reason.

“Group Company”, in relation to the Bank, refers to any entity controlled, directly or indirectly by the Bank or CAI, any entity that directly or indirectly controls the Bank or CAI or any entity directly or indirectly under the common control of the Bank or CAI. “Control” of any entity or person means beneficial ownership directly or indirectly, of 50% or more of the issued ordinary share capital or the like of the entity or person.

Lastly, the Client acknowledges that Hong Kong legislation provides for exceptions to obligations of data privacy. The Bank is consequently bound under the Hong Kong legislation applicable to it to meet the requirements of international judicial and administrative mutual assistance procedures, even against the Client’s will.

#### 7.29. END OF THE BUSINESS RELATIONSHIP

The Bank and the Client may terminate their business relationship at any time in writing, with immediate effect and without specifying any reasons (particularly if the Bank has reason to suspect that the account

is being used for illegal activities).

If either of the parties terminates the business relationship, the Client undertakes to no longer give instructions to carry out new transactions and the Bank is no longer bound to accept instructions to carry out new transactions. In addition, all potential obligations of the Client, including credit facilities extended by the Bank, become immediately due and payable by operation of law, even if they have a term (like fixed-term advances) or subject to a condition or are subject to special agreements, and the Bank may also exercise its rights arising from pledges, its rights of retention, lien, rights of set-off and/or combination of accounts or any other rights whether in law or pursuant to special arrangements without prior notice, unless otherwise stipulated by law or contract.

From this perspective, pending transactions may be liquidated as soon as possible, subject to mandatory terms or maturities provided by contract, law or applicable regulations and that could not be broken off or amended, and subject to meeting any commitments that the Bank may have undertaken toward third parties.

Moreover, the Client undertakes to return to the Bank all payment instruments that it has issued to him or that are in the possession of a representative, such as cheque books or bankcards. The Client remains liable for any use thereof if such instruments are not returned to the Bank.

The Client agrees that the provisions of these General Terms and Conditions and all other agreements between the parties moreover remain applicable until all transactions and all commitments are fully wound up. In this regard, the Client shall assign to the Bank any share or security that might prove to be valueless and that would, as a result, be neither realizable nor transferable to a third party custodian.

The Client also undertakes to take any useful and necessary measure to settle his account and transmit his bank account information with another banking institution to the Bank in order to enable the transfer of his assets as soon as possible. The Bank nevertheless remains entitled to refrain from following the Client’s transfer instructions if it deems, at its sole discretion, that such instructions represent a legal and/or reputation risk for the Bank.

If the Client does not provide the necessary instructions in a reasonable timeframe or in the timeframe allotted by the Bank to transfer his assets and settle his account, or if the Bank determines that it is not required to follow the Client’s transfer instructions in accordance with the preceding paragraph, or if the Bank is unable to reach the Client, the Bank may place all the assets in deposit at the Client’s disposal in the manner the Bank deems appropriate, at the expense and risks of the Client. The Bank is in particular authorised, at its sole discretion, to physically deliver the Client’s assets or sell them and convert the proceeds from the sale into a single currency chosen by the Bank. Before proceeding with closing the Client’s account, the Bank is entitled to be released from all its obligations, particularly in the form of bank transfer, or by sending a cheque to his order to the last address of domicile transmitted to the Bank by the Client in writing (even if the Client’s correspondence is held by the Bank) or, where applicable, by depositing the proceeds and the Client’s available assets at the location designated by a judge or a competent authority. The Bank is expressly released from its confidentiality obligations especially those arising from banking secrecy in relation with such process and is released from any liability for any damage caused to the Client by taking any one of the measures described in this article. For the rest, reference is made to article 7.28.

Except by particular provisions to the contrary, the business relationship between the Bank and the Client is not terminated due to the death, declaration of absence, legal incapacity, bankruptcy of the Client or the occurrence of any other similar cause.

**7.30. PUBLIC HOLIDAYS**

Saturdays, Sundays and other days established from time to time by the banking institutions where the Bank operates (headquarters or branch) and at any other place concerning any of its transactions, under any law or local customs, are regarded as official public holidays.

The Client also agrees that the Bank is entitled to close its branch on any Business Day without assigning any reason thereto, with reasonable prior notice to the Client.

The Bank assumes no liability for any potential damages that could arise from closing the Bank during these public holidays or otherwise on any Business Day.

**7.31. LANGUAGE**

In acknowledgement that not all of the correspondences and documents issued by the Bank are available in Chinese, the Client agrees it is his personal duty to seek necessary translation assistance in respect of any English correspondence and document to the extent it relates to any instructions, confirmation or communication given to or with the Bank or in respect of any decision-making by the Client.

**7.31A ASSIGNMENT AND TRANSFER**

The Bank may at any time assign, transfer, sell or otherwise dispose of any of its rights and obligations towards the Client to any other entity, in particular in case of consolidation, amalgamation, merger, reorganisation, transfer of all or part of its business or similar events. In such a case, the Client shall execute and deliver all documents or instruments which may be required to give full force and effect to such dispositions.

**7.31B RESTRICTIONS TO THE BANK'S AND ITS EMPLOYEES' LIABILITY**

Apart from the other agreed or customary restrictions to its liability, the Bank shall not be responsible for the consequences and losses resulting from actions, omissions or the insolvency of third parties instructed to execute the Client's orders if the third party has been chosen by the Client or, if chosen by the Bank, it has chosen it in good faith and given its instructions with customary care. The Bank shall also not be responsible for the consequences and losses resulting from events, circumstances or dis-organisation of its services or those of its correspondents or auxiliaries that are beyond its control such as Events of Force Majeure (as such term is defined in article 7.35A) or other similar circumstances. Otherwise and in general, the Bank shall only be liable for its own negligence, willful misconduct and fraud and the Client has the burden to prove any such negligence, willful misconduct and fraud. This restriction of liability also applies to acts committed by the Bank's employees and auxiliary persons.

**7.31C DORMANT ACCOUNTS**

If the Bank determines that there have been no transactions conducted by the Client in connection with an account for an extended period, the duration of such period to be determined by the Bank from time to time at its sole discretion, the Bank may designate such account as a dormant account ("Dormant Account"). Upon the designation by the Bank of any account as a Dormant Account, the Client acknowledges and accepts that the Bank shall (a) not be obliged to send any further statement on such Dormant Account to the Client, (b) be entitled to impose charges on such Dormant Account in accordance with article 7.15 above and (c) be entitled to close such Dormant Account.

The Bank may, at any time and from time to time, close and discharge the Bank's entire liability with respect to that Dormant Account by notice in writing to the Client (at the address of the Client for correspondence last known to the Bank) giving, together with such notice a draft or cheque in the currency of that Dormant Account without recourse to the Bank as drawer, payable to the Client's order, in the amount of the credit balance in that Dormant Account as at the date of such notice together with such other documents (if any) as may be necessary to transfer to the Client such claims as the Bank may have on such funds. The Bank shall thereafter be released from any further obligations in relation to that Dormant Account. Notwithstanding the foregoing, closure of any account shall not affect the provisions relating to indemnities and the powers of the Bank set out in these General Terms and Conditions and/or all other agreements between the Client and the Bank. No interest

will be paid on unclaimed balances from a closed account.

The Client acknowledges having been informed of the consequences of dormant assets.

**7.32. PARTIAL NULLITY**

The ineffectiveness, invalidity or nullity of any one of the provisions of these General Terms and Conditions, any other agreement and condition between the Bank and the Client shall not affect the other provisions.

**7.33. LOST CONTACT**

In order to maintain contact with the Bank, the Client undertakes to immediately inform the Bank of any change in his personal situation that could result in a loss of contact (in particular, an address or name change following a marriage, for example) and to take all measures necessary (in particular, by appointing an authorised agent or a trusted third party) to re-establish contact if need be.

As soon as the Bank notices that correspondence sent by postal mail to a Client does not reach the Client, for example, in the event of an address change, or that the contact with the Client is broken off, the Bank is authorised, at its sole discretion and based on the amount of the Client's assets, in the interests of the Client or, where applicable, his heirs, to conduct any research that may prove useful and necessary, in Hong Kong or abroad, to re-establish contact in compliance with banking secrecy requirements. In the interim, the Client hereby authorises the Bank to retain his correspondence as hold mail in accordance with article 7.12.3.

If the Bank's research is fruitless or if the Bank is unable to contact the Client for other reasons, the Bank is required to report the business relationship to a central reporting office in Switzerland, which is subject to banking secrecy requirements and the role of which is to centralize data relating to dormant assets.

The Bank invoices the Client for expenses incurred as a result of its research in order to maintain or re-establish contact, regardless of the amount thereof, as well as all costs associated with the particular handling and supervision of dormant assets.

**7.34. SPECIAL TERMS AND CONDITIONS**

In addition to these General Terms and Conditions, specific or special terms and conditions, including the General Terms and Conditions for the Grant of Collateralized Credits/the General Conditions for the Granting of Credit (as amended/supplemented from time to time) , issued by the Bank govern and apply to certain types of interactions and transactions between the Bank and the Client.

In addition, stock exchange transactions are subject to the laws, rules and customs of the stock exchanges and markets concerned, documentary credits and collections and discounting transactions are governed by the latest version of the Uniform Customs and Practice of the International Chamber of Commerce. Any Hong Kong Association of Banks agreements, codes, conventions and regulations to which the Bank adheres shall also apply.

**7.35. AMENDMENTS**

**Any changes to the agreements between the Bank and the Client are valid only if set out in writing.**

**The Bank may at any time amend these General Terms and Conditions, any other applicable specific or special terms and conditions and/or any other agreements, documents agreed or entered into by the Client with the Bank. The Client shall be informed thereof in advance by any appropriate means, (to the extent permitted by applicable laws and regulations) at the Bank's sole discretion. These changes shall be deemed accepted by the Client unless challenged in writing by the latter within thirty (30) days after the Client is notified. If the Client lodges objections only against certain changes, the other changes shall go into effect at the end of the thirty (30) day period. If the Client has not obtained satisfaction at the outcome of the negotiations with the Bank with regard to the points raised, it is the Client's responsibility to draw conclusions therefrom by terminating, if he so chooses, his business relationship with the Bank.**

**These General Terms and Conditions supersede all prior versions**

**of the Bank's general terms and conditions.****7.35A FORCE MAJEURE**

An "Event of Force Majeure" includes any one or more of the following:

- (a) any act of God;
- (b) any act of any sovereign;
- (c) any act of foreign law, judgment, order, decree, embargo, blockade, labour dispute;
- (d) acts, restrictions, rules, directions, regulations, edicts, mandates, by-laws, governmental or regulatory orders, refusals to grant any licenses or permissions, changes in policy or prohibitions or measures of any kind on the part of any government or regulatory authority;
- (e) interruptions, calamity, war, invasion, acts of a foreign enemy, hostilities, terrorism, natural disasters or events, aircraft or aerial objects, fire, explosions, floods, lightning, haze, earthquake or other adverse weather conditions, radiation, strikes, industrial actions, civil war or strife, rebellion, revolution, insurrection, riots, demonstrations, attacks by armed persons, failure of utility service or protests by any individual and/or group of individuals;
- (f) breakdown or failure of transmission or communication of data or computer facilities, cybersecurity attacks or incidents involving our Bank or the Hong Kong banking system, breakdown or failure of any equipment, systems or materials required by the Bank for the performance of any contractual and/or non-contractual obligation owed to any Client;
- (g) actual, probable or suspected occurrence of infections from coronavirus, avian or other flu or other infectious or transmittable diseases;
- (h) sabotage;
- (i) a material adverse change in the monetary, political, financial (including conditions in any financial market), economic or other conditions or exchange or capital controls or other restrictions, whether in Hong Kong or elsewhere; and
- (j) any other matter or cause beyond the Bank's reasonable control; to be determined by the Bank in its absolute discretion.

Upon the occurrence of any Event of Force Majeure, all our contractual and non-contractual obligations owed to any Client, whether under these General Terms and Conditions or any other agreement between the parties, and the performance thereof shall be excused and/or suspended to the extent that the discharge and fulfilment of such obligations are prevented, frustrated, hindered or impeded as a consequence of any such Event of Force Majeure. For the avoidance of doubt, any failure to discharge such obligations that are a result of any such Event of Force Majeure shall not be a breach of these General Terms and Conditions or any other agreement between the parties. The occurrence of any Event of Force Majeure shall not affect any right and obligation that have accrued or are accruing, whether under these General Terms and Conditions or any other agreement between the parties.

**7.35B CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE**

A person who is not a party to these General Terms and Conditions and any other agreements between the Bank and the Client shall have no right under the Contracts (Rights of Third Parties) Ordinance, Cap.623 of the laws of Hong Kong, to enforce or enjoy the benefit of any term of these General Terms and Conditions and that contained in any other agreements between the Bank and the Client.

**7.36. ACCOUNT AND TRANSACTIONS INFORMATION**

Unless otherwise required by Hong Kong laws and regulations, the Bank will not provide the client, in addition to all transaction advices, statements and portfolio valuations it supplies, any contract notes, statements or receipts. Other information in connection with transactions, such as value dates and conditions for clearing cheques, will be provided by the Bank within a reasonable delay, upon request of the client. Such transaction advices, statements, portfolio valuations,

contract notes, statements or receipts in relation to transactions and related information may be issued and sent by post from a location outside Hong Kong. They are deemed to have been received by clients in accordance with art. 7.12.

**7.37. REPRESENTATIONS AND WARRANTIES**

The client represents and warrants on a continuing basis that:

- (a) he has such knowledge and experience in financial and business matters and expertise in assessing credit risks that he is capable of evaluating merits, risks and suitability of investing in securities and that he has consulted his own sources of information and credit analysis with respect to any securities;
- (b) he is responsible for making his own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Bank or issuer of any securities;
- (c) his dealing in securities is (i) fully consistent with his financial needs, objectives and condition, (ii) complies with and is fully consistent with all investment policies, guidelines and restrictions applicable to him, and (iii) is a fit, proper and suitable transaction for him, notwithstanding the clear and substantial risks inherent in dealing in securities;
- (d) he has requisite authority, power and legal capacity to enter into and perform his obligations under transactions instructed to the Bank; and
- (e) his dealing in securities is lawful under the laws of the jurisdiction of his domicile or incorporation and of the place and markets in which he operates.

**7.38. PERSONNEL OF OTHER FINANCIAL INSTITUTIONS IN HONG KONG**

Where the client himself, as Account holder, or the Beneficial Owner is or becomes an employee of a SFC Registered Institution or of a SFC Licensed Corporation in Hong Kong, the client shall inform and provide the Bank with the written consent of the employer of such person to open, respectively maintain, an Account holding securities with the Bank.

**7.39. GOVERNING LAW, PLACE OF PERFORMANCE AND JURISDICTION**

These General Terms and Conditions and all other contractual and non-contractual obligations of the Clients as well as all interactions between the Bank and the Client shall be governed by and construed in accordance with Hong Kong laws.

The place of performance of all obligations, the jurisdiction for debt collection proceedings for Clients domiciled abroad, and the place of exclusive jurisdiction in all proceedings is in Hong Kong. However, the Bank remains entitled to bring any action before any court of competent jurisdiction and/or any other competent authority for debt collection in the location of the Client's place of residence or registered office, in which case Hong Kong laws shall apply exclusively.

## 8. TERMS AND CONDITIONS FOR PAYMENT SERVICES RELATING TO FASTER PAYMENT SYSTEM (THE “FPS PAYMENT TERMS”)

### 8.1 FPS Payment Services relating to Faster Payment System

(a) the Bank provides the FPS Payment Services to its Clients to facilitate payments and funds transfers into Client Accounts with the Bank using the Faster Payment System. The Faster Payment System is provided and operated by HKICL. The FPS Payment Services are therefore subject to the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time. The FPS Payment Terms govern the Bank's provision to its Clients and its Clients' use of the FPS Payment Services. The FPS Payment Services form part of the Bank's banking services. The General Terms and Conditions continue to apply to the FPS Payment Services to the extent that they are relevant and not inconsistent with the FPS Payment Terms. Unless otherwise specified, the FPS Payment Terms prevail if there is any inconsistency between them and the provisions of the General Terms and Conditions with respect to the FPS Payment Services.

(b) **The FPS Payment Terms shall apply to any payment or funds transfer into Client Accounts using the HKICL FPS**

(c) In the FPS Payment Terms, the following terms have the following meanings:

“FPS Payment Services” means the services provided by the Bank from time to time to facilitate payment and funds transfer into Client Accounts using HKICL FPS .

“Client Account” means an account maintained by the Bank's Client with the Bank.

“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, amongst others, processing funds transfers and payment transactions.

“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.

“Paying Bank” means any bank or financial institution through/by which any payment or fund transfer is paid into a Client Account through the HKICL FPS.

“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, the Bank or any other Participant or the respective affiliates or group companies, or a Client is subject or is expected to comply with from time to time.

“Client” means each client to whom the Bank provides FPS Payment Services and, where the context permits, includes any person authorised by the Client to give instructions or requests to the Bank in connection with the use of the FPS Payment Services.

### 8.2 Scope of FPS Payment Services and conditions for use

(a) the Bank provides the FPS Payment Services to facilitate payment and funds transfer into Client Accounts using the

Faster Payment System and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time. The Bank has the right to set or vary from time to time the scope of the FPS Payment Services and the conditions and procedures for using the FPS Payment Services. In order to use the FPS Payment Services, Clients have to accept and follow these conditions and procedures.

(b) the Bank may provide the FPS Payment Services to facilitate payment and funds transfer into Client Accounts in Hong Kong dollars only.

(c) **In order to enable the Bank to handle an instruction in relation to payment or funds transfer into a Client Account using HKICL FPS, the Bank has the right to require the Paying Bank to provide or input the necessary information (including without limitation to information on the payor or transferor) and complete the process by such means or in such manner prescribed by the Bank 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) The Bank reserves the right to suspend or terminate the FPS Payment Services in whole or in part at any time without giving notice or reason.

(f) Clients agree and acknowledge that:-

(i) any payment or fund transfer into any Client Account through HKICL FPS will not be processed by the Bank on real-time basis, but will be processed by the Bank in such manner and at such time as the Bank may deem fit in its sole and absolute discretion; and

(ii) the Bank has the right not to process, further process or complete processing any payment or fund transfer into any Client Account through HKICL FPS and/or refund any such sum paid and/or transferred to the Bank back to the Paying Bank (for the account of the payor or transferor), if the Paying Bank fails or refuses to provide or input the necessary information (including without limitation information on the payor or transferor) or complete the process by such means or in such manner prescribed or required by the Bank at its sole and absolute discretion from time to time and/or any such information provided or input is inaccurate, incomplete, not up-to-date or misleading.

### 8.3 Clients' responsibility

#### (a) Use FPS Payment Services responsibly

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

(i) **Clients must comply with all Regulatory Requirements that govern their use of the FPS Payment 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. Clients must not use the FPS Payment Services for any unlawful purposes or any purposes other than those authorised or contemplated in the rules, guidelines and procedures of HKICL.**

**(b) Other obligations regarding payments and funds transfers**

**Clients 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.**

**8.4 The Bank's responsibility and restriction of liability**

(a) HKICL FPS has the right to process and execute instructions and requests in such sequence or manner as HKICL considers appropriate. The Bank has no control over the operation of HKICL FPS nor the timing on which any instructions or requests for any payment or fund transfer into any Client Account are executed by HKICL FPS. Where the Bank receives status update notifications involving any matter relating to HKICL FPS from or through HKICL FPS from time to time, the Bank will notify Clients accordingly by such means and at such time as the Bank considers appropriate.

(b) Without reducing the effect of Clause 8.4(a) above or the General Terms and Conditions:

- (i) the Bank is not liable for loss, damage or expense of any kind which any Client or any other person may incur or suffer arising from or in connection with (xx) the use of the FPS Payment Services or the processing or execution of instructions or requests in relation to the FPS Payment Services or HKICL FPS, and/or (yy) the Bank's refusal to process, further process and/or complete processing any payment or fund transfer into any Client Account and/or refund of such sum back to the Paying Bank under Clause 8.2(f) (ii) above, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from the Bank's gross negligence or willful default or that of the Bank's officers, employees or agents;
- (ii) for clarity, the Bank is not liable for loss, damage or expense of any kind which any Client or any other person may incur or suffer arising from or in connection with one or more of the following:
  - (1) any Client's failure to comply with the Client's obligations relating to the FPS Payment Services; and
  - (2) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS, or arising from any circumstances beyond the Bank's reasonable control; and
- (iii) in no event will the Bank, its affiliates or group companies, its licensors, and its and their respective officers, employees and agents be liable to any Client 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) Clients' confirmation and indemnity

- (i) Without reducing the effect of any indemnity given by any Client under the General Terms and Conditions or any other rights or remedies that the Bank may have, each Client will indemnify the Bank and its 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 the Bank or any of them and all actions or proceedings which may be brought by or against the Bank or any of them as a result of or in connection with the Bank's provision of the FPS Payment Services or that Client's use of the FPS Payment 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 the Bank's gross negligence or willful default or that of the Bank's officers, employees or agents. The above indemnity shall continue to have effect after the termination of the FPS Payment Services.

**8.5 Collection and use of Client Information**

(a) For the purposes of using the FPS Payment Services, any Client may be required to provide the Bank with the personal data and other information relating to one or more of the following persons from time to time:

- (i) the Client; and
- (ii) where the Client is a company, a corporation, or a sole proprietorship or partnership firm or any other unincorporated body, any of the Client's directors, officers, employees, authorised persons and representatives, all personal data and information provided to or compiled by the Bank from time to time in connection with the FPS Payment Services are collectively referred to as "Client Information".

(b) Each Client agrees (and, where applicable, for and on behalf of each of the Client's directors, officers, employees, authorised persons and representatives) that the Bank may collect, use, process, retain or transfer any of the Client Information for the purposes of the FPS Payment Services. These purposes include without limitation one or more of the following:

- (i) providing the FPS Payment Services to the Client, maintaining and operating the FPS Payment Services;
- (ii) processing and executing any instructions and requests in relation to the FPS Payment Services from time to time;
- (iii) disclosing or transferring the Client 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) If the Client Information includes personal data or other information of any person other than the Client (including any persons specified in 8.5(a)(ii) above), the Client confirms that the Client 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, the Bank and the other Participants as specified in this Clause.



## 9. DISCLOSURE OF THE BANK'S STATUS

### 9.1 The Bank is NOT an independent intermediary because:-

- (a) The Bank receives fees, commissions, or other monetary benefits from other parties (which may include product issuers) in relation to the Bank's distribution of investment products to the Clients. For details, the Clients should refer to the Bank's disclosure on monetary benefits which the Bank is required to deliver to the Clients prior to or at the point of entering into any transaction in investment products; and/or
- (b) The Bank may receive non-monetary benefits from other parties, or have close links or other legal or economic relationships with issuers of products that the Bank may distribute to the Clients.

## 10. EXAMINATION OF STATEMENTS OF ACCOUNT AND PORTFOLIO ETC.

- 10.1 Client is reminded and undertakes to examine all statements of account and portfolio as well as all transaction advices and confirmations from the Bank, and to report to the Bank of any unauthorised transaction or any Client's dispute as to their content (if any) within 90 days from the Client's receipt of such document. Client agrees that, to the extent permitted by the applicable laws and regulations, all content in such document shall be conclusively deemed to be true and accurate if the Client does not make such reporting to the Bank within that 90day period.
- 10.2 Client is further reminded to be careful and avoid error when making fund transfer and in the event Client receives any fund mis-transferred to the Client, the Client should return the mis-transferred fund forthwith, failing which the Client can be subject to criminal and civil liabilities.

## CONSENT BY CLIENT TO BEING TREATED AS A PROFESSIONAL INVESTOR

The Client hereby consents to:-

- be treated by the Bank as a Professional Investor under the Securities and Futures Ordinance (Cap 571 of the law of Hong Kong) in relation to the services of the Bank and understands that he has the right at any time to withdraw from being treated as a Professional Investor whether in respect of all products or markets or any part thereof by giving written notice to the Bank; and
- provide the Bank with supporting document(s) as evidence of fulfilling the portfolio/asset requirements as stipulated in the Securities and Futures (Professional Investor) Rules (Cap 571D of the law of Hong Kong).

## ACKNOWLEDGMENT OF THE RISKS AND CONSEQUENCES OF BEING TREATED AS A PROFESSIONAL INVESTOR

The Client hereby acknowledges that the risks and consequences of being treated as a Professional Investor, as defined under the Securities and Futures Ordinance, have been explained to him by the Bank, notably as set out below, and that he understands such risks and consequences.

As a consequence thereof, the Client acknowledges that the Bank will be relieved from certain obligations under the Securities and Futures Ordinance, the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Cap 571Q of the law of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the laws of Hong Kong). In particular, the Client has taken note and consents that he might:

- be proposed investments which have not necessarily been registered with the Securities and Futures Commission of Hong Kong or in respect of which the prospectus or other documentation does not necessarily meet the requirements of the Securities and Future Ordinance or the Companies Ordinance; and
- not necessarily receive contract notes, statements of account or receipts in the format prescribed by the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules.

## 1. INTRODUCTION

The objective of this Risk Disclosure Statement (this “**Statement**”) is to explain to the client, briefly, certain risks exceeding those being usual relating to investments or market transactions of which the client should be aware in respect of his undertaking or, as the case may be, in respect of any discretionary Mandate (the “**Mandate**”) wherein the client may be authorizing the Bank to undertake, such investments or market transactions, whether involving equities, foreign exchange, precious metals, bonds, commodities, interest rates, securities, market indices and any combination of these, and any spot, forward contracts, swaps, options and other derivatives transactions thereof including any structured products incorporating any or any combination of the same or otherwise, which may be made or entered into by the client from time to time. **In particular, the client must be aware that the risk of loss in respect of some investments or market transactions, and especially trading treasury and financial derivatives transactions or contracts, can be substantial.**

**This statement does not purport to disclose all of the risks or other significant aspects of any investment or market transaction. It is important for the client to ensure that he fully understands the precise nature of the investment or market transaction, how it actually works, the extent of his exposure to risks and the potential losses that he could incur. The client should also read the relevant product-specific literature and carefully consider and determine whether any investment or market transaction is suitable for his operation, business and organisation, in light of his experience in financial matters, objectives and financial resources and other relevant circumstances and the client should be aware that this is his responsibility.**

This statement does not purport to advise the client of the suitability of any particular transaction for the client's purpose or disclose all the risks and other significant aspects of any particular transaction. **The client should therefore carefully study the trading mechanism and the nature of the transaction, and understand the potential risks involved before he trades. The client should not sign or execute any agreement, contract or confirmation unless he is familiar with the contents or effects. The Bank is not obliged to give advice or make recommendations and notwithstanding that it may do so on the client's request or otherwise, other than as provided for in article 5.11, such advice or recommendations are given or made (and the client acknowledges and agrees that such advice or recommendation is so given or made) without any responsibility on the part of the Bank and on the basis that the client will nevertheless make his own assessment.**

## 2. GENERAL TERMS AND CONDITIONS

The Bank is part of a large international financial group and acts simultaneously for a large number of clients, as well as for its own account. Accordingly, conflicts of interest cannot be completely avoided. The client acknowledges that the Bank and its affiliates may (subject to applicable law): (a) be the issuer of any investments, (b) combine the client's orders with its/their own orders or the orders of other clients, (c) make investments or effect transactions for the client through the agency of and/ or with a counterparty which is a related organisation or a person otherwise associated with it/them; (d) have a position or a direct or indirect interest in any investments or market transactions, (e) have bought or sold any investments or entered into any transactions as principal or for its/their other clients; or (f) have other banking, advisory or any other corporate relationships with companies whose investments are held for the client's account or are purchased and sold for the client and its/ their officers and directors may be officers and directors of such

companies. Where the client's counterparty is the Bank, the client acknowledges that the Bank deals with the client at arm's length as the client's counterparty. In such a case, the Bank is not the client's fiduciary, nor does it accept any fiduciary obligations to the client. The client should be aware that any dealing, trading or engagement or transaction with the Bank by the client could result in a loss to the client and a gain to the Bank.

Any investment or transaction involves risks, irrespective of the market, the issuer and/or the underlying concerned.

**Usual risks** notably include rates risks, which can be related to fluctuations of interest rates, exchange rates, other general factors influencing the market or specific factors relating to the issuer, as well as creditors' and shareholders' risk related to the issuer's solvency and default. Past performance of investments is not an indication of their future performance. The absence of diversification of placements is a source of risks. The value of a portfolio can vary in any time, independently of the generalised fluctuation of the markets or strategy adopted in terms of risks and in spite of the diligence with which it is managed.

Certain types of transactions or investments involve in addition **special risks**, like a higher level of risk or a complex risk profile, such as options, forward and futures, structured products, alternative or non-traditional investments and investment in emerging markets.

Depending on the investments or transactions, the client can lose all or part of the invested sums and, in certain cases, be held to pay a higher amount than the one initially paid.

The client should not invest in or enter in any transaction which risks are described below unless he fully understands and is willing to assume the risks associated therewith. If the client is in any doubt about the risks involved in the product, he must clarify with the Bank or seek independent professional advice. The client can at any time request for additional information from the Bank. Subject to article 5.11, in the absence of any such specific request, the Bank is under no obligation to provide any additional information to the client.

By addressing to the Bank instructions relating to any investment or transaction, the clients represents and warrants that:

- a) he has been able to take note of all relevant documents and to ask every possible question on their content, and has read and understood all possible subscription documents;
- b) he has sufficient knowledge and experience in financial matters to assess the related advantages and risks (solely or with the assistance of his own financial, legal and tax advisers), taking into account his objectives and his personal, financial and tax situation;
- c) he has carried out such an evaluation, even if the operation was the subject of a preliminary advice from the Bank, understood the nature and scope of the related risks and accepted to fully assume such risks;
- d) he has independently determined that the investment or transaction is appropriate, suitable and proper for him, and he would proactively ask the Bank for all such further information or explanation as he may consider necessary in order to understand the risks and disadvantages of the investment or otherwise to make an informed investment decision;
- e) in respect of such investment or transaction, for the avoidance of doubt, any information and explanation related to the terms and conditions of an investment or transaction is not intended as investment advice or a recommendation to make or enter into the same unless the circumstances render such construction reasonable;

- f) he has not received from the Bank any assurance or guarantee as to the results which may be expected from making the investment or concluding the transaction, that he understands that none of the Bank's staff is authorised to provide such assurance or guarantee, and that, other than as provided for in article 5.11, the Bank shall not incur any responsibility in respect of any damage, financial loss or unrealised gain that he could support as a consequence of the making such investment or entering into such transaction;
- g) all information relating to himself in the possible subscription forms is accurate and that he admits to be bound by their terms as if he subscribed himself directly; and
- h) he is able to follow regularly the evolution of the value of his investments and the amount of his commitments and to manage this evolution, as he deems appropriate, all this by his own means, as the Bank is, subject to article 5.11, not engaged in any manner to advise him to this purpose.

### 3. RISK OF SECURITIES TRADING

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.

### 4. TERMS AND CONDITIONS AND ASSOCIATED OBLIGATIONS OF INVESTMENTS AND MARKET TRANSACTIONS

The client has the responsibility to fully understand the terms and conditions of the investments and market transactions which may be undertaken from time to time for the client's account, including the circumstances under which the client may become obligated to make or take delivery of the underlying financial instrument, including but not limited to securities, futures contracts, foreign exchange transactions, leveraged foreign exchange transactions, or commodities. The client should therefore carefully review all materials provided by the Bank and familiarize himself with the terms and conditions of any agreement, contract or confirmation that the client may enter into with the Bank. The client must fully understand his rights and obligations under that agreement, contract or confirmation.

### 5. MARKET RISK AND POTENTIAL LOSSES

Payments or receipts under a market transaction may be linked to changes in the particular financial market or markets to which the transaction is linked, and the client will be exposed to price volatility in that market or markets.

A transaction may be structured such that it is made up of a combination of several instruments or components. The client should be aware that there are risks associated with each instrument or component evaluated separately and the risk of the transaction evaluated as a whole.

The client may sustain substantial losses on the contract, trade, product or financial investment if the market conditions move against the client's position(s). It is important that the client fully understand the impact of market movements, in particular the extent of profit/loss the client would be exposed to when there is an upward or downward movement in the relevant rates, and the extent of loss in order to liquidate a position if market conditions move against the client. The client's position on investments or market transactions may be liquidated at a loss, and the client will be liable for any resulting deficit in the client's account with the Bank.

### 6. LIQUIDATION OF POSITION

Under certain market conditions it may be difficult or impossible to liquidate a position. These circumstances include suspension of trading, extreme market conditions, failure of telecommunications or electronic systems, and events commonly known as "force majeure". The ability in such circumstances to make a value or risk assessment, or to make a calculation of a fair price, would also be adversely affected. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit or avoid the client's losses to the intended amounts, as it may be impossible to execute such orders under certain market conditions.

### 7. LEVERAGE

The high degree of leverage that is often obtainable in trading futures contracts, treasury and financial derivatives trading and trading other investments and transactions can work against the client as well as for the client due to fluctuating market conditions. Trading in such transactions can lead to large losses as well as gains in response to a small market movement. The Bank would like to explain to the client that while the amount of the initial margin deposit may be small relative to the value of the transactions, a relatively small market movement would have a proportionately larger impact on the funds deposited with the Bank as margin. This could work for or against the client. If the market moves against the client, the client may not only sustain a total loss of his initial margin deposit and any additional funds deposited with the Bank to maintain the client's position, the client may also incur further liability to the Bank or sustain further or additional losses. The client may be called upon to "topup" his margin by substantial amounts at short notice to maintain his position, failing which the Bank may have to liquidate the client's position at a loss and the client would be liable for any resulting loss. The risk of loss in trading futures contracts or options is substantial. In some circumstances, the client may sustain losses in excess of the his initial margin funds.

### 8. RISK OF MARGIN TRADING

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

## 9. RISK OF TRADING IN LEVERAGED FOREIGN EXCHANGE CONTRACTS

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

## 10. CURRENCY RISKS

The fluctuations in foreign currency rates have an impact on the profit/loss and the financial investment where the securities, futures contract, financial contract or the treasury or financial derivatives transaction is denominated in a foreign currency or in a currency different from the original financial investment. Currency fluctuations will pose an additional risk where the client carries on his ordinary business or keeps his accounts in a currency other than the base currency or currencies in which the transaction is denominated.

## 11. PRICING RELATIONSHIPS

The normal pricing relationships between the underlying investments and the financial investments may not exist in certain circumstances. The absence of an underlying reference price may make it difficult to assess “fair” value. Such additional risks will have an impact on the financial investment and be reflected in the profit/loss computation. Because the prices and characteristics of over-the-counter transactions are individually negotiated and there may be no central source for obtaining prices, there may be inefficiencies in transaction pricing. The Bank consequently cannot and does not warrant that the prices it secures for the client are or will at any time be the best price available to the client. The Bank may make a profit from a transaction with the client no matter what result the transaction has from the client’s point of view.

## 12. CREDIT RISK

The client should ensure to be aware of the identity of the contractual counterparty he is or may be matched with. Often, the client will be purchasing an unsecured obligation of such counterparty (as opposed to an obligation of a central clearing corporation as would be the case with exchange traded futures and options) and he should evaluate the comparative credit risk. **Where he purchases a debt instrument, the client should be aware that he would be taking the credit risk of both his contractual counterparty and the issuer of the debt instrument.**

## 13. TRANSACTION COSTS

The client’s net returns from a transaction will be affected by the transaction costs (i.e. commission, fees and other charges) charged by the Bank.

## 14. TAX RISKS

The client should understand the tax implications of entering into any investments or market transactions, e.g. income tax. Different transactions may have different tax implications. In particular, the tax implications of using derivatives are dependent upon the nature of the client’s business activities and the transactions in question. The client should,

therefore, consult his tax adviser to understand the relevant tax considerations.

## 15. NON-TRANSFERABILITY AND NONMARKETABILITY

A transaction generally cannot be assigned or transferred without the consent of the other party. The Bank is not obliged to repurchase a transaction from the client. Because transactions may be customised and infungible, engaging in a transaction with another bank or dealer to offset a transaction the client has entered into will not automatically close out those positions (as would be true in the case of equivalent exchange-traded futures or options) and will not necessarily function as a perfect hedge.

## 16. RISKS OF FORWARD RATE AGREEMENTS

A client entering into a Forward Rate Agreement contract (to pay or receive interest at an agreed rate over a period commencing at a future date regardless of the level of interest rates prevailing at that future date) should remind that for uncovered contracts, there is an unlimited interest rate risk computed on the full amount(s) contracted.

## 17. RISKS OF INTEREST RATE SWAPS

An Interest Rate Swap is an agreement between two parties to make reciprocal payments over a specific period of time. The payments are determined by reference to a notional principal amount and fixed or floating rate(s) of interest. Floating rates are typically based on some published index of market rates. The client may be a receiver of fixed rate and payer of floating rate, or vice versa. In either case, movements in the referenced rates could have a significant impact on the client’s cash flow as well as on the cost of unwinding the swap position. **For uncovered contracts, there is an unlimited interest rate risk, computed on the full amount(s) contracted.**

## 18. RISKS OF SWAPS

Different instruments may be swapped, resulting in an exchange of future payment streams, and occasionally also an exchange of principal on commencement and/or maturity date (more frequently if the transaction is an amortising swap). The risk that one of the parties to the swap will default or otherwise fail to perform its obligations is typically greater in swaps where both principal and income streams are exchanged. For an uncovered contract, there is a risk which is directly related to the risks of the different instruments swapped. It is important to note that these risks may not be offsetting in effect, and should be viewed instead in aggregate.

## 19. OTHER TRANSACTIONS AND COMBINATIONS

Combinations are referred to when at least two different instruments – either in identical or different classes – are bought and/or sold (written) at the same time. By closing or exercising individual parts of a combination transaction, the risks involved can materially change.

## 20. PRICE INDICATIONS IN STATEMENTS FOR DERIVATIVE TRANSACTIONS AND NON-LISTED INSTRUMENTS IN GENERAL

For financial derivative transactions and non-listed financial instruments, in particular in “combined” or “structured” transactions, the absence of a “market” or “common” reference price may make it impossible for the Bank to provide the precise value of the transaction. Therefore the client should be aware that price indications by the Bank are always based on the latest available market prices of the underlying or have arrived from sources believed to be reliable. Consequently, price indications might only reflect historic prices and may not reflect the final proceedings, would the transaction be terminated or assigned immediately, if this is possible at all. The Bank does not make any representation as to the accuracy or completeness of price indications for transactions and does not accept liability for any loss arising from the use thereof. Because the prices and characteristics of over-the-counter transactions are individually negotiated and as there is no central source for obtaining prices, there are inefficiencies in transaction pricing. The Bank consequently cannot and does not warrant that the Bank’s prices or the prices the Bank secures for the client are or will at any time be the best prices available to the client.

## 21. TRANSACTIONS OR ASSETS IN OTHER JURISDICTIONS

Transactions on markets in other jurisdictions, including markets formally linked to the client’s domestic market, may expose the client to additional risk. Such markets may be subject to a rule which may offer different or diminished investor protection. Before entering into any transaction or investment, the client should enquire about any rules relevant to his particular transaction or investment. The client’s local regulatory authority will be unable to compel the enforcement of rules of the regulatory authorities or markets in other jurisdictions where the client’s transactions have been effected. The client should enquire about the types of redress available in both his home jurisdiction and other relevant jurisdictions before he enters into a transaction or investment. Assets of the client received or held by the Bank outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO and the rules made thereunder. Consequently, such assets may not enjoy the same protection as that conferred on assets of the client received or held in Hong Kong.

## 22. EMERGING MARKETS FINANCIAL INSTRUMENTS

Emerging markets are defined as markets in countries with moderate to low per capita national income. While investments in emerging markets can yield large gains, they can also be highly risky as they could be unpredictable and there may be inadequate regulation and safeguards available to investors. For instance, investments may not be readily saleable and information to determine their current value may not be available in emerging markets. Besides

the risks inherent in all investments, those associated with emerging markets include, but are not limited to, country risk where government intervention in markets, perhaps in the form of exchange control laws or restrictions in the repatriation of profits, may affect the value of an investment or the client’s ability to enjoy its benefits. In addition, events (for instance, natural disasters, fluctuations in commodity prices and/or exchange rates and political upheavals) which may have a minor or limited effect in more mature markets could affect emerging markets profoundly. In such circumstances, investments by the client in emerging markets financial instruments (for instance bank certificates of deposit, debt or equity securities issued by public or private sector institutions available in emerging markets) as well as the risks (including, without limitation, sovereign risk, issuer risk, price risk political risk and liquidity risk) need to be carefully and independently assessed.

The client should make his own independent appraisal of, and investigations into, and should, from time to time, review the financial condition and creditworthiness of the relevant issuer of the emerging markets financial instrument. The client should be aware of and be able to weigh the diverse risks, some of which are identified above, before investing in emerging markets financial instruments.

## 23. NON-TRADITIONAL FUNDS (HEDGE FUNDS AND OFFSHORE FUNDS)

Non-traditional funds are investment companies which differ from traditional equity and bond investments on account of their investment style. The most common form of a non-traditional fund is the hedge fund, which, despite its name, does not necessarily have anything to do with hedging. Many hedge funds aim to make a profit and sometimes take on very high levels of risk. Hedge funds include all types of investment funds, investment companies and partnerships which use derivatives for investment rather than hedging purposes, which can carry out short sales or attain significant leverage from the investment of borrowed capital. Additional features of hedge funds are their free choice of investment categories, markets (including emerging markets) and trading methods. Hedge funds generally demand high minimum investments. They offer no more than limited subscription and redemption rights with lengthy notice periods. Portfolio managers of hedge funds receive performance-linked bonuses and often have a personal stake in the fund. The client acknowledges that performance fees may be charged in relation to an investment in a non-traditional fund, and this may be effected by way of deduction of securities held by the Bank on the client’s behalf, which will reduce the client’s holdings accordingly. **Investment strategies are often high-risk. Due to leverage, a small movement in the market can lead to a major gain, but any loss will also be magnified sharply. The entire amount of the client’s investment can, under certain circumstances, be lost. It is not uncommon for there to be little information available concerning a non-traditional investment. Moreover, many investment strategies are highly complex and very difficult to understand. The client should be aware that changes in strategy which can lead to a substantial increase in the level of risk are often overlooked, accorded too little attention or noticed too late. The liquidity and tradability of non-traditional investments can vary a great deal. Hedge fund issues and redemptions are often only monthly, quarterly or annually. Fixed holding periods lasting many years are not unusual. Provisions regarding trading frequency and holding periods may change frequently and rapidly. Liquidations can stretch over many years. Many funds in this category have an offshore domicile which earns them the name offshore funds. They are subject to less stringent legislation and supervision, which in turn offers poorer investor protection. Problems or delays**

may also arise in the settlement of buy and sell orders for units in such funds. There is no guarantee that an investor's legal rights will be enforceable.

Non-traditional investments can take countless forms and involve a high degree of risk. Before making any such investments, the client should carefully study the Information Memorandum and Subscription Agreement and other information on the relevant investments. The client should fully understand and be willing to assume the risks involved and the exposure to potential loss (which could involve the complete loss of the investments).

## 24. GROWTH ENTERPRISE MARKET

The Growth Enterprise Market (GEM) has been established in Hong Kong as a market designed to accommodate companies to which a high investment risk may be attached. 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 Stock may be very volatile and illiquid. There may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. There are intrinsic risks of investing in such companies. The client should only make the decision to invest 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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on the Growth Enterprise Market may be susceptible to higher market volatility compared to securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM. Current market information on GEM stocks may only be found on the internet website operated by the Stock Exchange of Hong Kong Limited. Companies listed on GEM are usually not required to issue paid announcements in gazetted newspapers. Accordingly, the client needs to have access to up-to-date information on GEM-listed companies as published on the GEM website. The client should seek independent professional advice if he is uncertain of, or has not understood any aspect of, this risk disclosure statement or the nature and risks involved in trading of stocks in GEM.

## 25. RISK OF PROVIDING AN AUTHORITY TO DIRECT MAIL TO THIRD PARTIES OR TO HAVE MAIL KEPT ON FILE

If the client does not personally receive his mail, it is important for him to promptly collect in person all transactions advices, contract notes, statements and portfolio valuations and review them in detail to ensure that any anomalies or mistakes can be detected in a timely manner.

## 26. RISK OF TRADING NASDAQAMEX SECURITIES AT THE STOCK EXCHANGE OF HONG KONG LIMITED

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

## 27. EXCHANGE TRADED INSTRUMENTS AND THE IMPACT OF ELECTRONIC TRADING

For transactions involving underlying contracts or instruments which are traded on stock or futures exchanges, disruption of the normal market operation or conditions of such exchanges and/or the rules of operation of such exchanges (e.g. discretion on the part of the exchange to suspend or limit trading of certain contracts or instruments under certain market conditions) may increase the risk of loss by making it difficult or impossible to close out transactions or liquidate positions. Furthermore, for transactions in which the underlying contracts or instruments are supported by electronic trading facilities at the exchanges, e.g. computer-based component systems for order routing, execution, matching, registration, or clearing of trades, any temporary disruption or power/system failure of such electronic trading facilities could result in a disruption in trading activities at the exchange and an unavailability of reference prices for the relevant transaction. In such circumstances, the client's order may not be executed according to his instructions or at all, which may lead to losses to the client. It is unlikely that such losses will not be recoverable from the relevant exchange as the rules thereof invariably exempt them from such liabilities.

## 28. OFF-EXCHANGE TRANSACTIONS

In some jurisdictions, and only then in restricted circumstances, the Bank is permitted to effect offexchange transactions. The Bank may be acting as the client's counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before the client undertakes such transactions, he should familiarise himself with applicable rules and attendant risks.

## 29. RISKS ASSOCIATED WITH EXOTIC FINANCIAL DERIVATIVES HAVING MULTIPLIER EFFECT

Certain exotic financial derivatives impose an obligation on one party to deliver certain number of underlying instruments or pay certain amounts to the counterparty upon occurrence of a trigger event (such as on maturity or when the value or price of the underlying instrument reaches a certain floor ceiling, or upon one party exercising its right to request delivery or payment) based upon a pre-agreed formula. The formula may have a multiplier effect resulting in an exponential number of underlying instruments required to be delivered or a large amount of money required to be paid. Entering into such financial derivatives may therefore result in the risk of substantial losses over and above the client's initial outlay. If the client finances the obligations under these financial derivatives by borrowings, the risks associated with this activity is compounded to a greater degree. The client is advised to ensure that he is fully aware of the extent of the losses and the limited gains that may result in trading in these financial derivatives and seek independent professional advice before entering into these financial derivatives.

### 30. CUMULATIVE RISKS

The client must not just assess each risk associated with a transaction separately. While the risk may be low and minor, the risks of the transaction as a whole can be high and significant.

### 31. UNWINDING RISKS

There may be certain financial products which pursuant to their terms, prohibit investors from unwinding or terminating them until a specific time or within a certain period of time or otherwise. The client acknowledges and agrees that the Bank is not obliged to buy the client out under such circumstances. There is a risk that such prohibition may result in substantial loss to the client.

### 32. RISKS ON TRADING DERIVATIVE PRODUCTS TRADED ON AN EXCHANGE

Trading of exchange-traded derivative products, such as Callable Bull/Bear Contracts (CBBC), Derivative Warrants, Exchange-Traded Fund (ETF), may involve significant risks. It is crucial for the client as an investor to fully understand the risks and consequences involved in trading these exchange-traded derivative products before the client trades them. General major risks of trading exchange-traded derivative products include, but are not limited to, the following:

**Issuer default risk:** In the event that a derivative product issuer becomes insolvent and defaults on their listed securities, the client will be considered as an unsecured creditor and will have no preferential claims to any assets held by the issuer. The client should therefore pay close attention to the financial strength and credit worthiness of the issuers of derivative products.

**Uncollateralized product risk:** Uncollateralized derivative products are not asset backed. In the event of issuer bankruptcy, the client can lose his entire investment. The client should read the listing documents to determine if a product is uncollateralized.

**Gearing risk:** Derivative products are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. The client should be aware that the value of such derivative products may fall to zero resulting in a total loss of the initial investment.

**Expiry considerations:** Derivative products have an expiry date after which the issue may become worthless. The client should be aware of the expiry time horizon and choose a product with an appropriate lifespan for his trading strategy.

**Extraordinary price movements:** The price of a derivative product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

**Foreign exchange risk:** The client will be exposed to exchange rate risk by trading derivative products with underlying assets not denominated in Hong Kong dollars. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the price of the derivative product.

**Liquidity risk:** The Stock Exchange of Hong Kong Limited requires all derivative product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfil its role, the client may not be able to buy or sell the derivative product until a new liquidity provider has been assigned.

Additional risks involved in trading derivative warrants

**Time decay risk:** All things being equal, the value of a Derivative Warrant will decay over time as it approaches its expiry date. Derivative Warrants should therefore not be viewed as long term investments.

**Volatility risk:** Prices of Derivative Warrants can increase or decrease in line with the implied volatility of underlying asset price. The client should be aware of the underlying asset volatility.

#### Additional risks involved in trading in CBBC

**Mandatory all risk:** If the client trades CBBCs, the client should be aware of their intraday “knockout” or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. The client will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. The client should also note that the residual value can be zero.

**Funding costs:** The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, the client will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.

#### Additional risks involved in trading in ETF

**Market risk:** ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. The client must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

**Tracking errors:** Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. (The common replication strategies include full replication/ representative sampling and synthetic replication which are explained in more detail below.)

**Trading at discount or premium:** An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions.

**Foreign exchange risk:** The client will be exposed to exchange rate risk by trading ETFs with underlying assets not denominated in Hong Kong dollars. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETF price.

**Liquidity risk:** Securities Market Makers (SMMs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most

ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, the client may not be able to buy or sell the product.

Counterparty risk involved in ETFs with different replication strategies:

- Full replication and representative sampling strategies
- An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the



same weightings as its benchmark. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

- Synthetic replication strategies
- ETFs utilising a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorised into two forms:
  - Swap-based ETFs
    - Total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets. Swap-based ETFs are exposed to counterparty risk of the swap dealers and may suffer losses if such dealers default or fail to honor their contractual commitments.
  - Derivative embedded ETFs
    - ETF managers may also use other derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers. Derivative embedded ETFs are subject to counterparty risk of the derivative instruments' issuers and may suffer losses if such issuers default or fail to honour their contractual commitments. Even where collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF.

### 33. RISKS ON TRADING STRUCTURED PRODUCTS

Structured products (e.g. dual currency investment) may involve derivatives. The client should not invest in any investment product unless he fully understands and is willing to assume the risks associated with it. If the client is in any doubt about the risks involved in the product, he must clarify with the Bank or seek independent professional advice.

Structured products are formed by combining two or more financial instruments, including one or more derivatives. They may carry a high degree of risk and may not be suitable for many members of the public, as the risks associated with the financial instruments may be interconnected. As such, the extent of loss due to market movements can be substantial. Prior to engaging in structured product transactions, the client should understand the inherent risks involved. In particular, the various risks associated with each financial instrument should be evaluated separately as well as taking the structured product as a whole. Each structured product has its own risk profile and given the unlimited number of possible combinations, it is not possible to detail in this Statement all the risks which may arise in any particular case. Nonetheless, this Statement attempts to provide a general description of the features and some of the risks applicable to a few common types of structured products. The client should note that with structured products, buyers can only assert their rights against the issuer. Hence, particular attention needs to be paid to issuer risk. The client should therefore be aware that a total loss of the client's investment is possible if the issuer should default.

Capital protected products: Structured products with a capital protection component often consist of an option combined with a fixed income instrument (e.g. a bond). The capital protection component is provided by the bond and determines how much is paid out as a fixed sum when the

structured product matures. The client should note that the capital protection can be well under 100 per cent of the capital invested, depending on the product. The capital protection is also linked to the nominal value rather than the issue price or the secondary market price. Capital protection does not therefore mean 100 per cent repayment of the purchase price for all products. The option component determines how and to what extent the buyer benefits from price movements in the underlying asset. In other words, it establishes the buyer's potential return above the capital protection component. The risks this component entails corresponds to those of other options or option combinations. Depending on the underlying asset's market value, it can expire without value. The market value of a structured product can fall below the level of its capital protection, which can increase the potential loss on a sale before maturity. Accordingly, capital protection is only available if the buyer holds the structured product until maturity.

**Dual currency investments:** Dual currency investments (or "DCIs") are exchange-rate-related instruments that enable the buyer to obtain a higher return than on a money market instrument. When a DCI matures, the buyer will receive payment of principal and interest either in the primary or the alternative currency. If payment is in the alternative currency, the strike rate will be used for conversion. A DCI can be viewed as a bond combined with grant of a short call option on the reference currency. If on maturity, the option is out-of-the-money, the buyer will receive the principal plus interest in the primary currency. On the other hand, if the option is in-the-money, the issuer of the DCI will exercise the call option and pay the holder of the DCI in the alternative currency. DCIs are suitable for buyers who wish to see a high return on their investments and accept the risk of repayment in the alternative currency at the strike rate. The higher the potential earnings, the greater the risk that payment will be made in the alternative currency at the strike price.

**Equity-linked notes:** Equity-linked notes (or "ELNs") may be viewed as combining a fixed income instrument with an option that allows a bull (rising), bear (falling) or range bet. The return on an ELN is usually determined by the performance of a single security, a basket of securities or an index. A bull ELN combines a fixed income instrument with the premium received from writing a put option on the chosen securities. If the value of these securities falls to a level less than the strike price minus the premium received, the buyer will suffer a loss. The maximum potential loss could be the entire capital sum. A bear ELN combines a fixed income instrument with the premium received by selling a call option on the chosen securities. Upon maturity, the amount that the issuer of a bear ELN will repay the investor depends on the strike price and the market value of the securities at maturity. Buyers of a bear ELN must feel comfortable with the risk of losing the entire capital invested, in the event that the market value of the securities is above the strike price. A range ELN combines a fixed income instrument with the premium received by selling both a put option and a call option on the chosen securities. The client should also note that the return on investment of an ELN is predetermined, so that even if his view of the direction of the underlying market is correct, he will not gain more than the specified amount. The client should also note that there is no guarantee that he will derive any return on his investment in an ELN. In addition, there is a limited secondary market for outstanding ELN issues.

**Additional risks associated with structured products which are linked to a currency pair**

Where a structured product is linked to a currency pair, its effective yield will be affected by fluctuations of the exchange rate of the underlying currency pair. Even though the remuneration of the structured product is potentially higher than the interest rate of a standard time deposit, the effective yield of the structured product may be affected by fluctuations of the exchange rate of the underlying currency pair. In addition, the client may incur a loss on the value of the repaid principal in the conversion currency as a result of depreciation of the conversion currency and such loss may offset the remuneration on the principal and may even result in a lower exchange value in the investment currency of the repaid amount. Regulations on transfers and currency exchange may become applicable to either currency. There may be restrictions with respect to either currency from the governmental authorities of the home countries of such currencies.

**Additional risks associated with structured products which are linked to interest rate**

Where a structured product is linked to interest rate, the first risk is a duration risk. Higher medium term interest rates or higher expected short-term interest rates can reduce the market value of the product below par (100%) especially. The structured product will also expose the client to interest rate risks that are similar to risks born when investing in the standard fixed income markets, for instance in bonds. The issuer of a structured note may also, at its own discretion, permanently switch the coupons of the note after a specified period from fixed rate to a variable rate. For callable structured notes, the issuer may, at its own discretion, redeem the note by anticipation.

**Additional risks associated with dual currency investment (DCI)**

Even though the remuneration of a DCI is higher than the interest rate of a standard time deposit, the effective yield of a DCI may be affected by fluctuations of the exchange rate of the underlying currency pair. In addition, the client may incur a loss on the value of the repaid principal in the determined conversion currency as a result of depreciation of such conversion currency and the respective loss may offset the remuneration on the principal and may even result in a lower exchange value in the investment currency of the repaid amount. Regulations on transfers and currency exchange may become applicable to either currency. There may be restrictions with respect to either currency from the governmental authorities of the home countries of such currencies. A DCI is not capital protected or guaranteed. It is not a standard time deposit but involves elements of a speculative nature, and hence, carries risks. The client must make his own financial assessment and carefully consider whether a DCI is suitable for the client or not regardless whether the Bank is bound by a suitability duty. The determination of the underlying currency pair spot exchange rate at the determined time on the reference date shall be made by the calculation agent in its sole and absolute discretion, acting in a commercially reasonable manner.

**Additional risks associated with accumulator and decumulator**

Accumulators or decumulators offer the client the ability to participate to a certain degree in the upward or downward performance of the underlying. No protection is given as regards the value of accumulators or decumulators. In particular, a loss may occur in the event that the client is obliged to buy (for accumulators), or, to sell (for decumulators) the underlying while its price is below (for accumulators), or, above (for decumulators) the strike level, as the case may be. The risks related to accumulators and decumulators are not substantially different from the risks related to direct reiterated investments in the underlying. Specific risks

result, however, from his continuing obligation to buy (for accumulators), or, to sell (for decumulators) the underlying on the conditions and during the period as set forth in the relevant term sheet. The client must be aware of the specific risks and gearing features inherent to accumulators and decumulators compared to the risk policy the client has adopted. In this regard, the client shall be deemed to be aware of the unpredictable nature of the price of the underlying. The value or exchange rate (as the case may be) of the underlying could move substantially and is in particular exposed to any specific information on the underlying and any general/ speculative market movements and may as well be subject to fluctuations at any time, independently of the general fluctuation of the markets or the risks strategy adopted. If the client has obtained financing for investing in accumulator and the underlying closes, or, fixes below the strike level, the client could face substantial continuing and increasing margin calls, and therefore, be confronted with important liquidity and other collateral needs. The client is advised that the value of investments may go down as well as up. However, the Bank shall not be responsible for the consequences of facts or elements independent of its ability to perform his instructions, including but not limited to, strikes, technical failures on a market as well as in connection with a communication system. The Bank shall neither be responsible for the consequences of any modification in the local nor any foreign laws and regulations. The Bank shall be exempt from any responsibility in case of the occurrence of "force majeure" events. The client's total maximum exposure arising from accumulators or decumulators, together with all other outstanding accumulator or decumulator contracts of the same underlying asset type, may be excessive. The client is advised to check with the Bank if the client is not sure what his total maximum exposure is. The client may not be able to early terminate his accumulator or decumulator contract, and even if the Bank consents to the client's request for early termination, he would likely need to bear unexpectedly high exit costs and losses. In general, accumulator contracts with a longer tenor will be associated with higher risks and usually higher costs of early termination. If the client plans to invest in accumulators or decumulators on a margin basis or with the use of credit facility, the client needs to be prepared for paying interest cost for the margin/credit facility. If the client fails to meet margin calls, his accumulator or decumulator contracts may be closed out without his consent and the client will have to bear the consequential losses and costs which could be very substantial. The client may have to buy two (2) times the agreed amount of the underlying at less favourable conditions than the then prevailing market conditions. And, where the underlying is a currency pair, the client will assume full conversion risk of the effective amount which he will receive on the respective delivery dates. And, the effective amount exchanged may be significantly lower than the nominal amount should the relevant spot exchange rate trade at or below the knockout level soon after the transaction date. Even though the client may benefit from a favourable exchange rate at the time of subscription, the accumulator may be affected by the fluctuations of the relevant spot exchange rate, and hence, he may incur a loss on the value of the received currency amount as a result of depreciation of such currency. Furthermore, regulations on transfers and currency exchange may become applicable to either currency. There may be restrictions with respect to either currency from the governmental authorities of the home countries of such currencies. Accumulators or decumulators involve elements of a speculative nature, and hence, carries risks. The client must make his own financial assessment and carefully consider whether an accumulator or decumulator contract is suitable for him or not, regardless of whether the Bank is bound by a suitability duty.

### Additional risks associated with basket equity-linked structured products

If the client invests in a basket equity-linked structured product with bull structure, he may be obliged to buy at the strike price (or suffer a financial loss with reference to) the worst-performing stock in the basket of linked stocks (if the final price of the worst-performing stock is below the strike price). The client may be exposed to the risks of the basket of stocks especially the stock having the worst performance.

## 34. RISKS ON TRADING CALL/PUT OPTION

The risk of loss in trading futures or options is substantial. In some circumstances, the client may sustain losses in excess of his initial margin funds. Placing contingent orders, such as “stop-loss” or “stop-limit” order, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. The client may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the client’s position may be liquidated. The client will remain liable for any resulting deficit in the client’s account. The client should therefore study and understand futures contracts and options before trading and carefully consider whether such trading is suitable in light of the client’s own financial position and investment objectives. If the client trades options, he should inform himself of exercise and expiration procedures and his rights and obligations upon exercise or expiry. Option transactions are not suitable for many members of the public. Such transactions should be entered into only by persons who have read, understood and familiarised with the type of options, style of exercise, the nature and extent of rights and obligations and the associated risks. If the option is exercised, the obligations of the purchaser and the grantor will be settled in cash or through accounts with banks. The Bank would like to highlight to the client that exercising any option results either in a cash settlement, or in the acquisition or delivery of the underlying contract or asset.

In purchasing any option, the client may sustain a total loss of the premium and transaction costs of purchasing the option. Under certain adverse market conditions when the market moves against an option position, the loss can be very large and the purchased option can expire worthless. In such circumstances, the purchaser of the option would suffer a total loss of the investment which would consist of the option premium and the transaction costs. A person who purchases an option should be aware that in order to realise any value from the option, it will be necessary either to offset the option position or to exercise the option. The purchaser of an option should be aware that some option contracts may provide only a limited period of time for exercising the option, and some option contracts may provide a specified or stipulated date in this regard. The risks associated with selling (“writing” or “granting”) an option may be generally greater than these associated with purchasing an option. It is important for the client to understand the risks that he, as an options seller, would be exposed to if the purchaser exercises the option, and his obligations to either settle the option in cash, or acquire or deliver the underlying contract or asset. If the option is “covered” by a corresponding position in the underlying contract or asset or another option, the risk may be reduced. Conversely, if the option is not covered, then the possible loss will be unlimited. The grantor of a call option who does not have a long position in the underlying contract or asset is subject to risk of loss should the price of the underlying contract or asset be higher than the strike price upon exercise or expiration of the option by an amount greater than the premium received for granting the call option. The grantor of a call option who has a long position in the underlying contract or asset is subject to the full risk of a decline in the price of the underlying position reduced by the premium received for granting the call. In exchange for the premium received for granting a call option, the option

grantor gives up all of the potential gain resulting from an increase in the price of the underlying contract or asset above the option strike price upon exercise or expiration of the option. The grantor of a put option who does not have a short position in the underlying contract or asset is subject to risk of loss should the price of the underlying contract or asset decrease below the strike price upon exercise or expiration of the option by an amount in excess of the premium received for granting the put option. The grantor of a put option who has a short position in the underlying contract or asset is subject to the full risk of a rise in the price of the underlying position reduced by the premium received for granting the put option. In exchange for the premium received for granting a put option, the grantor gives up all of the potential gain resulting from a decrease in the price of the underlying contract or asset below the option strike price upon exercise or expiration of the option. An option customer should carefully calculate the price which underlying contract would have to reach for the option position to become profitable. This price would include the amount by which the underlying contract would have to rise above or fall below the strike price to cover the sum of the premium and all other costs incurred in entering into and exercising or closing the option position.

By entering into a transaction to sell a call or put option on equities, in addition to the above representations and warranties, the client further represents and warrants that he has duly noted that:

- physical settlement, implying physical delivery of shares, is the rule unless he agrees with the Bank on cash settlement. In this latter case,
- notwithstanding the use of the terms “purchase of put options” and “sale of call options”, the agreement does not - contractually - grant him the right to deliver nor obliges him to purchase shares, but exclusively the right to receive or, as the case may be, the obligation to pay, a cash amount;
- in case he agrees with the Bank on a cash settlement, he shall, on settlement, either:
- have the right to receive from the Bank a cash amount, which shall depend on the reference price of the shares at valuation and, without prejudice to each party’s obligation to bear any taxes or duties in connection with the delivery of the shares or cash settlement, be equal to the difference between an agreed bottom level (strike price) and the reference price where such reference price is inferior to such bottom level; or
- be obliged to pay to the Bank a cash amount, which shall depend on the reference price of the shares at valuation and, without prejudice to each party’s obligation to bear any taxes or duties in connection with the delivery of the shares or cash settlement, be equal to the difference between the reference price and an agreed ceiling level (strike price), where the reference price is superior to such ceiling level;
- any possible restriction to the free transfer of the shares, legal or otherwise, does not affect the validity of the exercise of the option and does not discharge him from his obligation to pay to the Bank the whole rise of the shares price beyond the agreed ceiling level; and
- depending on the feature of the transaction, the sale or purchase of the option may not be negotiable on whatever market, whether organised or over-the-counter.

## 35. SPECIFIC RISKS ASSOCIATED WITH RENMINBI PRODUCTS

Renminbi (RMB) exchange rate, like any other currency, is affected by a wide range of factors and is subject to

fluctuations. Such fluctuations may result in gains and losses in the event that the client subsequently converts RMB to another currency (including Hong Kong dollars).

RMB is currently not freely convertible and conversion of RMB through banks in Hong Kong is subject to restrictions. The actual conversion arrangement will depend on the restrictions prevailing at the relevant time.

## 36. RISKS ON TRADING DEBENTURES

### **Additional risks associated with subordinated debentures**

Holders of subordinated debentures bear higher risks than holders of senior debentures of the issuer due to a lower priority of claim in the event of the issuer's liquidation. In addition, the credit rating of the guarantor should not be confused with that of the issuer or the debenture.

### **Additional risks associated with perpetual debentures**

Perpetual debentures do not have a maturity date and the coupon payments may be deferred or even suspended subject to the terms and conditions of the issue. Furthermore, as perpetual debentures are often callable and/or subordinated, reinvestment risk may exist and holders of perpetual debentures may have a lower priority of claims (e.g. on liquidation of the issuer).

### **Additional risks associated with contingent convertible or bail-in debentures**

Contingent convertible and bail-in debentures are hybrid debt-equity instruments that may be written off or converted to common stock on the occurrence of a trigger event. "Bail-in" generally refers to the contractual or statutory mechanisms under which debentures may be written off or converted to common stock on the occurrence of a trigger event. The client is advised to study the relevant product documentation for such trigger events and implications of any trigger to his investment in the debentures.

## 37. DISCLOSURE OF BENEFITS

Unless otherwise stated, the Bank acts as agent for all listed investments as well as funds; for all other transactions, it acts as principal. It may be affiliated with the product issuer and, when dealing with an unlisted investment product, may receive monetary benefits from the product issuer or by entering into a back-to-back transaction. Such monetary benefits, unless otherwise stated, may be equal to or less than one percent of the amount invested in the product. Furthermore, regarding funds, the Bank may from time to time also receive some trailer fee as part of a management or performance fee from fund managers.

## 38. LANGUAGE

This Part C of the General and Other Terms and

Conditions is in both English and Chinese. Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

## 1. PREAMBLE

- a) These General Conditions for the Granting of Credit (which, as amended from time to time at any time, is hereinafter called the “GCGC”) will govern the credit facilities (hereinafter collectively referred to as the “Credit”) that the Bank may grant the Client in the form of current account overdrafts, fixed term advance obligations to cover margins relating to ongoing market transactions, contingent or indirect liabilities resulting principally from sureties, guarantees, bill guarantees, endorsements of bill of exchange, documentary credits, and/or other commitments, within the limits and currencies acceptable to the Bank on a case-by-case basis and at its full discretion.
- b) The GCGC will supplement the Bank's General Terms and Conditions (“GTC”). In the event of any inconsistency, the terms and conditions of the GCGC shall prevail over the GTC.
- iii. the amount of all margins required for ongoing market transactions, determined in accordance with the applicable specific conditions,
- iv. any other sum owed under the Credit, including debit interest, commission and other resulting fees.

## 2. COLLATERAL

- a) In principle, the Credit will only be granted once the Bank has been provided with collateral that it considers, at its own discretion, sufficient, appropriate and diversified.
- b) The collateral held by the Bank will be formed on the basis of a Security Agreement signed by the Client, or any third party, and may be comprised of on-demand, term or fiduciary investments, guarantees, first-class securities quoted on the principal global stock exchanges and easily negotiable, as well as any other financial assets denominated in the major currencies and duly accepted by the Bank, whereas other collateral pledged in the Bank's favor (such as mortgages or the assignment of rights under life insurance policies, etc.) must form the subject of specific contractual documentation (hereinafter collectively referred to as the “Collateral”).
- c) The Bank, at its entire discretion, will attribute a value to the Collateral, the amount of which may depend in particular on the nature of each of the assets comprising the Collateral, the currency in which each of them is denominated, the Borrower's personal situation, and the diversification of any assets comprising the Collateral (hereinafter the «Collateral Value»). The Bank shall be entitled at any time, at its own discretion, to change the attributed Collateral Value, without first notifying the Client or third party pledging the collateral, particularly in order to reflect movements in the financial markets, fluctuations of the value of the assets concerned and/or, where applicable, the situation of their issuers, or for any other reason. Thus, for example, the Bank may not attribute any Collateral Value to certain assets.

- c) In the event of, throughout the term of the Credit and for any reason whatsoever, the Collateral Value attributed by the Bank no longer covering the Credit amount outstanding determined in accordance with Article 3(b) above or being, in the Bank's opinion, likely to no longer cover the same, the Bank will be entitled (but not obliged), at its own discretion, to ask the Client, or any third party pledging the collateral, to provide additional Collateral with a Collateral Value capable of restoring coverage of the Credit by the Collateral (hereinafter a “Margin Call”) within 24 hours of the Margin Call or such other period as the Bank may notify the Client when making the Margin Call. The Bank will notify the Client of the Margin Call by any practical means which it shall determine in its sole discretion with notice, where applicable, to the third party pledging the collateral. The Client undertakes to provide the additional assets required by the Bank as additional Collateral, or have the same provided, and/or to reduce the Credit, within the time stipulated in the Margin Call in order to restore coverage of the Credit by the Collateral.
- d) In the absence of a satisfactory response to the Margin Call within the specified deadline, the Bank may, at its own discretion and even if its receivables under the Credit are not yet payable, immediately realise, at its own discretion and without further notice other than that given in the Margin Call, all or part of the Collateral and/or liquidate all or part of any forward positions not covered by corresponding purchases or sales in order to restore coverage of the Credit by the Collateral.
- e) The Bank will also have the rights set out in Article 3(d) above if, for any legal or factual reason or due to exceptional circumstances, the Collateral Value of all or part of the Collateral drops such that it represents a level of cover that the Bank believes, at its sole discretion, requires the immediate liquidation of all or part of the Collateral and/or the liquidation of all or part of any forward positions not covered by corresponding transactions (hereinafter the «Liquidation Value»), in particular (but not exclusively) where the Liquidation Value determined by the Bank, at its own discretion, has been reached prior to expiry of the deadline stipulated to the Client in a Margin Call. The Bank shall have the right, at its sole discretion, to change the Liquidation Value for each asset at any time and without notifying the Client or the third party pledging the Collateral beforehand.

## 3. MARGINS

- a) Until such time as the sum owed under the Credit has been repaid definitively and in full, the Client will be required to maintain Collateral with the Bank, or have the same maintained by third parties, that is deemed acceptable to the Bank, is diversified, and has a Collateral Value that is at least equivalent to the outstanding Credit amount at all times.
- b) The outstanding Credit amount will correspond at all times to the sum of the following items:
  - i. the amount of any outstanding drawings,
  - ii. the amount of any contingent or indirect liabilities resulting in particular from guarantees, including liens for third parties, and documentary credits,
- f) The Bank will also have the rights set out in Article 3(d) above, subject to notifying the Client and, where applicable, the third party surety, if the Client is in default with the payment of the Client's debts, or in fulfilling any of the Client's obligations, or is in a situation which, in the Bank's opinion, could compromise the Client's solvency, and following the occurrence of an event of default as defined in Article 5 below, or any case of acceleration of maturity specified in Article 6.3 (Term and Repayment) of the GTC.

#### 4. OTHER OBLIGATIONS ON THE PART OF THE CLIENT

Until such time as the amount owed under the Credit is repaid definitively and in full, the Client undertakes as follows:

- a) to provide, at the Bank's request and without delay, the Bank with all information that the Bank deems necessary or advisable to have, including but not limited to any financial information concerning the Client and/or where applicable concerning any third party security provider and the Client undertakes that it shall provide within 14 calendar days of such request from the Bank, any information and/ or documents as the Bank may request from time to time for the purposes of confirming the Client's compliance with its representations, warranties and undertakings under any document to which it is a party, or to assess or monitor the Credit;
- b) to notify the Bank immediately of any incident which may, either immediately or over time, constitute a case of acceleration of maturity;
- c) where the Credit is being used to fund a project, notify the Bank immediately of any technical or financial change made to said project;
- d) to promptly inform the Bank of any material adverse change which may affect the Client's financial position;
- e) to immediately inform the Bank with respect to any change in the structure or relationship between itself and any third party pledgor affecting the third party pledgor and/or the assets held by the third party pledgor;
- f) to keep the Bank at least pari passu with all its other creditors and, should the Client be willing to grant some privileges or securities to other creditors, then the Client shall grant similar additional securities to the Bank as well;
- g) to immediately inform the Bank if it becomes aware of any litigation or governmental proceeding pending or threatened against it or any third party pledgor, the adverse determination of which might involve any substantial risk or have a material adverse effect on (i) the Client's ability to perform its obligations under any document or on its condition or activities, or (ii) any third party pledgor's ability to perform its obligations under any Collateral or on its condition, activities or assets;
- h) to not create or permit to subsist, and procure that any third party pledgor shall not create or permit to subsist, any security interest, i.e. mortgage, charge, pledge, lien or other security interest, or any other agreement or arrangement having a similar effect, except liens which may arise by operation of law, over (i) with respect to the Client, any assets or receivables or rights which are deposited with or have been, or are related to assets, directly or indirectly financed by the Bank; and (ii) with respect to any third party pledgor, over the assets secured by any Collateral;
- i) to execute and deliver to the Bank or such party or parties as the Bank may designate any and all documents or instruments required in the Bank's sole opinion to give full force and effect to these GCGC, the Credit or any other contractual document; and
- j) to furnish additional Collateral at any time if the Bank so requires.

#### 5. EVENT OF DEFAULT

Each of the following scenarios or circumstances will

constitute an event of default for the purposes of the Credit:

- a) the outstanding Credit amount is no longer covered by the Collateral Value and the Client fails to provide, or arrange to have provided, additional Collateral to cover the outstanding Credit amount within the stipulated deadline;
- b) the Client fails to pay, for any reason whatsoever, any sum to which the Client is obliged under the Credit by the relevant due date and said payment is not made within three (3) business days following receipt by the Client of a reminder sent in this respect by the Bank;
- c) an early termination of a Transaction as set out in Article 8 of the Bank's Specific Conditions for Foreign Exchange, Precious Metals, and Derivative Transactions occurs;
- d) the Client fails to fulfill one of the Client's other obligations under the Credit, or breaches any other provision of these GCGC or of the Credit, and said breach or non-fulfillment (providing it is capable of being remedied) is not remedied within a period of over thirty (30) calendar days;
- e) one of the representations and warranties provided by the Client, or by any third party surety, within the framework of any Credit, Security Agreement, notice, document, statement or declaration appears to have been, or becomes, factually incorrect, incomplete or misleading at the time it was issued or deemed reiterated;
- f) a debt owed by the Client to a third party is not paid by the due date (or upon expiry of any applicable grace period) or becomes payable, or capable of being payable, early on the grounds of default;
- g) the Bank has reasons to believe that all or part of the Collateral has become or is about to become illegal, invalid, or void as against third parties, or is at risk of being seized or realised as part of an enforcement measure, legal proceedings or for some other reason;
- h) the Client does not pay the Client's debts by their due date, suspends payment or admits the Client's inability to pay;
- i) the Client is dissolved, in liquidation, in administration or bankrupt, is the subject of a composition, enforcement proceedings or a similar measure, or is in the process of any of the foregoing;
- j) the Client dies or is subject to any other grounds of legal incapacity;
- k) there is a change in the Client's share ownership or a change in control over the Client without the Bank's prior agreement;
- l) the auditors issue a reservation or make a comment in their report on the audit of the Client's accounts that the Bank, at its own discretion, deems significant;
- m) an adverse change that the Bank deems significant, at its own discretion, occurs in the Client's business, operations, financial situation, assets or prospects;
- n) circumstances occur that, in the Bank's opinion, undermine the trust placed by it in the Client;
- o) the business relationship between the Bank and the Client is severed, or where some other case of acceleration of maturity as specified in Article 6.3 (Term and Repayment) of the GTC occurs;
- p) a legal or regulatory provision changes such that it prevents the Client from fulfilling the Client's obligations in the contractually stipulated manner or continuation of the Credit is not compatible with a change in an applicable legal or regulatory provision

or in the Bank's internal policy;

- q) it becomes illegal or impossible for the Bank to perform its obligations under the GCGC or under any other contractual document entered into with the Client, or the obligations of the Client or any third party pledgor towards the Bank assumed under the GCGC or any other contractual document becomes invalid, illegal, legally unbinding or unenforceable;
- r) notice has been given by either party for the termination of the business relationship between the Client or any third party pledgor and the Bank;
- s) any license, authorisation, approval or consent required by any laws and regulations to enable the Client or any third party pledgor to lawfully enter into and perform each of their obligations under the GCGC or the Credit or any other contractual document entered into with the Bank, or to ensure their legality, validity, enforceability or admissibility in evidence in each of their respective jurisdiction of incorporation/ registration, as the case may be, is revoked or not renewed or ceases to be in full force and effect;
- t) any of the above events occurs (*mutatis mutandis*) in relation to any third party pledgor or (as the case may be) the Collateral provided by such person; or
- u) any event or circumstance for which the Bank in its sole discretion deems it necessary for its own protection.

In the event of one of the event of default described above, the Bank will be entitled, but not obliged, and with written notice to the Client:

- a) to declare the Credit due and repayable, in capital plus interest and fees, and require coverage in cash of any contingent liability, bills of exchange accepted, endorsed or discounted, and any obligation, guarantee, indemnity or any documentary credit or any other instrument issued, subscribed or confirmed by the Bank on the Client's behalf; and
- b) to terminate the Credit, such that no additional drawings may be made under it.

The Bank may also exercise all or part of the rights conferred upon it by these GCGC, any credit agreement, its GTC and any Security Agreement or applicable law.

## 6. REPRESENTATIONS AND WARRANTIES

The Client gives the Bank the following representations and warranties:

- a) **Valid existence and good standing:** The Client is a duly organised company validly existing and in good standing under the laws of its place of incorporation;
- b) **Powers and capacity to act:** the Client has all powers and capacity to assume the debt and all other obligations arising from the Credit, to sign these GCGC and any other required document, and to perform all obligations relating thereto;
- c) **Authorisation to borrow:** the Client has taken all necessary actions, both internally and externally, to authorise the signature of these GCGC and any other required document as well as the performance of and adherence to their terms and conditions;
- d) **Absence of illegality:** subscribing to any obligations set out in these GCGC and obtaining a Credit, exercising any rights, performing and adhering to the obligations arising therefrom do not violate any law, regulation, decree or contract to which the Client is a party or to which the Client's assets are subject;
- e) **Effects of the documents:** all documents provided

to the Bank in the perspective of obtaining the Credit and in connection therewith are truthful and complete and enable an accurate analysis of the proposed transactions, their financing and the Client's financial situation;

- f) **Enforceability of the GCGC:** the terms of these GCGC and any documents relating thereto are enforceable against the Client without any restriction and do not violate any law to which the Client may be subject;
- g) **Absence of default:** the Client is not in default towards any third party and is not subject to or threatened with any bankruptcy or insolvency proceedings;
- h) **Understanding of risks associated with Collateral:** the Client understands, is familiar with, and accepts all risks arising from the fluctuation of the value of the Collateral, and in particular from the purchase of securities by means of borrowed funds as well as from exchange transactions. The Client is particularly aware of the risk inherent in financing operations in a different currency from that in which the Collateral is denominated. The Client is willing and able to assume such risks, financially and otherwise, and to bear all possible losses deriving therefrom;
- i) **Understanding of investment risks:** the Client acknowledges that it is able to assess and understand, itself and/or upon the advice of its own legal, tax or other independent advisors, the terms, conditions and risks of investments, and to make its own decision to enter or not to enter into any investments on the basis of its own judgment, taking into account the suitability of such investments with its investment objectives and financial position, without relying on any (written or oral) communication from the Bank;
- j) **Consents and approvals:** no consent or approval of any trustee or holder of any indebtedness or obligation of the Client, and no consent, permission, authorisation, order or license of any governmental authority, or public body or courts, is necessary in connection with the execution and delivery of these GCGC and any other required document, the performance by the Client of its obligations thereunder, or any transaction contemplated thereby.
- k) **Pending or threatened litigation:** there is no litigation, tax claim, proceeding or dispute pending, nor, to the knowledge of the Client, threatened against the Client, the adverse determination of which might materially affect the Client's financial position and/or impair its ability to perform its obligations under any document to which it is a party;
- l) **Event of Default:** No event of default or potential event of default has occurred;
- m) **Regulatory reporting:** All regulatory (including but not limited to tax) reportings required by the laws and regulations of any applicable jurisdiction in respect of the Client's assets, income and borrowings, these GCGC and the Collateral and the financial flows related thereto, including but not limited to its country of residence or of its registered office or seat of effective management, have been made; and
- n) **Repayments:** All repayments and payments by the Client in relation to these GCGC and the Credit will be made from funds for which all applicable taxes will be paid. The Client represents and warrants that it will pay or cause to be paid all applicable taxes in the event of the enforcement of the Collateral hereunder.

The Client shall be deemed to reiterate the representations and warranties given in this article 6 on a daily basis for as long as any amount shall remain due to the Bank under the

Credit.

send its notifications to the Client, they will be deemed validly communicated to the latter by being kept in hold mail, at the Client's sole risk.

## 7. INTENTIONALLY LEFT BLANK

## 8. MISCELLANEOUS

- a) Any Credit in existence upon the date these GCGC enter into force will be subject to them.
- b) The Client may not use any decrease in Collateral Value as a pretext to avoid the Client's repayment obligations.
- c) All payments under the Credit will be made on a net basis without any tax withholding, deduction or offset whatsoever. Any current or future tax, and any other deduction of any kind whatsoever, which may encumber any payment owed to the Bank throughout the term of the Credit, will be borne by the Client.
- d) If a payment falls due on a non-business day, it will be made on the next business day or, where the latter falls in the subsequent calendar month, on the immediately preceding business day. For the purposes hereof, a business day means a day on which banking institutions are open all day in Geneva, or where applicable, at the registered office of the branch dealing with the Client.
- e) Interest will be calculated based on the exact number of elapsed days and a 360-day year, except for currencies for which usage recommends a different calculation method.
- f) When a fixed-term advance is due for repayment, the Bank may, at its discretion and in the absence of any instruction to the contrary from the Client, either renew it or repay it by debiting the Client's current account.
- g) Where the Credit is granted to multiple individuals jointly, they become jointly and severally liable as co-debtors.
- h) Under no circumstances shall the fact that the Bank fails to exercise any of its rights, or exercises said right after expiry of a certain period, constitute a waiver of said right. Moreover, the partial exercising by the Bank of any of its rights shall not prevent the latter from exercising its right in full, or from exhausting all remedies available to it.

- d) Any communication sent by the Client and/or, where applicable, the third party surety, to the Bank in connection with the Credit must be sent to the Bank by post or fax and shall be binding upon the latter only two (2) business days after receipt.

## 10. INTENTIONALLY LEFT BLANK

## 11. APPLICABLE LAW AND PLACE OF JURISDICTION

- a) These GCGC are subject to the laws of Hong Kong SAR.
- b) In addition to Article 7.39 of the GTC, the Bank remains entitled to bring proceedings before any other Court and/or any other applicable jurisdiction for debt enforcement at the place where the Client or, where applicable, the third party surety, are domiciled, or where the Collateral is located.

## 12. LANGUAGE

Part D of this General and Other Terms and Conditions shall be available in English and Chinese. Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

## 9. NOTIFICATIONS

- a) Any correspondence between the Parties regarding the Credit shall be governed by the corresponding provisions of the GTC and sent by the communication method chosen by the Client. The Client shall be liable for any consequence arising from failure to check these documents. If no fax number is given to the Bank, the Client accepts that a notification sent by the Bank to the last postal address specified may arrive too late for the Client to take any necessary measures.
- b) Regardless of the method of communication selected by the Client, the Bank will remain entitled, but not obliged, to notify the Client by any means of communication it may deem appropriate, at any place it deems possible to reach the Client. Within this framework, any notification will be deemed to have been validly served, with the Bank being fully discharged in this respect, when served verbally, by phone, by email or by any other means of communication.
- c) Where, for any legal or factual reason or due to exceptional circumstances, the Bank is unable to



## 1. SCOPE

These Specific Conditions for Foreign Exchange, Precious Metals, and Derivatives Transactions (Over the Counter) (which, as amended from time to time or at any time, is hereinafter called the “CSFX Conditions”) govern all over-the-counter spot or forward foreign exchange or precious metals and derivatives transactions, particularly swaps, forward transactions, over-the-counter puts and calls on foreign currencies, precious metals, equities or other underlying securities, as well as combinations of such transactions, entered into between the Client and the Bank (“CSFX Contracts” or “CSFX Transactions”). They supplement the General Terms and Conditions (“GTC”) and the General Conditions for the Granting of Credit (“GCGC”), which directly apply to the CSFX Contracts. In the event of discrepancy, the terms and conditions of the CSFX Conditions shall prevail over the GCGC and the GCGC shall prevail over the GTC.

## 2. CLIENT’S CLASSIFICATION

- a) The Client confirms to the Bank that the Client has the classification as defined by the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 (“FMIA”) mentioned in the Annex to this Part E. This classification is considered renewed at the conclusion of each CSFX Transaction or on the maturity date of any payment or delivery for a CSFX Transaction. If the Client’s classification mentioned in the FMIA Classification section of the [Client Acknowledgment to General and Other Terms and Conditions](#) is no longer accurate, the Client undertakes to inform the Bank without prompting, specifying the Client’s new classification and completing the FMIA Classification section and signing a new Client Acknowledgment to General and Other Terms and Conditions.

Completing the FMIA Classification section in the [Client Acknowledgment to General and Other Terms and Conditions](#) is not required if the Client is a natural person, unless he or she is entered in the commercial register in Switzerland as a sole proprietor or serves as a trustee of a trust under foreign law.

- b) The Client further represents and warrants to the Bank at all times that the Client has provided the Bank with the most updated and current information about his or her financial status, and shall notify the Bank immediately if any representation in that regard ceases to be accurate or changes in any way. The Client shall, on demand, provide the Bank with such evidence as it may require to verify the Client’s status as a Professional Investor or institutional investor.
- c) The Client acknowledges that where the Client is qualified and consented to being treated as a Professional Investor as such term is defined under the Securities and Futures Ordinance, the Bank and its representatives will be exempt from complying with certain compliance requirements under the Securities and Futures Ordinance Cap. 571 of the laws of Hong Kong (the “SFO”) In particular, the Bank and its representatives will be exempt from:
- (i) The prohibition from proposing to the Client investments which have not been authorised by the Securities and Futures Commission of Hong Kong or in respect of which the prospectus has not been registered with the Securities and Futures Commission or meet the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and

- (ii) The requirement to send the Client contract notes, statements of accounts or receipts in the format prescribed by the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules.

## 3. ORDERS

- a) The Bank shall carry out CSFX Transactions only on the basis of:
- (i) orders and specific instructions from the Client or the Client’s authorised agent, particularly under an advisory mandate;
- (ii) a third-party management mandate given by the Client on the Client’s own initiative by separate agreement, with the understanding in this case that the Bank shall have the right, but not the obligation, to fulfill the obligations with regard to this third- party manager that are required of it under these CSFX Conditions; or
- (iii) a management mandate given to the Bank by the Client on the Client’s own initiative by separate agreement, with the understanding that such mandate shall not be limited to the transactions authorised according to the guidelines issued by the Swiss Bankers Association. In this context, the Bank is authorised to enter into any CSFX Transaction on behalf of the Client and to undertake any actions required of it under these CSFX Conditions. In particular, it is authorised to acknowledge receipt of any CSFX Transaction confirmation and to confirm the content thereof expressly or tacitly, according to the procedures set out in section 11 below.
- b) The Bank and the Client may enter into CSFX Transactions in any form, in particular orally, and a CSFX Transaction confirmation shall then as a rule be prepared by the Bank and sent to the Client according to section 11 below.
- c) These CSFX Conditions form a single agreement with all the confirmations listing the specific terms and conditions of each CSFX Transaction. Delivery of these CSFX Conditions to the Client shall in no way obligate the Bank to enter into any CSFX Transaction.
- d) The Client agrees that in the absence of an advisory mandate signed with the Bank, other than as provided for in Article 5.11 of the GTC, the Client shall not rely on the Bank under any circumstances regarding advice on the advisability of entering into the CSFX Transactions. The Client further acknowledges that recommendations and information that the Bank might provide to the Client do not constitute offers to buy or sell any CSFX Contract and that the Bank gives no guarantee that these recommendations and information are accurate and exhaustive.

## 4. MARGINS

- a) Throughout the term of the CSFX Contracts and in accordance with the GCGC, the Client undertakes to maintain Collateral (such as defined in the GCGC) with the Bank, or have the same maintained by third parties – that is deemed acceptable to the Bank, is diversified, and has a Collateral Value (such as defined in the GCGC) that is at all times at least equivalent to the sum of the following amounts (“Required Margin”):

- (i) the mark-to-market values of the CSFX Transactions that would be payable by the Client in the event of early liquidation of the CSFX Transactions, determined by the Bank based on prevailing market conditions and converted if necessary into the reference currency chosen by the Bank, according to the Bank's applicable exchange rate; and
  - (ii) independent margins in relation to the CSFX Transactions determined by the Bank based on the type of CSFX Transaction in question and its own tables.  
The Bank is authorised at its discretion and with immediate effect to change the methodology of independent margins.
- b) The provisions of the GCGC relating to Margin Calls (such as defined in the GCGC), in the case of accelerated maturity, liquidation of unhedged forward positions, and realisation of the Collateral, shall be applicable to the CSFX Transactions.
  - c) If the Client and the Bank are required to exchange collateral according to FMIA and/or any applicable regulations, the procedures for this exchange shall be set out in the VM (variation margin) Annex to these CSFX Conditions ("VM Appendix") and/or in any other document specified by the Bank. In such a case, the provisions of this section 4 shall not be applicable to the CSFX Transactions covered by the VM Appendix and/or any other document applicable to the exchange of variation margins.

## 5. COMMUNICATIONS

- a) Any communication relating to these CSFX Conditions shall be sent to the Client in accordance with the Client's correspondence instructions in effect or to the Client's duly appointed representative at the address specified by the Client. In view of the distinctive characteristics and risks inherent in the CSFX Transactions, the Bank strongly recommends that the Client specify an electronic communications channel (fax or other) or, where applicable, that of a representative duly appointed for this purpose, in order to transmit all communications between the Bank and the Client pertaining to the CSFX Transactions. If the Client does not specify a fax number, this means that the Client expressly waives the use of a fax by the Bank for the transmission of any communication in relation with the CSFX Transactions. The Bank may, however, make the conclusion or modification of the terms of any CSFX Transaction subject to establishing an electronic communications channel if the Bank considers it necessary so that the Bank or the Client can comply with their legal obligations.
- b) Notwithstanding the foregoing, if the Client has given a management mandate to a third party, the Bank may only send to this third party communications relating to the CSFX Transactions concluded by such third party on behalf of the Client under these CSFX Conditions.

## 6. DELIVERY AND LIQUIDATION OF THE CSFX CONTRACTS

- a) Despite the fact that each CSFX Contract creates the obligation to deliver/take delivery of underlying precious metals or other underlying assets for the CSFX Contract ("Underlyings") and to collect/pay

the CSFX Contract price on the delivery date ("Value Date"), the parties expressly agree that, unless otherwise expressly agreed or confirmed in writing, all CSFX Contracts between the Bank and the Client shall be concluded on a non-delivery basis with respect to the Underlying. Consequently, the Bank shall not as a rule have any obligation to the Client to carry out or take physical delivery of an Underlying.

- b) The Client undertakes to give the Bank its instructions at least two (2) business days before the Value Date for CSFX Contracts that remain open. Failing instructions, the Client expressly authorises the Bank to take any action that it considers appropriate, including renewing the CSFX Contract in the name and on behalf of the Client at the going price for a period of thirty (30) days. Absent instructions from the Client, the Bank shall still remain authorised, but without being obligated, to liquidate the CSFX Contract in cash at maturity and shall be held harmless in this regard.
- c) The Client takes note that, at the same time as each CSFX Transaction, the Bank shall conclude an equivalent transaction with a third-party bank or entity of the Crédit Agricole group, on the basis of a framework agreement compliant with market standards ("Equivalent Transaction") for the purpose of hedging the position taken by the Bank for the CSFX Transaction. The Bank shall take into account the data of the Equivalent Transactions to carry out the calculations and determinations in connection with the amounts due for the CSFX Transactions. If the terms of an Equivalent Transaction must be modified in accordance with the procedures applicable to it, the Bank shall be authorised to adjust the terms of the corresponding CSFX Transaction as a result and shall notify the Client by sending a new confirmation thereof or by any other appropriate means.

## 7. REPRESENTATIONS RELATING TO RISK

- a) The Client expressly represents that the Client is familiar with the mechanisms of the CSFX Transactions as well as the higher risk of losses and/or the complex risk profile that these CSFX Transactions may present, and that the Client has carefully assessed whether the Client's financial situation is compatible, given the circumstances, with the obligations undertaken. In particular, the Client is aware that:
  - (i) Forward contracts involve the risk that the prices of the assets in question may fluctuate and may be very volatile. Their price volatility may prove to be particularly damaging if the CSFX Transactions involve leverage, for example if the Client pays only a coverage margin or premium equal to a low percentage of the CSFX Transaction value; in such a case, rather small fluctuations in the price of the Underlying may result in considerable fluctuations in the value of the CSFX Contracts. As a result, the Client may be required to answer considerably large margin calls. Consequently, the Client's attention is b) drawn to the possibility that the value of the Client's positions may fluctuate significantly in an extremely short period of time (including during one and the same day);
  - (ii) The premium for a purchased option is paid outright, whether or not the option acquires a realizable value (can be exercised for a profit). If the Client buys an option (call or put), c) the Client's risk of loss shall be limited to the amount of the premium. However, if the Client is the

- seller or issuer of the option, the Client's risk of loss is potentially unlimited, unless the Client can reduce it by holding a hedge position in the Underlying. Furthermore, if the option in question is a European option, it can only be exercised on the day of its maturity, and the potentially positive value (in-the-money) of the option cannot be realised before this maturity;
- (iii) When an option is sold, the payment promised may result in a loss that exceeds or even becomes out of proportion with the premium initially received. The Bank in no way guarantees the creditworthiness of the issuers of the Underlyings nor does it guarantee their ability to honor their obligations in this regard and provides no recommendation as to the advisability of investing in the Underlying;
- (iv) Forward contracts and options involve risks inherent in the insolvency of the counterparty to the contract, the loss of the initial margin as well as additional payments, the difficulty of liquidating the positions, and more generally, substantial losses that the Client will be required to incur. In particular, as the Bank enters into CSFX Transactions as counterparty of the Client, the Client's claims with regard to the Bank for the CSFX Transactions are ranked equally with those of the Bank's other ordinary creditors (other than subordinated debts or secured claims). Furthermore, the Client's claims for the CSFX Transactions shall not be covered by deposit insurance or any other collateral commitment of other Crédit Agricole group entities;
- (v) The CSFX Transactions are contracts between the Client and the Bank that cannot be assigned or transferred by one party without the other party's consent. Early liquidation of certain CSFX Transactions may consequently prove to be impossible or take place under very unfavorable conditions. The loss incurred may be very substantial. Furthermore, insofar as the CSFX Transactions are not standard products, entering into a counter transaction with a third party to offset a position taken for a CSFX Transaction does not close out the CSFX Transaction entered into with the Bank and does not necessarily provide ideal coverage;
- (vi) The terms of the CSFX Transactions shall be negotiated over the counter. No central source for prices is available, such that the participants are free to offer different prices for identical CSFX Transactions. The Bank gives no guarantee as to the fact that the prices that it will offer to the Client will be the most advantageous that the Client may get.
- b) Certain risks associated with the CSFX Transactions are discussed in further detail in the brochure entitled "Special Risks in Securities Trading," which the Client acknowledges to have received and understood. The Client furthermore acknowledges that the Client had the opportunity to ask the Bank any questions relating to the content of this document and these CSFX Conditions.
- c) The Client represents that the Client fully accepts the risks arising from the CSFX Transactions and that the Client is able to assume the risks, particularly from a financial standpoint. It is understood that the list above and the brochure entitled "Special Risks in Securities Trading" only provide an overview of the risks and other characteristics of the CSFX Transactions. The Client nonetheless assures the Bank that the Client has the ability to assess and understand (either personally or with the help of independent legal, tax and/or financial advisors) the terms and conditions, requirements, and risks of the CSFX Transactions, and (unless the CSFX Transactions are concluded as part of a management mandate) to make any decision personally whether or not to enter into any specific CSFX Transaction based on the Client's own assessment of the characteristics, terms, and corresponding risks, and taking into account the suitability of the CSFX Transaction in relation to the Client's investment goals and financial situation.

## 8. EARLY TERMINATION

- a) If any of the events specified in articles 3(f) and 5 of the GCGC (including those specified in article 6.3 (Term and repayment) of the GTC) occur, the Bank shall have the right, but not the obligation, to terminate at its discretion and without the need to notify the Client in advance, one, more or all of the CSFX Transactions governed by these CSFX Conditions.
- b) If the Client (i) is dissolved (including, where the Client is a trustee acting on behalf of a trust, where the trust is dissolved), (ii) makes a general assignment, arrangement or composition with or for the benefit of the Client's creditors, (iii) has a resolution passed for the Client's bankruptcy, winding-up, judicial management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency, bankruptcy, judicial management or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, (v) is the subject of a petition or application for its bankruptcy, winding-up, liquidation or judicial management, (vi) seeks or becomes subject to a moratorium or the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or similar official for itself or for all or substantially all the Client's assets, (vii) causes or is subject to any event with respect to the Client which, under the applicable laws of any jurisdiction, has an analogous effect to any of the foregoing, or takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing, all the CSFX Transactions that they govern shall be deemed immediately terminated before the event in question occurs.
- c) In the event of early termination of the Equivalent Transaction for an event specific to the Bank's counterparty and that does not result from nonperformance of an obligation by the Bank, the Bank, due to the resulting coverage shortfall, shall have the right, but not the obligation, to terminate the corresponding CSFX Transaction with the Client at its discretion prior to maturity.
- d) In the event of early termination of one, more or all of the CSFX Transactions and/or of these CSFX Conditions in their entirety, all obligations that have fallen due and not yet due in connection with the CSFX Transactions in question shall be cancelled and replaced by the obligation of either of the parties to pay a liquidation balance in the currency chosen by the Bank at its discretion.
- e) The liquidation balance shall be calculated by the Bank as follows: (i) the sum of the mark-to-market values of the terminated CSFX Transactions, i.e. the amount of losses or costs of the Bank that are or would be incurred under then prevailing circumstances and payable to the Bank by another counterparty (expressed as a negative number) or

gains of the Bank that are or would be realised under then prevailing circumstances and payable by the Bank to such counterparty (expressed as a positive number) in replacing, or in providing for the Bank under an agreement between the Bank and such counterparty the economic equivalent of the material terms and conditions of each terminated CSFX Transaction on the date of early termination (including without limitation any losses or gains incurred by the Bank in unwinding any Equivalent Transaction), plus (ii) any unpaid amount due and payable to the Bank in connection with the CSFX Transactions governed by these CSFX Conditions, less (iii) any unpaid amount due and payable to the Client in connection with these CSFX Transactions. Any amount calculated according to (i), (ii) or (iii) that may be payable in a currency other than that chosen by the Bank per the previous paragraph shall be converted into that currency at the Bank's exchange rate applicable on the date of early termination.

- f) The liquidation balance calculated accordingly shall be paid by the Bank (if it is a negative number) or by the Client (if it is a positive number) within three (3) business days as from the corresponding notice from the Bank. The Bank shall nonetheless be authorised to offset any obligation it may have to settle the liquidation balance with any other claim(s) against the Client, regardless of the origin, maturity date or currency of each of these claims and without taking into account any security interests that might have been specifically agreed in this regard.
- g) In addition, the Bank shall be authorised to terminate any CSFX Transaction if the Bank determines, at its discretion, that the CSFX Transaction in question is or will be subject to the obligations provided for by FMIA, or any applicable regulation, with regard to clearing and/or exchange of collateral (unless, in this latter case, the parties enter into a VM Appendix). In such circumstances, the Bank shall liquidate all the CSFX Transactions concerned simultaneously. The procedures for calculating and paying the liquidation value of these CSFX Transactions stipulated in the two foregoing paragraphs of this section 8 shall be applicable.

## 9. CALCULATIONS AND DETERMINATIONS

The Bank shall, in good faith and in accordance with customary practices, conduct all calculations and determinations relevant to the amounts due for the CSFX Transactions, fees relating thereto, assessments or occurrence of events (such as suspension of trading, mergers, etc.) that may require any adjustments to the terms and conditions of the CSFX Transactions entered into under these CSFX Conditions. To do so, the Client acknowledges that the Bank may take into account the calculations and determinations made in connection with the Equivalent Transaction. All calculations and determinations made accordingly by the Bank shall be binding for both parties.

## 10. SETTLEMENT OF THE CSFX TRANSACTIONS AND CLEARING/ NETTING OF PAYMENTS

- a) If reciprocal payment obligations in one and the same currency between the Bank and the Client fall due on the same day (whether for one or more CSFX Transactions), these obligations shall be, unless otherwise notified by the Bank, netted and replaced by the obligation for the party that owes the higher amount to pay the net amount corresponding to the difference between the reciprocal obligations in

question.

- b) Settlement of the CSFX Transactions shall be carried out in the Client's account with the Bank. If the value of the assets carried as a credit to the Client's account (such as determined by the Bank on the value date or settlement date of a CSFX Transaction) is not sufficient to satisfy the Client's obligations falling due as of that date, the Bank shall be required to execute its corresponding obligations toward the Client only up to the value determined accordingly. At the same time, the Bank shall be authorised to debit the Client's account for any amount due and/ or to transfer from this account any asset to be delivered to the Bank at a maturity date provided for with respect to a CSFX Transaction only if the Bank simultaneously executes its reciprocal payment or delivery obligations arising from said CSFX Transaction that fall due on the same date.

## 11. CONFIRMATION, RECONCILIATION, PORTFOLIO COMPRESSION, AND DISPUTE RESOLUTION

- a) The Bank shall confirm within the timeframes applicable to the confirmation of over-the-counter derivatives under FMIA all CSFX Transactions that are not subject to a clearing obligation by a central counterparty. CSFX Transaction confirmations shall be sent to the Client according to the procedures set out in section 5 of these CSFX Conditions. The Client shall bear any consequence of the Client's failure to verify these confirmations. A CSFX Transaction confirmation shall be deemed accepted by the Client if the Client does not dispute it in writing in the timeframe prescribed in the confirmation, or if not within two (2) business days, specifying the reason for its opposition (including the CSFX Transaction in question). In the case of a contradiction between these CSFX Conditions and a CSFX Transaction confirmation, the confirmation shall prevail. If the Client does not receive a confirmation after the conclusion of a CSFX Transaction, he or she shall inform the Bank in writing within two (2) business days. Under these CSFX Conditions, a "business day" means any day (other than Saturday or Sunday) when bank branches are open in Geneva and Hong Kong.

If the Client disputes a CSFX Transaction confirmation in the timeframe provided, the parties shall try to correct the contradictions or discrepancies as quickly as possible, within five (5) business days.

- b) If the Bank deems that a portfolio reconciliation should be carried out as defined in FMIA, it shall deliver to the Client the essential terms and conditions in connection with the relevant outstanding CSFX Transactions so that he or she may identify potential contradictions or discrepancies. The Client may also ask the Bank to send this data to him or her, in particular to comply with a foreign regulation that may be applicable to the Client.

Upon receipt of the data sent by the Bank, the Client shall compare this data with its own accounting in order to identify potential discrepancies. The Client shall notify the Bank within five (5) business days after the transmission date if he or she discovers any significant discrepancies. In such a case, the Bank and the Client shall consult with one another and try to eliminate the discrepancies as quickly as possible. Absent such notice from the Client in the timeframe mentioned above, the data provided by the Bank shall be deemed accurate and binding.

- c) If under FMIA or any regulation applicable to the Client

an analysis of the CSFX Contracts must be carried out at regular intervals to determine the possibility of performing portfolio compression, the Bank and the Client undertake to conduct this analysis in the applicable timeframes.

- d) The parties certify, insofar as required by FMIA or any other applicable regulation (where appropriate) that they have adopted and implemented the procedures necessary to identify any dispute and how long an identified dispute may remain unresolved. These procedures shall track the dispute until it is resolved. In the case of a dispute concerning a CSFX Transaction, the party concerned undertakes to send a written complaint to the counterparty, specifying each CSFX Transaction in question and the reason(s) for the complaint, according to the communication procedures applicable to CSFX Transactions. Upon receipt of the complaint, the parties shall exchange the relevant information and shall consult with each other in good faith and in a timely manner to resolve the dispute as quickly as possible. If the dispute is not resolved within five (5) business days after receipt of the complaint, it shall be submitted to a special and appropriate process. Each of the parties shall refer to their competent governing bodies no later than at that time.

## 12. REPORTING

The Client acknowledges that the Bank is bound by FMIA or other applicable regulations to a duty to report any CSFX Transactions to an authorised or recognised trade repository. The Bank may use third-party service providers to file the reports. The main terms of each CSFX Transaction and the identity of the counterparties for each CSFX Transaction must be reported by the Bank. It is agreed that the Client shall remain solely responsible for fulfilling the Client's own reporting obligations under any applicable regulation.

## 13. GENERAL PROVISIONS

- a) The Client authorises the Bank to open one or more special accounts to record the CSFX Transactions if the Bank deems it necessary and acknowledges that all signed documents concerning the Client's main account, including in particular the First Party Security Agreement, shall apply to these special accounts and that these special accounts shall in reality only be subaccounts of the main account.
- b) The parties shall not be authorised to transfer or assign to a third party all or a portion of their rights and obligations arising from these CSFX Conditions and/or any CSFX Transaction without the prior written agreement of the other party; it is specified that the Bank shall remain free to transfer or assign its rights and obligations to any affiliated company of the Bank.

### 13A. ADDITIONAL PROVISIONS FOR TRUSTS

Where the Client is a trustee acting on behalf of a trust (the "Trust"):

- a) the Client represents and warrants at all times while these CSFX Conditions are in force that:
- (i) its obligations under these CSFX Conditions constitute its legal, valid and binding obligations and subject to its trust deed or other constitutional document of the Trust (the "Trust Deed") and applicable law, no circumstances are known to it which would or may prevent it from having recourse to the assets of the Trust for the purpose of meeting such obligations;
- (ii) execution, delivery and performance of these

CSFX Conditions do not violate or conflict with any law applicable to it as the trustee of the Trust or the Trust, any provision of the Trust Deed, any order or judgment of any court or other agency of government applicable to it as the trustee of the Trust, the Trust or any assets of the Trust, or any contractual restriction binding on or affecting it as the trustee of the Trust, the Trust or any assets of the Trust; and

- b) the Client undertakes to provide the Bank with a copy of the Trust Deed promptly upon entry into these CSFX Conditions, and promptly after any amendments to the Trust Deed.

## 14. LANGUAGE

These CSFX Conditions is available in English and Chinese. In the event of any discrepancy between the English and Chinese versions, the English version shall prevail.

### APPENDIX TO SPECIFIC CONDITIONS FOR FOREIGN EXCHANGE, PRECIOUS METALS, AND DERIVATIVES TRANSACTIONS (OVER THE COUNTER)

#### A) « FINANCIAL COUNTERPARTY »

Is a «Financial Counterparty» a party that falls into one of the following categories, or a party incorporated or domiciled outside Switzerland falling into an equivalent category: (i) a bank in the sense of Art. 1(1) of the Swiss Federal Banking Act of 8 November 1934, (ii) a securities dealer or broker in the sense of Art. 2(d) of the Swiss Federal Stock Exchanges and Securities Trading Act of 24 March 1995, (iii) an insurance or reinsurance company in the sense of Art. 2(1)(a) of the Swiss Federal Insurance Supervision Act of 17 December 2004, (iv) a parent company of a financial or insurance group or financial or insurance conglomerate, (v) a fund management company or an asset manager of collective investment schemes in the sense of Art. 13(2) (a) and (f) of the Swiss Federal Collective Investment Schemes Act of 23 June 2006, (vi) a collective investment scheme in the sense of the Swiss Federal Collective Investment Schemes Act of 23 June 2006 or (vii) a retirement benefit institution or an investment foundation in the sense of Art. 48-53k of the Swiss Federal Professional Pensions Act of 25 June 1982.

A «Financial Counterparty» is categorised as:

- a «large Financial Counterparty»

meaning a «Financial Counterparty» with a rolling average gross position in OTC derivatives over 30 business days of CHF 8 billion or more (calculated according to the applicable legal requirements), provided that both the OTC derivatives of the counterparty and those of all fully consolidated entities within the counterparty's group shall be taken into account for the calculation of the position. Where the relevant party's position equals or exceeds this threshold of CHF 8 billion, such party shall only be categorised as a «large Financial Party» four months after it meets or exceeds such threshold;

or

- a «small Financial Counterparty»

meaning a «Financial Counterparty» that is not a «large Financial Counterparty», provided that, where a «large Financial Counterparty» falls below the relevant threshold, it shall immediately be categorised as a «small Financial Counterparty».

#### B) « NON-FINANCIAL COUNTERPARTY »

A «Non-Financial Counterparty» is an undertaking that is not a «Financial Counterparty». A counterparty incorporated or domiciled in Switzerland is deemed to be an undertaking if it is registered with the Swiss Commercial Register. A counterparty incorporated or domiciled abroad is deemed to be an undertaking if it engages in a commercial activity and is a legal entity, trust or similar structure under the applicable law.

A «Non-Financial Counterparty» is categorised as:

■ **a «large Non-Financial Counterparty»**

meaning a «Non-Financial Counterparty» with a rolling average gross position in OTC derivatives over 30 business days for at least one of the following asset classes equaling or exceeding the relevant threshold (calculated according to the applicable legal requirements), provided that both the OTC derivatives of the counterparty and those of all fully consolidated entities within the counterparty's group shall be taken into account for the calculation of the position<sup>1</sup>. Where the relevant party's position equals or exceeds any such threshold, such party shall only be categorised as a large «Non-Financial Counterparty» four months after it meets or exceeds the relevant threshold:

ASSET CLASSES	THRESHOLDS
Equity Derivatives	CHF 1,1 Billion
Credit Derivatives	CHF 1,1 Billion
Interest Rate Derivatives	CHF 3,3 Billion
FX Derivatives	CHF 3,3 Billion
Commodity and other Derivatives	CHF 3,3 Billion

or

■ **a «small Non-Financial Counterparty»**

meaning a «Non-Financial Counterparty» that is not a «large Non-Financial Counterparty», provided that, where a «large Non-Financial Counterparty» falls below all thresholds, it shall immediately be categorised as a «small Non-Financial Counterparty».

<sup>1</sup> OTC derivatives transactions intended to reduce risks are not factored into the calculation of the average gross position if they are directly associated with the business activity, liquidity management or asset management of the counterparty or group.

## 1. PREAMBLE

These Specific Conditions for Forward Contracts and Quoted Options on Exchanges (which, as amended from time to time or at any time, is hereinafter called “CSMR Conditions”) shall govern any forward contracts and options on commodities, metals and/or financial instruments (the “CSMR contracts” or “CSMR transactions”) concluded on exchanges (the “Exchanges”) on behalf of the Client by the Bank. They supplement the Bank’s General Terms and Conditions (“GTC”) and the General Conditions for the Granting of Credit (“GCGC”), which apply directly to the CSMR contracts. In the event of any discrepancy, the terms and conditions of the CSMR Conditions shall prevail over the GCGC and the GCGC shall prevail over the GTC. The provisions in any Security Agreement(s) signed shall in addition fully apply.

## 2. INSTRUCTIONS

- a) The Bank shall undertake such CSMR transactions solely pursuant to:
  - (i) specific instructions from the Client or his or her representative, or
  - (ii) a management power or mandate granted to a third party or to the Bank by the Client on his own initiative, in accordance with a separate document. It is hereby specified that nothing herein shall be construed as an obligation for the Bank to enter into any particular CSMR transaction.
- b) The Client authorises the Bank to execute any CSMR contract through brokers selected at the Bank’s sole discretion.
- c) In the event of any recommendation made by the Bank in respect of such CSMR transactions, the Client agrees that he will in no case solely rely on the Bank’s advice in order to determine the advisability of such CSMR transactions for himself. He furthermore acknowledges that the Bank’s recommendations or information do not constitute an offer to buy or sell any CSMR contracts whatsoever, and that the Bank does not guarantee that these recommendations or information are accurate or exhaustive. The Client also acknowledges that any recommendation relates to events with unpredictable outcomes and, as a result, involves financial risks or losses. Subject to article 5.11 of the GTC, the Client accepts full liability for final decisions relating to any such CSMR transactions and any and all potential consequences. The Client fully discharges the Bank from any liability in respect of all such recommendations.

## 3. MARGINS

- a) Throughout the duration of the CSMR contracts and in accordance with the terms of the GCGC, the Client undertakes to maintain sufficient collateral with the Bank to comply with the margin rates set by the Exchanges on which the CSMR contracts are negotiated and to cover the variation risk for such CSMR transactions in the GCGC.
- b) If at any time whatsoever the Collateral Value of the Collateral decreased by the estimated result arising from outstanding CSMR contracts (mark-to-market) is negative or should no longer cover the liquidation margin in the GCGC, the Bank shall have the right, but not the obligation, to take all necessary measures to re-establish the required level of Collateral immediately without any prior notice to the Client. The Bank shall be entitled at its entire discretion to proceed with the partial or entire liquidation of the CSMR contracts or with the realisation of the Collateral.

## 4. COMMISSION

As remuneration for negotiating CSMR transactions, the Bank will be entitled to charge its commissions at rates and conditions determined according to the nature and number of the negotiated CSMR contracts.

## 5. RULES APPLICABLE TO THE EXCHANGES

Each CSMR contract is subject to the rules and practices of the relevant Exchange and to the laws, regulations and instructions of the competent regulatory bodies in the relevant states.

The client acknowledges and expressly confirms that he has full knowledge of the rules which thus apply and that he has an obligation to keep himself informed of any changes of the said rules. He expressly declares that he shall unreservedly submit to the said rules. In particular, he acknowledges the fact that the required cash margin may be debited from his account, and that such margin may be wholly or partially deposited with the broker and that it will not bear interest.

## 6. COMMUNICATIONS

The confirmation of CSMR transactions as well as the periodical account statements shall be sent to the Client or his duly designated representative in accordance with the permanent instructions given by the Client. If for any reason, including such correspondence address proving to be no longer valid, the Bank is unable to deliver any such documents at such address, it shall keep such mail on file at the Client’s disposal, in accordance with the provisions of its GTC. The Client shall be liable for any consequence arising from his failure to verify such confirmations or account statements.

The Client agrees and acknowledges that the Bank might record all telephonic communications between the Bank and himself or his duly designated representative in accordance with normal banking practice and that, in the event of dispute as to the contents of any oral instructions, the recording may be played back to determine precisely what the instructions contained.

## 7. DELIVERY AND SETTLEMENT OF CSMR CONTRACTS

The Client undertakes to immediately make any payment or delivery of assets owed by him in accordance with the CSMR contracts. Failure to fulfil this obligation will entitle the Bank, at its entire discretion and at the Client’s costs, to take any steps that it deems appropriate for the purposes of its own protection and that of its Client.

With respect to open CSMR contracts giving rise to an obligation to take delivery of the underlying on the date for delivery, it is expressly agreed that the Bank shall be under no obligation to the Client to take physical delivery of the underlying and that if it does not receive proper instructions from the Client in due time, it is entitled, at its sole and absolute discretion, at its full discharge and at the Client’s exclusive costs and risks, to take any action it deems appropriate for the purpose of avoiding any such delivery settlement issues, including without limitation to liquidate the contract or the underlying.

Delivery of the underlying and that if it does not receive proper instructions from the Client in due time, it is entitled, at its sole and absolute discretion, at its full discharge and at the Client’s exclusive costs and risks, to take any action it deems appropriate for the purpose of avoiding any such delivery settlement issues, including without limitation to liquidate the contract or the underlying.

With respect to option contracts, should the Client fail to notify the Bank within the exercise period of his intention to exercise the said option and, at the same time, fail to provide it with any sum, asset or document required to exercise it, the Bank may consider the Client to have relinquished the option.

## 8. RISK DISCLOSURE STATEMENTS

The Client hereby expressly acknowledges that he fully understands the mechanisms of forward contracts and options and that he has carefully considered whether his experience, objectives and financial condition are compatible, given the circumstances, to his commitments. The Client is particularly aware that:

- a) forward contracts involve a risk of adverse market movements of the asset underlying the contract and may be highly volatile and lead to unlimited losses;
- b) the premium paid for the purchase of an option constitutes a final payment, whether or not the option becomes profitable to exercise;
- c) in the case of the sale of an option, the seller may incur losses greater than, or even out of proportion with, the premium initially received;
- d) forward contracts and options involve a risk of insolvency of the counterparty, of loss of the initial margin, as well as of any additional payments, of difficulties in liquidation a position and of substantial losses which the Client will have to bear; and
- e) uncovered transactions are more generally of a speculative nature.

Moreover the Client expressly acknowledges the fact that, in the event of the relevant broker or the clearing house defaulting, the Bank shall not, under any circumstances, be bound to fulfil a CSMR contract nor to refund the margins deposited with the broker.

The Client fully accepts any and all risks associated with such CSMR transactions. He declares that he is willing and able to assume all such risks and to bear all possible resulting losses.

## 9. WAIVER OF BANKING SECRECY

The Client acknowledges the fact that the Bank may be bound by the laws and regulations of the relevant states and exchanges, at the request of the competent regulatory bodies, to supply any details relating to CSMR contracts, particularly the Client's name and positions. The Client expressly consents to the Bank providing to such regulatory bodies, the broker or any other person, by any means of communication and transmission, any information relating to CSMR transactions undertaken under these CSMR Conditions, and information relating to the Client and the Client's account(s) with the Bank, without prior notice to the Client.

The Client understands that any information transmitted abroad in the frame of this authorisation shall be governed by the foreign laws concerned and shall accordingly no longer be protected by Hong Kong banking secrecy and confidentiality laws.

The Client shall alone assume, without any restriction and to the entire discharge of the Bank, any risks and prejudices which may result from the transmission of information in the context of this authorisation.

This authorisation shall not be terminated upon the death, mental incapacity, bankruptcy of the Client or any similar causes.

If need be, the Bank is released from its obligations of confidentiality to the extent above described.

The Bank will however make all reasonable efforts to preserve the confidentiality of any such information.

## 10. MISCELLANEOUS

- a) The Client hereby authorises the Bank to open one or more accounts for the specific purpose of accounting for those CSMR transactions if the Bank considers it necessary and acknowledges that all documents already signed by him for his principal account, including in particular any Security Agreement, shall be fully applicable to such other specific accounts and that such other specific accounts shall in reality only be sub-accounts of the said principal account.
- b) The present document is furthermore governed by the GTC of the Bank, as well as by the GCGC. The provisions of the Security Agreement(s) signed shall in addition fully apply.
- c) A person who is not a party to this document shall have no right to enforce or enjoy the benefit of any term of this document.
- d) These CSMR Conditions is in both English and Chinese. Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.



## 1. PREAMBLE

These General Conditions for the Issue of Guarantees (which, as amended from time to time or at any time, is hereinafter called (“GCIG”) govern guarantees issued by the Bank by order of the Client in any form whatsoever, including the countersigning of indemnity letters issued by the Client. They are supplemental to the Bank’s General Terms and Conditions (“GTC”) and, where appropriate, to the General Conditions for the Granting of Credit (“GCGC”). In the event of discrepancy, the terms and conditions of the GCIG shall prevail over the GCGC and the GCGC shall prevail over the GTC.

## 2. ISSUE OF GUARANTEES

The text of the guarantees to be issued will be notified by the Client or drafted by the Bank in the light of the possible requirements of the beneficiary and approved by both parties.

Save for gross negligence on its part, the Bank shall not be held liable for the possible consequences arising out of the form of the commitment.

## 3. RESPONSIBILITIES OF THE CLIENT

- a) Guarantees are issued under the sole responsibility of the Client until the Bank has recovered the commitments bearing its Client undertakes to ensure that the originals of such guarantees are returned to the Bank on their expiry.

The Client likewise undertakes, where appropriate, to take all necessary actions for the Bank to receive in good time documents enabling it to obtain the release of its commitment. In particular in respect of letters of indemnity for missing documents, the Client undertakes to accept all the documents presented and linked to the aforementioned letters of indemnity.

- b) As regards abstract first demand guarantees in general, and despite the possible use of the term “security”, the Client who has been previously informed by the Bank of a demand under the guarantee undertakes to refrain from contesting the payment made by the Bank at the request of the beneficiary in accordance with the terms of the commitment for any reason whatsoever, and consequently even if he believes that the demand under the guarantee is unfounded and regardless of the exceptions that he could personally invoke in his relations with the beneficiary. The Client undertakes likewise to refrain from undertaking any measure having the purpose or consequence of preventing or deferring payment.
- c) The Client accepts furthermore all the consequences that may arise from the application of laws and customs in force in the country of the beneficiary, notwithstanding the possible reference to any other law and/or rules governing the guarantee, in particular in regard to any potential lack of recognition of the expiry clause.
- d) The Client also recognises the right of the Bank to extend the guarantee if a demand for its performance appears explicitly to be the consequence of a refusal to proceed with such extension. However, this right does not imply an obligation on the part of the Bank to make such an extension.

## 4. ISSUE OF GUARANTEES CONCERNING COMMITMENTS RESULTING FROM THE USE OF CREDIT CARDS

The Client hereby certifies that the Client is aware of the

risks inherent in the use of credit cards, notably those arising from computer fraud or technical errors which may cause unwarranted debits appearing on the invoices issued by the credit card issuing companies.

The Client accepts sole responsibility for verifying the content of the said invoices, even when the Client receives these invoices via the Bank, and for addressing any objection directly to the issuing company within the deadline established in the credit card terms and conditions of use, to the full discharge of the Bank in this respect.

The Bank shall be deemed to have duly notified the Client of any invoice, and shall be discharged of any liability in this respect, provided that the invoices are sent to the Client by letter or fax to such address that the Client has provided to the Bank in writing; or kept in hold mail.

If for any factual or legal reason or under any exceptional circumstance, including such relevant address proving to be no longer valid, the Bank is unable to deliver the said invoices to the Client at the above address, the Bank shall be deemed to have duly notified the Client of the said invoices, in the event of specific address if sent to his current general correspondence address or, should such reasons of incapacity to deliver any invoice apply to such general address, if kept on file at the Client’s disposal and own risk.

## 5. COVER OF COSTS AND DISBURSEMENTS OF THE BANK

- a) All costs, fees, interest and expenses (including legal expenses) incurred or occasioned by such guarantees and their performance and in particular costs and commissions charged to the Bank by its correspondents shall be paid by the Client.
- b) Consequently, the Client irrevocably authorises the Bank to debit his account with any and all sums claimed from the Bank by the beneficiaries and with the commission for grant of the commitment, fees, costs and ancillary charges. This authorisation is absolute and unconditional notwithstanding any potential dispute between the Client and the beneficiary or that any beneficiary’s demand or document attached thereto reveals to be unfounded, abusive, fraudulent, forged, or any circumstance otherwise. The Client undertakes to cover immediately any debit balance that may result therefrom.
- c) Moreover, the Client acknowledges the right of the Bank to establish by the debit of its account any provision felt necessary in view of new circumstances to cover any outstanding guarantees.

## 6. RIGHTS OF THIRD PARTIES

A person who is not a party to the GCIG shall have no right to enforce or enjoy the benefit of any term of the GCIG.

## 7. LANGUAGE

The GCIG is in both English and Chinese. Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

## 8. GOVERNING LAW AND JURISDICTION

The place of exclusive jurisdiction for any dispute in relation to the GCIG, their performance and interpretation shall be in Hong Kong. However, the Bank is entitled to institute proceedings before any other court of competent jurisdiction. The laws of Hong Kong shall apply exclusively to the GCIG, without prejudice to any possible application of any other laws, customs, and/or rules in respect of relations between the Bank and the beneficiaries.

The Terms and Conditions for Renminbi Services (which, as amended from time to time or at any time, is hereinafter called the "RMB Terms") shall apply to regulate the provision of Renminbi Services made available to its Client by the Bank. They supplement the GTC. In the event of discrepancy, the terms and conditions in the RMB Terms shall prevail.

1. In these terms and conditions, defined terms shall have the following meanings unless the context requires otherwise:

- "Applicable Regulations" means any law, regulation or order, the Clearing House Rules, or any rule, direction, guideline, code, notice, restriction or the likes (whether or not having the force of law) in relation to Renminbi or Renminbi Services issued by any regulatory authority, government agency, the Renminbi Central Clearing Bank or any other clearing or settlement bank or body exchange or professional body in whatever part of the world (including, without limitation, Hong Kong and the Mainland China) applicable from time to time;
- "Bank" means the Hong Kong Branch of CA
- Indosuez (Switzerland) SA and its successors and assigns and, where the context permits, includes any person appointed by the Bank as its nominee or agent to perform the Renminbi Services on its behalf;
- "Business Day" means a day (other than Saturday and Sunday) on which the Bank is open for business in Hong Kong;
- "Clearing House Rules" means the rules relation to the clearing and settlement of the Renminbi in Hong Kong including, without limitation, the operating procedures issued by Hong Kong Interbank Clearing Limited with the approval of the HKMA and the Renminbi Central Clearing Bank (as the same may be amended, supplemented and/or restated from time to time);
- "Clients" for the purposes of these RMB Terms, means any legal entities or persons in whose name a RMB Account is opened and held;
- "GTC" means the general terms and conditions governing the business relations between the Bank and its Clients (as the same may be amended, supplemented and/or restated from time to time);
- "HKMA" means the Hong Kong Monetary Authority;
- "Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;
- "Mainland China" means the People's Republic of China (excluding Hong Kong, Macau Special Administrative Region and Taiwan);
- "Renminbi" means the lawful currency of the Mainland China for the time being;
- "RMB Account" means any kind of account denominated in Renminbi opened and held by the Client from time to time with the Bank;
- "Renminbi Central Clearing Bank" means Bank of China (Hong Kong) Limited for the time being and includes any other institution appointed by the People's Bank of China to provide clearing and settlement services for Renminbi in Hong Kong from time to time;
- "Renminbi Disruption Event" means any event which prevents or disrupts the timely settlement of Renminbi in the Renminbi Settlement Account or the ability of the Bank to provide Renminbi Services to the Client on a timely basis or at all, including but not limited to:
  - (a) any decision of the Renminbi Central Clearing Bank not to provide Renminbi remittance services or financing to the Bank;

- (b) any suspension or termination by the Renminbi Central Clearing Bank of the Renminbi clearing and settlement service in Hong Kong affecting the Bank; or
  - (c) Renminbi Central Clearing Bank refuses to or delays in performing any payment instruction relating to the Renminbi Settlement Account or refuses or delays in accepting any payment to the Renminbi Settlement Account;
  - (d) any terms of the Clearing House Rules; and
- "Renminbi Losses" means any claims, losses, liabilities, costs, damages and expenses (including legal fees and expenses) incurred by the Client in relation to any payment or claim denominated in Renminbi;
  - "Renminbi Services" means any banking services (including, without limitation, opening of a RMB Account) or other services provided by the Bank to the Client as permitted by the Applicable Regulations in relation to Renminbi from time to time.
  - "Renminbi Settlement Account" means the account of the Bank with the Renminbi Central Clearing Bank in Hong Kong for the payment of Renminbi; and
  - "Renminbi Settlement Conditions" means all conditions for the settlement of Renminbi to which participating banks (including the Bank) are subject, including, without limitation, to:
    - (a) any regulations of the HKMA in force from time to time;
    - (b) any terms of the Renminbi Central Clearing Bank to which the Bank is subject relating to the clearing and settlement of Renminbi;
    - (c) any terms of the Clearing House Rules; and
    - (d) any other regulations in force from time to time relating to the settlement of Renminbi payments to which the Bank is subject.

Words importing the masculine gender shall include the feminine and neuter genders respectively. Words importing the singular shall include the plural and vice versa. Words importing persons or parties shall include such persons or parties' assigns, transferees or successors, as well as individuals, firms, partnerships, joint ventures, companies, associations.

2. The Client may request any Renminbi Service subject to satisfying the procedures and requirements specified by the Bank from time to time (including, without limitation, the means or medium through which the Client shall give instructions or the Bank shall provide the Renminbi Services).
3. In connection with the provision of Renminbi Services, the Bank shall have the sole discretion to determine whether to offer any Renminbi Service, including, without limitation, overdraft facility, advance or loan in Renminbi to the Client from time to time.
4. Subject to the type of RMB Account(s) opened and held by the Client, interest may be payable at such rate as determined by the Bank from time to time.
5. The Bank may impose a service charge, margins on traded prices or any other form of remuneration, as determined by the Bank at its absolute discretion on any Renminbi Service. The Bank reserves the right to revise any fees, charges, margins or other forms of remuneration for the provision of Renminbi Services from time to time.
6. The Client may deposit into a RMB Account by way of:
  - (a) foreign exchange conversion from any non-Renminbi currency to Renminbi at the Bank's prevailing exchange rate subject to all Applicable Regulations and the availability of such conversion services by the

Bank; and

- (b) funds transfer from any account denominated in Renminbi held by the Client with the Bank or any other bank in Hong Kong.

The Bank shall have the sole discretion to determine whether or not to allow the Client to deposit Renminbi cheques and cashier orders into such RMB Account as specified by the Bank from time to time. All cheques, cashier orders and any other monetary instruments accepted for deposit are credited subject to final payment. The Bank reserves the right to charge such RMB Account with items which are subsequently returned unpaid. No Renminbi banknotes and/or Renminbi coins are accepted for deposit into any RMB Account.

7. Subject to all Applicable Regulations and the Bank's acceptance, the Client may:

- (a) transfer Renminbi from a RMB Account to any other account denominated in Renminbi held by the Client with the Bank or another bank in Hong Kong; or
- (b) withdraw funds from a RMB Account in non-Renminbi currency that are converted from Renminbi at the Bank's prevailing exchange rate and subject the availability of such conversion services by the Bank; or
- (c) withdraw funds from a RMB Account by written request to the Bank.

No withdrawal of Renminbi banknotes or Renminbi coins from any RMB Account can be made.

8. Without prejudice to any other terms or conditions, the terms and conditions, specifications (including fees, charges and other form of remuneration) and information applicable to any RMB Account and all or any part of the Renminbi Services are to be determined and may be amended by the Bank from time to time according to the Bank's agreement with the Renminbi Central Clearing Bank or any other agent bank and the Applicable Regulations. Such terms and conditions, specifications and information and their revision or addition shall become effective subject to the Bank's notice which may be given by display, advertisement or other means as the Bank thinks fit and shall be binding on the Client.

9. The Bank reserves the right to:

- (a) introduce additional or varied terms, conditions and restrictions applicable to any RMB Account and all or any part of the Renminbi Services;
- (b) vary, suspend, refuse, withdraw or terminate (as applicable) any RMB Account and/or the provision, scope and/or extent of all or any part of the Renminbi Services at any time; or
- (c) transfer or convert any amount in any RMB Account, in order to comply with the Bank's agreement with the Bank's agreement with the Renminbi Central Clearing Bank or any other agent bank and the Applicable Regulations without prior notice (except as may be otherwise required in the Applicable Regulations) and without giving any reasons.

10. The Client agrees and confirms that the Bank has the right to report all or any transaction data and information relating to the Client, any RMB Account and Renminbi Services to the relevant authorities (including, without limitation, the Renminbi Central Clearing Bank, the HKMA and the People's Bank of China) as required by the Bank's agreement with the Renminbi Central Clearing Bank or any other agent bank and the Applicable Regulations without prior notice (except as may be otherwise required in the Applicable Regulations) and without giving any reasons.

11. In connection with any banking transactions denominated in Renminbi cleared or settled through the Renminbi clearing

and settlement system established in Hong Kong, the Client:

- (a) acknowledges that the operation of the Renminbi clearing and settlement system will be subject to the Clearing House Rules;
- (b) agrees that the HKMA shall not owe any duty or incur any liability to the Client or any other person in respect of any claim, loss, damage or expense (including, without limitation, loss of business, loss of business opportunity, loss of profit or special, indirect or consequential loss) (even if the HKMA knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of:
- (i) anything done or omitted to be done by the HKMA bona fide or by the settlement institution of the Renminbi clearing and settlement system, Hong Kong Interbank Clearing Limited, any Member or any other person in the management, operation or use (including without limitation, the termination and/or suspension of the settlement institution, the Clearing Facilities or any such Member) of the Clearing House or the Clearing Facilities or any part of any of them (each term as defined in the Clearing House Rules); or
- (ii) without prejudice to (i) above, the giving of any consent, notice, advice or approval in relation or pursuant to the Clearing House Rules.

12. The Client acknowledges and agrees that:

- (a) the provision of Renminbi Services by the Bank is subject to the GTC, the terms and conditions set out in this document (as the same may be amended, supplemented and/or restated from time to time), the Applicable Regulations and the Renminbi Settlement Conditions;
- (b) in case of conflict between the GTC and these term and conditions, the latter shall prevail;
- (c) (if applicable) the Client shall pay all income, withholding and any other taxes imposed on or measured by income which are attributable to any funds held in any RMB Account and shall file all tax and information returns applicable to such holding of Renminbi in such RMB Account(s) including, without limitation, in compliance with any regulations prescribed by the Mainland China;
- (d) the Bank has no recourse to the Renminbi Central Clearing Bank in respect of any loss or liability suffered as a result of any Renminbi Disruption Event;
- (e) the Bank is not liable for any Renminbi Losses as a result of any Renminbi Disruption Event;
- (f) the Bank is not required to process any Renminbi transaction (including any foreign exchange conversion) relating to any RMB Account and/or provide any Renminbi Services which would result in the Renminbi Settlement Account or the Client's any other RMB Account becoming overdrawn; and
- (g) in respect of any payment in Renminbi to be made by the Bank which requires the Bank to enter into a currency exchange transaction to purchase the relevant amount of Renminbi, sufficient funds in the applicable non-Renminbi currency must be deposited in the account specified by the Bank no later than three Business Days prior to the relevant due date for payment in Renminbi.

13. The Client further acknowledges that:

- (a) Renminbi is not yet a freely convertible currency and that conversion of Renminbi through banks in Hong Kong is subject to certain restrictions; and

- (b) Renminbi Services may be subject to (i) multiple currency conversion costs involved in making investments and liquidating investments, as well as (ii) the Renminbi exchange rate fluctuations which may result in gains or losses and (iii) bid/offer spread when assets are sold to meet redemption requests and other capital requirements (for example, settling operating expenses).

These Stock Connect Terms, including its Special Conditions apply in respect of the securities trading and clearing services provided by CA Indosuez (Switzerland) SA, Hong Kong Branch (the "Bank") in connection with the trading of China Connect Securities through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. The use of the China Connect by you (the "Client") to trade China Connect Securities shall constitute the Client's agreement and acceptance of these Stock Connect Terms as amended, updated, and substituted from time to time, including, without limitation, the Risk Disclosures set out in Appendix 1 and the China Connect Rules. The Bank is hereby appointed and authorised by the Client on the terms of these Stock Connect Terms which apply in addition and supplemental to the General Terms and Conditions to perform any and all of the services in respect of any trading of China Connect Securities through China Connect.

In the event of any inconsistency between these Stock Connect Terms and the General Terms and Conditions, the Stock Connect Terms shall prevail insofar as they relate to the trading of China Connect Securities through China Connect services and any necessary fund transfer and currency conversion associated with it.

Notwithstanding any provision in the General Terms and Conditions, these Stock Connect Terms shall apply where the Client informs or indicates to the Bank that the Client wishes to trade China Connect Securities through China Connect. The terms defined in the General Terms and Conditions shall have the same meanings herein unless the context requires otherwise.

## VARIATION

Any changes to these Stock Connect Terms are valid only if set out in writing. The Bank may at any time unilaterally cancel, amend, modify, vary or change these Stock Connect Terms in accordance with the provisions of the General Terms and Conditions for such cancellation, amendment, modification, variation or change.

## COMPLIANCE WITH APPLICABLE REGULATIONS

These Stock Connect Terms highlight only certain key features, rules and requirements applicable to China Connect as of the date of these Stock Connect Terms. Any trading in China Connect Securities will be subject to all Applicable Regulations, including, without limitation, the China Connect Rules and any applicable requirements and/ or restrictions pursuant to China Connect, all of which as amended from time to time, certain of which are referred to in Appendix 1. These Stock Connect Terms do not purport to cover all the rules, requirements and features relating to China Connect. The Client shall be fully responsible for understanding and at all times complying with all Applicable Regulations as amended from time to time and for any consequences, risks, losses or costs of Northbound trading. The Bank shall not be under any obligation, or assume any responsibility, to advise the Client of any of the Applicable Regulations. The Client is advised to refer to the HKEx website and the Securities & Futures Commission of Hong Kong website relating to China Connect as updated from time to time and other relevant sources for detailed information. The Bank is not liable for any inaccuracies or misstatements in the information set out in Appendix 1.

In addition, the Bank shall have the right to apply any procedures or requirements in respect of any trading in China Connect Securities pursuant to China Connect which the Bank determines in its absolute discretion to be necessary or desirable to comply with Applicable Regulations. Neither the Bank nor any Related Person shall have any liability for any losses or risks that the Client may incur or suffer arising out of or resulting from such procedures or requirements.

## FOREIGN CURRENCY TRANSACTIONS

Reference to the insufficiency of funds or assets in Article 5.1 of the General Terms and Conditions includes insufficient freely available funds in RMB. The Bank may at any time act at its own discretion to convert funds in other currencies into RMB but has no obligation to do so.

## EXECUTION OF INSTRUCTIONS IN GENERAL

The laws, regulations and customs referred to in Article 7.7 of the General Terms and Conditions shall mean and include all Applicable Regulations.

## REPRESENTATIONS AND WARRANTIES

The laws of the jurisdiction and of the place and markets, referred to in Article 7.37 (e) of the General Terms and Conditions shall mean and include all Applicable Regulations.

## STATUS, PERSONAL SITUATION AND LEGAL CAPACITY

Reference in Article 7.1 of the General Terms and Conditions to the applicable legal provisions by which the Client is required to prove his status, personal situation and legal capacity and, where applicable, those of the beneficial owner, shall mean and include all Applicable Regulations, including, without limitation, the Client's eligibility to receive services in relation to any and all China Connect Service and/ or China Connect Securities.

## TAXES AND DUTIES

Reference to taxes and duties in Articles 7.15 and 7.27 shall mean and include:

- (a) The Client's liability to any tax authority in connection with the trading of any China Connect Securities;
- (b) All taxes including, without limitation, income tax, business tax, stamp duty, value added tax, tax on gains, transaction tax, levies, imposts, charges, assessments deductions, withholdings, additions to such taxes, penalties, interest imposed by any authority on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under these Stock Connect Terms, and/or (iii) the Client, and related liabilities.

## COMMERCIAL INFORMATION

To the extent that any information or material referred to in Article

7.21 of the General Terms and Conditions relate to any Market Data Information, the Bank expressly disclaims any duty to ensure the accuracy, currency, availability and completeness of the information and the Bank does not make any representation or warranty of any kind, whether express or implied, as to the reliability of the information provided to the Client.

## SECURITIES TRANSACTIONS

1 Capitalized terms have the meaning as defined in the "Definitions and Interpretation" at the end of Appendix 1.

The Client acknowledges and agrees that the trading of China Connect Securities is subject to the rules, regulations, policies, guidelines and circulars of various stock exchanges, markets, trading platforms, regulatory authorities and jurisdictions prevailing from time to time. The Bank is required to establish, implement and/or modify its internal procedures, processes and requirements so as to ensure or facilitate the Bank's compliance with the applicable rules, regulations, policies, guidelines and circulars. The Client accepts and agrees to comply with any such procedures, processes and requirements as laid down by the Bank, and expressly agrees not to hold the Bank liable for any loss, damage, costs, expenses, claims, risks and consequences to which the Client may be exposed or liable in connection therewith. As Northbound

trades are executed on the SSE platform, they will follow the SSE market practices in general. These may include, as applicable, the trading hours, trading days, trading currency, order types (limit orders, at-auction limit orders, or other), price limit, availability or otherwise of "day trading", availability or otherwise of block trades, clearing and settlement cycle. The Client will note that the Bank may, but is not obliged to, adopt settlement arrangements that follow the CSDCC and HKSCC cycles and time schedules.

## TRADING DAY DIFFERENCE

Unless notified otherwise, Clients can only trade China Connect Securities on a Hong Kong business day, provided that both Hong Kong and the relevant China Connect market(s) are open for trading on that day (T-day), and banking services are available in both markets on the corresponding money settlement days (T+1).

Clients should also note that A Shares trading will follow the trading hour of SSE and SZSE. It is possible that there are occasions when it is a normal trading day for Shanghai market and/or Shenzhen market as the case may be but Hong Kong investors cannot carry out any A Share trading. Clients should take note of the days China Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A Shares during the time when China Connect Service is not operating.

## SPECIAL CONDITIONS

### 1. INFORMATION REQUEST AND CO-OPERATION

1.1 In the event that SEHK, the relevant SEHK Subsidiary or HKSCC is notified by SSE, SZSE, CSDCC or any other relevant exchange, clearing house or governmental or regulatory body that there is reasonable cause to believe that the Client has failed to comply with or has breached any Applicable Regulations, the Client shall, upon the request of the Bank, provide such information (including translations into Chinese if requested by the Bank) as the Bank may reasonably request to enable it to assist the relevant exchange, clearing house or governmental or regulatory body (including, without limitation, SSE, CSDCC or any PRC governmental or regulatory authority or agency) to assess whether or the extent to which any non-compliance or breach of Applicable Regulations has occurred. The Client expressly relieves the Bank of any confidentiality, banking secrecy or data privacy obligations to the maximum extent permissible by law.

1.2 Without prejudice to the foregoing, the Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any actual or potential obligation of the Bank arising from or in connection with any trading, investment, holding, disposing of or otherwise dealing in any China Connect Securities by the Client to: (a) require the Client promptly to provide to the Bank the relevant details and information in respect of all of his transactions in China Connect Securities as and when required by the Bank; and (b) provide all required information related to the Client and/or his transactions in China Connect Securities to any China Connect Authority as and when required by the Bank, and the Client agrees and fully consents to the Bank providing the same.

### 2. SALE, TRANSFER AND DISGORGEMENT

2.1 Where, under the terms of the China Connect Rules, the Exchange Participants receive notice from a China Connect Authority requiring the Exchange Participant to sell and liquidate a specified quantity of China Connect Securities owned by the Client ("Forced Sale Notice"), the Client hereby consents and authorises the Bank to take such action as the Bank considers necessary to comply with such notice, on behalf of the Client at such price and on such terms and at such time as the Bank may determine in its absolute discretion to the extent necessary to comply with all Application Regulations.

2.2 Where China Connect Securities owned by the Client that are the subject of a Forced Sale Notice have been transferred from the holding of the Clearing Participant, that settled the relevant Northbound buy order (the "Original CP") to another Clearing Participant or custodian (the "Recipient Agent"), the Client hereby authorises the Bank to instruct the Recipient Agent on behalf of the Client to return the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with Applicable Regulations. The Client also undertakes to inform the Recipient Agent of such authorisation and, where required, the Client undertakes to instruct the Recipient Agent to act accordingly.

2.3 The Client hereby authorises the Bank to sell or arrange for the sale of any quantity of China Connect Securities owned by the Client if the Bank receives notice from any China Connect Authority requiring the Client to disgorge any profit as a result of the "Short Swing Profit Rule" as described in the Risk Disclosures in Appendix 1.

2.4 In addition to the above, the Client hereby consents to and authorises the Bank to sell, transfer or carry out any other action in relation to China Connect Securities owned by the Client if the Bank is instructed to do so by any China Connect Authority or if the Bank otherwise determines in its absolute discretion that it is necessary or desirable to do so in order to comply with any Applicable Regulations.

2.5 Neither the Bank nor any Related Person shall have any liability for any loss or risk which may result directly or indirectly from any action taken by the Bank pursuant to this Article 2 including, without limitation, the materialisation of any of the risks set out in the Risk Disclosures in Appendix 1.

### 3. REPRESENTATIONS AND WARRANTIES

By instructing the Bank in respect of any transaction relating to China Connect Securities, the Client acknowledges, represents, warrants and confirms (which representations, warranties and confirmations are deemed to be repeated each time the Client enters into a transaction in respect of China Connect Securities or each time the Client instructs an order to sell China Connect Securities and otherwise on a continuing basis):

3.1 that (a) the Client is aware of and shall comply with all China Connect Rules; (b) the Client has read and fully understood and accepted the Risk Disclosures and other information applicable to China Connect, both set out in Appendix 1; (c) the Client understands and agrees that there is a risk, with or without prior notice, of prohibition from trading China Connect Securities; (d) the Client understands his instructions to trade China Connect Securities may not be accepted by the Bank pursuant to the terms agreed between the Bank and the Client, including without limitation: (i) under Article 5.2 of the General Terms and Conditions where the management or execution of any transactions may trigger for the Bank a disclosure duty, or (ii) under Article 7.2 of the General Terms and Conditions where the Client fails to supply information to the Bank's satisfaction, or (iii) if the Client's instructions is not compliant with any Applicable Regulations or if the Bank reasonably believes that such instruction may not be compliant with any Applicable Regulations or if the Bank is required by SEHK not to accept such instruction, or (iv) in respect of any instruction to make a Northbound sell order, the Bank determines in its absolute discretion that the Client does not have sufficient securities at the time of such instruction to settle the delivery obligation; (v) in respect of any instruction to make a Northbound buy order, the Bank determines in its absolute discretion that the Client does not have sufficient funds to settle the payment obligation in respect of such order on the settlement day; or (vi) where the Bank is requested by SEHK to so reject any order made on the Client's behalf. Without prejudice to the foregoing, the Bank may in its absolute discretion refuse to receive and/or accept for deposit from the Client or his custodian any China Connect Securities without giving any reason. The

- Client acknowledges and accepts that any Northbound order placed by the Client may also be rejected by any China Connect Authority if such order is not compliant with any Applicable Regulations or if the relevant China Connect Authority believes that such order may not be compliant with any Applicable Regulations. The Bank shall not have any liability for any losses or risks incurred or suffered, directly or indirectly, by the Client arising out of or resulting from such refusal by the Bank or rejection by any China Connect Authority; (e) the Client understands and accepts the Client's obligations arising as a consequence of trading China Connect Securities through China Connect including any consequences in the event of a breach of any of the Application Regulations; (f) the execution of any instructions given by him to the Bank will not result in any breach of any China Connect Rules,
- 3.2 that neither the Bank nor any Related Person shall be liable for any loss, liability or third party claim or demand that the Client may suffer or incur directly or indirectly as a result of any action or inaction by the Bank and/or any Related Person in connection with the provision of trading services in respect of China Connect Securities to the Client by the Bank, including, without limitation, the materialisation of any of the risks set out in the Risk Disclosures in Appendix 1,
- 3.3 that SEHK has the power not to extend or to withdraw the China Connect Service and the power to demand the Bank not to accept instructions from the Client, if it is found that the Client, the Bank, or any of the Bank's clients are found to have committed any unusual trading activities referred to in the SSE Rules and/or SZSE Rules (as the case may be) or failed to comply with the China Connect Rules.
- 3.4 that each (a) Article 7.25 (Handling of Personal Data) of the General Terms and Conditions and (b) the Information Disclosure Agreement forming part of the Acknowledgement of Receipt to the General Terms and Conditions, provides for the Bank and/or any Related Person the right to provide to a China Connect Authority, at any time and by any communication means with any and all relevant information and materials relating to the Client, the beneficial owner and/or the China Connect Securities, including, without limitation, in relation to the Client's and the Beneficial Owner's identity, personal data, trading activities, ISIN, number of securities held, and the Client's account at the Bank, without any prior notice to the Client. The Client understands that any information transmitted to the PRC shall be governed by the laws of the PRC and shall accordingly no longer be protected by the Bank's obligations of confidentiality. The Client shall alone assume, without any restriction and to the entire discharge of the Bank, any risks and prejudices which may result from the authorisation to the Bank to make the transmission, and the transmission of such information.
- 3.5 that if the SSE Rules and/or SZSE Rules are breached, or the disclosure and other obligations referred to in any Applicable Regulations are breached, (a) the relevant China Connect Market has the power to carry out investigations, and may, through SEHK (or the SEHK Subsidiary or any other governmental or regulatory body), require the Bank and/or any Related Person to (i) provide relevant information and materials relating to the Client; and (ii) assist in a China Connect Authority's investigation in relation to the Client and/or the Client's trading activity, and (b) the Client may be subject to regulatory investigations and the relevant legal and regulatory consequences if he is in breach of, or fails to comply with, such laws, rules and regulations.
- 3.6 that SEHK may (for the purpose of assisting the relevant China Connect Market in its regulatory surveillance of the China Connect Market and enforcement of the relevant China Connect Rules and as part of the regulatory cooperation arrangement between SEHK, the relevant SEHK Subsidiary and the relevant China Connect Market), at the request of the relevant China Connect Market require the Bank to provide information (including, without limitation, in relation to his identity, personal data and trading activity) in relation to the Client and any other persons referred to in the SEHK China Connect Rules with respect to any China Connect orders placed or transactions made or entered into by the Bank on their behalf without providing the Client specific prior notice or obtaining the Client's prior authorisation.
- 3.7 that where a China Connect Authority considers that there is, or there is the possibility for, a breach of the SSE Rules and/or the SZSE Rules, the Bank may be required by a China Connect Authority to take specific action, including, for example, to issue a warning statement to the Client, or to cease providing the Client with any banking or securities trading service.
- 3.8 that, prior to the Bank informing the Client that a Northbound buy order instructed by the Client has been settled, the Client shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order.
- 3.9 that the Client consents to the Bank and/or any Related Person providing information relating to the Client's profile and the types and values of Northbound buy and sell orders and transactions made and executed on the Client's behalf to a China Connect Authority at such intervals and in such forms as such China Connect Authority may specify or require from time to time.
- 3.10 that the Bank will be required under the China Connect Rules to keep, for a period of up to 20 years, records (including telephone records) of all orders and trades executed on the Client's behalf, any instructions received from the Client, and the Client's account information in relation to Northbound trading.
- 3.11 that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Bank and/or any Related Person, the Client, or any other third party arising from or in connection with:
- (a) the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities, or
  - (b) the amendment, making or enforcement of China Connect Rules, or
  - (c) any action taken by a China Connect Authority in the discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).
- 3.12 that (a) the Client is aware of and shall comply with all Applicable Regulations to which the Client may be subject; (b) the execution of any instruction the Client gives to the Bank shall not result in any breach of any Applicable Regulations; (c) the Client understands and has assessed the risks relating to China Connect and the Client is willing to undertake the risks relating to China Connect; (d) the Client is not a PRC Citizen resident or domiciled in the PRC and his authorised agents with authority to give Northbound trading instructions with respect to China Connect Securities are not PRC Citizens resident or domiciled in the PRC; (e) (i) his opening of any account with the Bank (or other member of the Credit Agricole Group) is not prohibited by or restricted under any applicable PRC law or regulation, (ii) all governmental and other consents (including, without limitation, any approval by SAFE) that are required to have been obtained with respect to his opening of any account has been obtained and are in full force and effect; and (iii) all conditions of any such consents have been complied with; (f) any funds used by him for the purpose of trading in China Connect Securities are permitted under PRC laws and regulations to be placed in an offshore account; (g) any personal data provided to the Bank is not a state secret as defined under PRC law and the Client will indemnify the Bank and hold the Bank harmless from any illegal disclosure

of state secrets; and (h) that he will not trade ChiNext Shares unless he qualifies as an Eligible Investor and has been expressly accepted as a ChiNext Shares investor by our Bank.

In the event that the Client becomes or has any reason to believe that the Client is or may become in breach of any of the representations above, the Client will notify the Bank immediately.

3.13 that (a) the Client does not know of any fact that might impair the validity of such China Connect Securities and that the Client has full authority to receive, deal with and give instructions, authorisations or declarations in respect of same; (b) there is no adverse claim to such China Connect Securities; (c) there is no restriction on the transfer of such China Connect Securities other than those expressly provided for under the SEHK China Connect Rules, or CCASS China Connect Rules; and (d) where the order is for a sale of one or more odd lots in respect of a China Connect Security, such order relates to all, and not some only, of the odd lots held by him in respect of that China Connect Security.

3.14 Information Requests and Co-operation

The Client shall, at his own cost, using reasonable care, make available to the Bank such information, documents and records, provide such assistance as the Bank may reasonably request, and co-operate with the Bank for the purposes of enabling or facilitating the Bank to comply with any enquiry from a China Connect Authority or under any Applicable Regulations.

#### 4. SETTLEMENT, RENMINBI PAYMENTS AND CURRENCY CONVERSION

4.1 To the extent that Northbound trading is required to be effected and settled in RMB, if the Bank does not receive sufficient funds from the Client in RMB before settlement of a Northbound buy order to settle such purchase of China Connect Securities, the Client accepts that settlement may be delayed and/or fail and the Client may not acquire title to, or become entitled to, sell or transfer, the relevant China Connect Securities.

4.2 Where the Bank holds any funds on the Client's behalf, if the Client instructs:

- (a) Northbound buy orders only, or
- (b) both Northbound buy orders and other buy orders (in respect of securities other than China Connect Securities) and if the Client does not have sufficient RMB funds in the Client's account to settle all such orders, and all payment obligations in relation thereto, the Bank may reject all or some of such orders, and the Bank may in its absolute discretion decide which of such orders to accept or reject without regard to the sequence in which the orders were placed by the Client.

4.3 If the Bank receives any of the funds arising from any China Connect Securities which the Bank holds for the Client, and the Client does not hold any cash account at the Bank in the currency of the funds received, the Client authorises the Bank to convert such funds into the currency of, and credit such funds to, any cash account that the Bank holds for the Client as determined by the Bank in its absolute discretion. The Bank may at any time act at its own discretion make the conversion at the Client's risk, without being obligated to do so.

4.4 Notwithstanding any provisions in the General Terms and Conditions and these Stock Connect Terms, where the Bank determines that there is insufficient liquidity in RMB to settle any buy order, the Bank may, in its sole and absolute discretion, reject the Client's instruction to place such buy order.

4.5 Any action taken by the Bank pursuant to this Article 4 resulting in any, direct or indirect, loss, risk or cost to the Client shall be borne by the Client.

#### 5. INDEMNITY

5.1 In addition and without prejudice to any of the Bank's rights under the General Terms and Conditions and these Stock Connect Terms, the Client will indemnify the Bank and/or each Related Person on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from the Bank providing any services to the Client in respect of the Client's trading or investment in China Connect Securities, including without limitation (a) any taxes arising out of or resulting from any trading or holding of or otherwise dealing in China Connect Securities pursuant to China Connect; (b) the materialisation of any risk referred to in Appendix 1; (c) any legal costs which the Bank may incur in connection with any instruction given by the Client; or (d) any costs incurred in connection with Article 2 (Sale, Transfer, and Disgorgement) above.

5.2 In addition and without prejudice to any other right or remedy which the Bank may have, the Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever referred to in Article 5.1 above, and any obligation of the Bank and/or any Related Person or the Client to pay or account for any amounts in respect of any taxes, by selling, realising or otherwise dealing with, in such manner as the Bank in its absolute discretion may determine, all or part of any property held by the Bank and/or any Related Person for any purpose in any of the Client's accounts with the Bank and/or any Related Person, and to apply the proceeds in reduction of all or part of the Client's liability to any tax authority or the Bank and/or any Related Person.

5.3 Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by the Bank and/or any Related Person in connection with the foregoing.

5.4 The Client shall be fully and solely responsible for paying all fees, charges, levies and taxes, and the Client shall be required to comply with any filing or registration obligations, in each case as may be required by any China Connect Authority or any Applicable Regulations, relating to any trading or investment or holding by the Client of or in China Connect Securities.

#### 6. LIABILITY

Notwithstanding any other provision in these Stock Connect Terms, neither the Bank nor any Related Person shall be responsible for or have any liability to the Client for any damage, liability or loss (including loss of profit) unless such damage, liability or loss is a direct result of the Bank's fraud, wilful default or negligence.

#### 7. FURTHER INFORMATION AND SURVIVAL OF OBLIGATIONS

The Client will provide all information (including translations into Chinese, if required) to the Bank which the Bank requests if (a) such information is requested by or required to be disclosed to any China Connect Authority, exchange, regulatory authority, governmental agency (including tax authority) or other organisation (in each case, whether within or outside Hong Kong) with which the Hong Kong Government, any China Connect Authority, the Bank and/ or any Related Person has entered into an information sharing arrangement or agreement; or (b) such information is otherwise required under Applicable Regulations. In addition, by providing any such information to the Bank pursuant to the foregoing, the Client authorises the Bank to disclose such information to the relevant China Connect Authority, exchange, regulatory

authority, governmental agency (including tax authority) or other organisation (in each case, whether within or outside Hong Kong) which requested the information or to which the information is required to be disclosed. Any failure by the Client to comply with this Article 7 of these Stock Connect Terms may (amongst other things) result in a suspension or termination of China Connect Services to the Client.

The Client's agreement to these Stock Connect Terms shall not be terminated upon the death, mental capacity, bankruptcy of the Client or any similar causes. In the case of joint or collective relationships, the Client takes note that these Stock Connect Terms require the agreement of all the co-holders, but that its revocation by one of them is sufficient. Any revocation of these Stock Connect Terms in whole or in part carries with it instructions to the Bank to sell the China Connect Securities.

## APPENDIX 1

### Risk Disclosures Applicable to China Stock Connect Services

#### 1. PRE-TRADE CHECKING

Under PRC law, the relevant China Connect Market may reject a sell order if an investor does not have sufficient available China Connect Securities in his account. SEHK will apply similar checking on all Northbound sell orders at the Exchange Participant level to ensure there is no overselling by any Exchange Participant ("Pre-Trade Checking"). Accordingly, the Client will comply with any requirements relating to Pre-Trade Checking required by the China Connect Authorities and/or as notified to the Client by the Bank. The Client will in addition ensure there are sufficient available China Connect Securities in the Client's account to cover any proposed sell order.

If the Bank considers that the Client has not (by the commencement of trading on the Trading Day on which the Client wishes to execute a sell order or any other cutoff time specified by the Bank from time to time) transferred sufficient available China Connect Securities to the Exchange Participant's designated CCASS stock account(s) to cover a proposed sell order, the Bank may (but shall not be obliged to) in its absolute discretion:

- (a) Reject the Client's sell order (in whole or in part);
- (b) Where appropriate arrangements are in place and as permitted by Applicable Regulations, use any China Connect Securities in the Exchange Participant's (or any other Exchange Participant's) designated CCASS stock account(s) which the Bank holds for itself or on behalf of its other customers to fulfill the Pre-Trade Checking requirement in respect of the Client's sell order, in which case the Client shall reimburse the Bank for any costs, losses or expenses which the Bank incurs as a result of buying in or otherwise sourcing the amount of China Connect Securities which the Client has failed to deliver in respect of the Client's sell order, on such terms and at such price (including any associated fees and expenses) and at such time as the Bank shall determine in its absolute discretion; or
- (c) Perform any other act which the Bank considers necessary or desirable to comply with Pre-Trade Checking and/or relevant Applicable Regulations and to cover the Client's shortfall (including but not limited to applying any other China Connect Securities available to the Bank) from any stock borrowing arrangements (to the extent permitted by Applicable Regulations and available to the Bank) or other sources. In addition, the Bank may in its absolute discretion reject the Client's sell order (in whole or in part) if for any other reason the Bank considers that there is or may be non-compliance or potential non-compliance with Applicable Regulations. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or any relevant Applicable Regulations shall be borne by the Client.

#### 2. SETTLEMENT

Northbound trades will follow the settlement cycle of the relevant China Connect Market. For settlement of China Connect Securities trades, CSDCC will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment. The Bank may have settlement arrangements in place different from the CSDCC settlement arrangements. Where any China Connect Securities have been overbought or oversold (notwithstanding any Pre-Trade Checking arrangements), there may be a delay in settlement due to a delay or failure



by the Bank's system for reconciliation of orders.

Although the transfer of the China Connect Securities precedes the transfer of cash, under the China Connect Service, the title to China Connect Securities will not be released until the receipt of confirmation of payment. Accordingly, for the purpose of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled or, where the purchase was prefunded, the settlement date would be the date on which the securities are released from hold.

### 3. QUOTA RESTRICTIONS

Purchases of China Connect Securities through China Connect are subject to certain quota controls as described below. As a result, there is no assurance that a buy order can be successfully placed through China Connect. There is a daily quota limiting the maximum value of all Northbound buy trades that can be executed by Exchange Participants on each Trading Day ("Daily Quota") in respect of each China Connect Market. The Daily Quota may change from time to time without prior notice and the Client is advised to refer to the HKEx website and other information published by HKEx for up-to-date information. Under the China Connect Rules, Northbound selling is permitted regardless of whether the Daily Quota has been reached. If there is a restriction, rejection or suspension of Northbound buying as a result of the Daily Quota being fully utilised, the Bank will be unable to carry out any further buy orders.

### 4. RESTRICTION ON DAY TRADING

Unless SEHK otherwise determines, day (turnaround) trading is not permitted on the China Connect Markets. If the Client buys China Connect Securities on T day, the Client may be able to sell the China Connect Securities only on or after settlement has been completed (normally on T+1 day). Due to Pre-Trade Checking requirements, the Bank may process an instruction to sell China Connect Securities that were bought on T day only on or after the applicable cut-off time (as notified to the Client by the Bank from time to time) on T+1 day subject to any Applicable Regulations.

### 5. DISCLOSURE OF INTERESTS

Under PRC laws, rules and regulations, if the Client holds or controls shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same PRC Listco (as defined below), whether the relevant holdings are through Northbound trading, the QFII/RQFII regime or other investment channels) in a PRC incorporated company which is listed on a PRC stock exchange (a "PRC Listco") up to a certain threshold (as may be specified from time to time by the relevant China Connect Authorities), the Client must disclose such interest within the period specified by the relevant China Connect Authority, and the Client must not buy or sell any such shares within the period specified by the relevant China Connect Authority. The Client must also disclose any substantial change in his holding as required by the relevant China Connect Authority.

Under Hong Kong law, where a PRC incorporated company has both H Shares listed on SEHK and A Shares listed on a China Connect Market, if an investor is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A Shares purchased through China Connect) in such PRC incorporated company, the investor is under a duty of disclosure pursuant to Part XV of the SFO. Part XV of the SFO does not apply where the PRC incorporated company has not listed any shares on SEHK.

It shall be the Client's responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant China Connect Authorities and to arrange for any

relevant filings.

### 6. SHORT SWING PROFIT RULE

Under PRC laws, rules and regulations, the "short swing profit rule" requires the Client to give up/return any profits made from purchases and sales in respect of China Connect Securities of a particular PRC Listco if (a) the Client's shareholding in such PRC Listco exceeds the threshold prescribed by the relevant China Connect Authority from time to time and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. The Client (and the Client alone) must comply with the "short swing profit rule". The Bank shall have no responsibility to alert the Client or otherwise assist the Client in complying with the "short swing profit rule".

### 7. FOREIGN OWNERSHIP LIMITS

Under PRC laws, rules, regulations, policies, guidelines and circulars, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC Listco, and also a limit to the maximum combined holdings of all foreign investors in a single PRC Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound trading, the QFII/RQFII regime or other investment channels). It shall be the Client's responsibility to comply with all foreign ownership limits from time to time imposed by Applicable Regulations. In addition, the Bank shall have the right to apply any procedure or requirements which the Bank determines in its absolute discretion to be necessary or desirable to comply with any foreign ownership limits from time to time including (for example, and without limitation) imposing any threshold on the Client that is lower than the foreign ownership limits prescribed by any China Connect Authority. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, the Client may suffer losses through the Client's trading or investment of or in China Connect Securities.

If the Bank becomes aware that the Client has breached (or reasonably believes that the Client may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if the Bank is so required by any China Connect Authority, including, without limitation, as a result of any Forced Sale Notice issued by the relevant China Connect Market, the Bank will sell any China Connect Securities pursuant to Article 2 (Sale, Transfer and Disgorgement) above in order to ensure compliance with all Applicable Regulations. In such case, no China Connect Securities buy orders for the relevant China Connect Securities will be accepted until the relevant China Connect Market informs its corresponding SEHK Subsidiary or SEHK that the aggregate foreign shareholding has fallen below a certain percentage. SEHK may determine in its absolute discretion which Exchange Participants and what quantity of China Connect Securities should be subject to a Forced Sale Notice (this is generally likely to be on a "last-in, first-out" basis), and SEHK's (or the relevant SEHK Subsidiary's) own records shall be final and conclusive.

Moreover, under PRC laws, where the aggregate holding of foreign investors exceeds a specified percentage (the "Cautionary Level") of the issued shares of a single PRC Listco, upon notification by the China Connect Market to its corresponding SEHK Subsidiary, SEHK and the SEHK Subsidiary are required as soon as practicable thereafter to suspend accepting buy orders in respect of the relevant

China Connect Securities. In such circumstances, the Bank may reject the Client's buy order instructions until the aggregate shareholding of foreign investors has fallen below a specified percentage (the "Permitted Level") as advised by the relevant China Connect Market from time to time.

As of the date of these Stock Connect Terms, the single foreign investor limit is set at 10% of the shares of a PRC Listco and the aggregate foreign investor limit is set at 30% of the shares of a PRC Listco (while the Cautionary Level and the Permitted Level are set at 28% and 26% respectively of the shares of a PRC Listco). Such limits and levels are subject to change from time to time and the Bank shall not be under any obligation to inform the Client of any such changes relating to foreign ownership limits.

## 8. SHARES ELIGIBLE FOR NORTHBOUND TRADING

SEHK will include and exclude securities as China Connect Securities based on the prescribed criteria under the China Connect Rules and any other relevant rules and regulations. The Bank shall not be under any obligation to inform the Client of any changes to the eligibility of shares for Northbound trading. The Client should refer to the HKEx website and other information published by HKEx for up-to-date information.

According to the SSE Listing Rules and SZSE Listing Rules, if any company listed on the SSE or SZSE (other than a company listed on the ChiNext Board) is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interests to undue damage, such listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. If a China Connect Security has been placed under risk alert, it ceases to be a China Connect Security and investors under China Connect will be allowed only to sell it and are prohibited from further buying. For details concerning the risk alert board, please refer to the SSE Listing Rules, the SZSE Listing Rules and any other relevant sources from time to time.

## 9. SPECIAL CHINA CONNECT SECURITIES

9.1 SEHK will accept or designate securities which cease to meet the eligibility criteria for China Connect Securities as Special China Connect Securities (provided that they remain listed on the relevant China Connect Market). In addition, any securities or options (which are not 'eligible for China Connect trading') received by the Client as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by SEHK as Special China Connect Securities. The Client will be able only to sell, but not to buy, any Special China Connect Securities.

9.2 ChiNext Shares involve a high investment risk. In particular, profitability and other financial requirements for listing on the ChiNext Board are less stringent than the Main Board and the SME Board of the SZSE. The Client should make the decision to invest only after due and careful consideration.

Companies listed on the ChiNext Board may include enterprises in the innovation and technology sector as well as other start-up and/or growth enterprises with smaller operating scale and share capital. Stock prices may also be more susceptible to manipulation due to fewer circulating shares. Accordingly, the ChiNext Shares may be very volatile and illiquid. In addition, current information on such companies may be limited and may not be widely available.

It may be more common and easier for companies listed on the ChiNext Board to be delisted. The ChiNext Shares may become very illiquid after delisting. The Client may suffer a

total loss of his investment in the event of a delisting.

The Client should seek independent professional advice if he is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of ChiNext Shares.

## 10. NO OFF-EXCHANGE TRADING AND TRANSFERS

The Client and the Bank shall not trade or provide services to facilitate trading of any China Connect Securities otherwise than through the China Connect Market System, and the Bank shall not (unlike the current practice in Hong Kong in respect of SEHK-listed shares) match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from the Client or effect any Non-trade Transfer or settlement of instructions in respect of any China Connect Securities in any manner otherwise than through China Connect in accordance with the China Connect Rules, except in the following circumstances or as otherwise provided by a relevant China Connect Authority:

- (a) Stock borrowing and lending of China Connect Securities which are eligible for covered short selling and with a tenor of no more than one month;
- (b) Stock borrowing and lending of China Connect Securities which are eligible for satisfying the PreTrade Checking requirement, with a tenor of one day (and which is not renewable); and
- (c) Any other situations specified by the relevant China Connect Market and CSDCC, including but not limited to any Non-trade Transfer as a result or for the purpose of (i) succession; (ii) divorce; (iii) dissolution, liquidation or winding up of any company or corporation; (iv) donation to a charitable foundation; and (v) assisting in any enforcement action or proceedings of any court, prosecutor or law enforcement agency.

The Client acknowledges that the rule against offexchange trading and transfers under Northbound trading may delay or disrupt reconciliation of orders by the Bank. The Bank shall not be responsible or held liable for any loss or damage directly or indirectly suffered by the Client arising from this rule, including, without limitation, any loss arising from any delay in settlement of trades.

## 11. PLACING ORDERS

Only limit orders with a specified price are allowed pursuant to Applicable Regulations, whereby buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

## 12. CHINA CONNECT MARKET PRICE LIMITS

China Connect Securities are subject to a general price limit of a  $\pm 10\%$  based on the previous Trading Day's closing price (and a price limit of  $\pm 5\%$  where the China Connect Securities are on risk alert). The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit. Any orders with a price beyond the price limit will be rejected by the relevant China Connect Market.

### 13. TAXATION

In addition and without prejudice to any of the Bank's rights, the Client will be fully and solely responsible for any and all his liabilities and obligations for any Taxes (which the Bank shall determine in its absolute discretion and in good faith) in respect of China Connect Securities including, without limitation, any taxes on gains or any other taxes, duties or levies, and will indemnify the Bank from and against all Taxes imposed or levied by any jurisdiction (including without limitation Hong Kong and the PRC) which the Bank may incur or be subject to arising in connection with any China Connect Securities which the Client holds, trades or otherwise deals in. The Bank does not assume any responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, not will the Bank provide any service or assistance in this regard. The Client acknowledges and agrees that the Bank shall have no responsibility to act as tax agent, representative or adviser of the Client in respect of any Taxes. Prior to investing in China Connect Securities, the Client is strongly urged to consult his own tax advisers and counsel with respect to the possible tax consequences to him of such investment since such tax consequences may differ in respect of different investors.

In addition and without prejudice to any other right or remedy which the Bank may have, the Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any obligation or potential obligation of the Bank or the Client to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with (including but not limited to withholding or deducting any amount towards Taxes), in such manner as the Bank in its absolute discretion may determine, all or part of any property held by the Bank for any purpose in any of the Client's accounts held with the Bank, and to apply the proceeds in reduction of all or part of any liability of the Client to the Bank. The Bank shall not have any liability for any losses or risks which may result directly or indirectly from any actions taken by the Bank in respect of the foregoing.

### 14. CLIENT SECURITIES RULES

By way of brief background, the Client Securities Rules prescribe how Client assets are to be dealt with by all intermediaries and their associated entities. However, as the China Connect Securities traded through China Connect are not listed or traded on SEHK, the Client will not have protection under the Client Securities Rules, unless otherwise specified by the SFC or any other relevant China Connect Authority.

### 15. INVESTOR COMPENSATION FUND

Trading in China Connect Securities does not enjoy the protection afforded by the Investor Compensation Fund established under the SFO. Accordingly, unlike the trading of SEHK-listed securities, the Client will not be covered by the Investor Compensation Fund in respect of any loss the Client may sustain by reason of a default by any SFC licensed or registered person.

### 16. OWNERSHIP OF CHINA CONNECT SECURITIES

China Connect Securities are held in CSDCC. HKSCC will become a direct participant in CSDCC and China Connect Securities acquired by investors through Northbound Trading will be:

- (a) Recorded in the name of HKSCC in the nominee securities account opened by HKSCC with CSDCC and HKSCC will be nominee holder of such China Connect Securities; and
- (b) Held in custody by the depository of CSDCC and

registered in the security holders' register of the issuer of the China Connect Securities.

HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS Clearing Participant.

Under Hong Kong law, HKSCC will be regarded as the legal owner of such China Connect Securities and will be regarded as holding the beneficial entitlement to the China Connect Securities on behalf of the relevant Clearing Participant(s). Depending on the custody arrangements between a Clearing Participant and its Hong Kong or overseas Clients, such Clearing Participant will in turn generally be regarded as holding the beneficial entitlement for such Hong Kong or overseas Clients.

Under current PRC regulations, China Connect Securities will be recorded in a nominee account opened by HKSCC with CSDCC and Northbound investors have rights and interests in China Connect Securities acquired through China Connect according to the applicable laws. The CSRC Securities Registration and Settlement Measures, CSDCC Securities Registration Rules and Administrative Rules on Securities Accounts, the CSDCC China Connect Rules, SSE China Connect Rules and SZSE China Connect Rules generally provide for the concept of a "nominee holder" and recognise the Northbound investors as the "ultimate owners" of China Connect Securities.

Northbound investors shall exercise their rights in relation to China Connect Securities through HKSCC as the nominee holder. As Northbound investors will have actual control over voting rights in respect of such China Connect Securities (either individually or acting in concert with others), Northbound investors are responsible for complying with disclosure obligations under PRC laws and regulations in relation to China Connect Securities acquired through Northbound trading.

HKEx has published materials explaining the ownership rights of Northbound investors in China Connect Securities and may publish further information from time to time. In summary, the HKEx published materials state that:

- (a) It is the Hong Kong and overseas investors as the ultimate investors (rather than any broker, custodian or intermediary through whom such investors hold the China Connect Securities) who should be recognised under PRC laws and regulations as having beneficial ownership in the China Connect Securities;
- (b) As key functions of a nominee holder, HKSCC will be responsible for collecting and distributing dividends to its participants (for their own account and/or as agent for their investors) and obtaining and consolidating voting instructions from its participants and submitting a combined single voting instruction to the issuer of the relevant China Connect Securities. Under the CCASS China Connect Rules, HKSCC is prepared to provide assistance to the beneficial owners of China Connect Securities where necessary. Further details are set out in the HKEx published materials.

HKEx notes that any beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings; and

- (c) On the insolvency of HKSCC, the China Connect Securities would not be regarded as the general assets of HKSCC under Hong Kong and PRC law and would not be available to the general creditors of HKSCC. CSDCC and the PRC courts would recognise the liquidator of HKSCC, duly appointed

pursuant to Hong Kong law, as the rightful person to deal with China Connect Securities in the place of HKSCC.

The Client should conduct the Client's own review of the HKEx published materials and the applicable China Connect Rules from time to time. The Client should also consult his own legal advisers to make his own assessment of his rights as a Northbound investor in China Connect Securities.

## 17. AMENDMENT OF ORDERS AND LOSS OF PRIORITY

Consistent with the current practice in the PRC, if an investor engaged in Northbound trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the Daily Quota and Aggregate Quota restrictions (see paragraph 3), the subsequent order may not be filled on the same Trading Day.

## 18. RISK OF CSDCC DEFAULT

CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. If CSDCC (as the host central counterparty) defaults, HKSCC may (but shall have no obligation to) take any legal action or court proceeding to seek recovery of the outstanding China Connect Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable. As CSDCC does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of CSDCC's positions. HKSCC will in turn distribute China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect Authorities. The Bank in turn will be distributing China Connect Securities and/or monies only to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by CSDCC is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

## 19. RISK OF HKSCC DEFAULT

The Bank's provision of services pursuant to these Stock Connect Terms also depends upon the performance by HKSCC of its obligations. Any action or inaction of HKSCC or a failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and the Client may suffer losses as a result. The Bank or any Related Person shall not have any responsibility or liability for any such losses.

## 20. SCRIPLESS SECURITIES

China Connect Securities are traded in scripless form, and accordingly China Connect Securities may not be physically deposited into and/or withdrawn from CCASS.

## 21. COMPANY ANNOUNCEMENTS ON CORPORATE ACTIONS

Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website or SZSE website as the case may be and certain officially appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading undertake to refer to the SSE website and the SZSE

website as the case may be and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web-page from time to time) for corporate actions in respect of China Connect Securities issued on the previous Trading Day. Investors should note that (i) issuers listed on the China Connect Markets publish corporate documents in Chinese only and English translations will not be available, and (ii) issuers listed on the ChiNext Board are required to publish certain corporate announcements on their corporate websites and the officially appointed websites only. The Bank expressly disclaims any obligation to forward any announcements and corporate action notices to the Client.

Unlike the existing market practice in Hong Kong, investors engaged in Northbound trading may not be able to attend shareholder meetings by proxy or in person.

The Bank shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting right) in relation to any payment or distribution or voting in respect of China Connect Securities for the Client's account or to notify the Client of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. If the Bank shall make any such collection or receipt, take any such action or give the Client any such notification or shall take any action pursuant to any such notification, the Bank shall not have:

- (a) Any liability in respect of any inaccuracies or delays; and
- (b) Any obligation to continue or repeat any such action.

The Bank does not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions, and the Bank or any Related Person accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. The Bank expressly disclaims all warranties, express or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

## 22. DISCLOSURE OF INFORMATION AND PUBLICATION OF TRADE INFORMATION

SEHK may require the Bank to provide information on the Client's profile, and the type and value of the Client's orders in relation to Northbound trading of China Connect Securities and the trades which the Bank executed for the Client, at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under China Connect, trading volumes, investor profiles and other related data.

In addition, the Bank may be required by any China Connect Authority to provide any information relating to the Client including, without limitation, any information relating to China Connect trades executed by the Client through Exchange Participants other than the Bank, where the China Connect Securities in respect of such trades have been transferred to the Bank for sale.

## 23. RETENTION OF INFORMATION

The Client acknowledges and accepts that the Bank will be required under the China Connect Rules to keep records for a period of not less than 20 years of:

- (a) All orders and trades executed on the Client's behalf;
- (b) Any instructions received from the Client;
- (c) The Client's account information in relation to

Northbound trading; and

- (d) All relevant information concerning margin trading and stock borrowing and lending of any China Connect Securities (including, without limitation, in respect of any such margin trading, the relevant securities margin trading arrangement and the funds provided).

## 24. CLIENT ERROR

The Bank shall not be liable for any loss, damage or expense or consequential loss, damage or expense suffered by the Client as a result of any trading based on the Client's instructions. The Bank will not be able to unwind any trade, and the Client should also take note of the settlement arrangements in respect of China Connect Securities including but not limited to quota restrictions, which may affect the Client's ability to mitigate the consequences of any error trades.

The China Connect Rules generally prohibit any off-exchange trading or transfers. However, transfers may be permitted between Exchange Participants and their Clients to rectify an error trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. Any Exchange Participant who performs a Non-trade Transfer to rectify an error trade will be required to submit to SEHK an error trade report together with supporting documents explaining how the error was made and providing details of the Non-trade Transfer. SEHK has the power to disallow a particular Exchange Participant to conduct Non-trade Transfers for error trade rectification if SEHK has reasonable cause to suspect or to believe that the Exchange Participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. SEHK may provide error trade reports and related information to the SFC and SSE. Exchange participants are warned by SEHK not to misuse this arrangement to effect off-exchange trades or transfers which are otherwise disallowed under the relevant China Connect Rules. The

Bank shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. The Bank shall have no liability for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to correct an error trade.

## 25. OPERATION OF CHINA CONNECT SERVICE/ CHINA CONNECT MARKET SYSTEM

Unless notified otherwise, Stock Connect Service will only operate on a Hong Kong business day, provided that both Hong Kong and Shanghai markets are open for trading on that day (T-day) and banking services are available in both markets on the corresponding money settlement days (T+1). Clients should also note that A Shares trading will follow the SSE's trading hour.

It is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong investors cannot carry out any A Share trading. Investors should take note of the days Stock Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A Shares during the time when China Connect Service is not trading.

The SSE, SZSE, SEHK or the relevant SEHK Subsidiary (after consulting with SEHK) may, under certain circumstances including where any of them determines that it is appropriate and in the interest of a fair and orderly market to protect investors, temporarily suspend or restrict all or part of the

order-routing and related supporting services with regard to all or any Northbound trading of China Connect Securities, and for such duration and frequency as the SEHK may consider appropriate. Suspension may be executed with or without prior notice, for a specific stock, or for all stocks of the relevant market(s), or subject to such other conditions and criteria as they may determine. The Client will not be able to buy or sell China Connect Securities through China Connect during any period in which trading of China Connect Securities is suspended. In particular, the Client should note that while trading of China Connect Securities is suspended by SEHK, trading of such China Connect Securities may continue on the relevant China Connect Market. The Client may remain exposed to fluctuations in the price of China Connect Securities caused by trading on the relevant China Connect Market during the period when trading of such China Connect Securities is suspended by SEHK.

SEHK has absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis, due to operational needs, inclement weather, under emergency situations or otherwise. Moreover, SEHK or the SEHK Subsidiary (with the agreement of SEHK) may cease the provision of the China Connect Northbound trading service permanently.

Such suspension, restriction or cessation will affect the Bank's ability to accept and process the Client's orders and the Client is advised to refer to the HKEx website and other information published by HKEx for up-to-date information. There can be no assurance that the Client's orders will be accepted or processed, notwithstanding that China Connect Securities may be traded through other channels including, without limitation, by PRC investors on the relevant China Connect Market.

Further, the SEHK Rules state that, where any H Shares with corresponding A Shares eligible as China Connect Securities are suspended from trading on SEHK but the corresponding A Shares are not suspended from trading on SSE, the service for routing the China Connect sell orders and China Connect buy orders for such A Shares to SSE for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and the Client's ability to place sell orders and buy orders may be affected.

In addition, the China Connect Market System is a new platform for trading of China Connect Securities under China Connect. The Bank provides trading services based on the China Connect Market System which is operated by the relevant China Connect Market. The Bank is not responsible for any delay or failure caused by the China Connect Market System and investors accept all risks arising from trading China Connect Securities through the China Connect Market System. The Bank shall not be responsible or held liable for any loss or damage directly or indirectly suffered by the Client arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

- (a) Any suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- (b) Any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency, including but not limited to the cancellation of any or all China Connect orders input by Exchange Participants;
- (c) Any suspension, delay, interruption or cessation of trading of any China Connect Securities on the relevant China Connect Market or through SEHK;
- (d) Any delay, suspension, interruption or order cancellation of any China Connect Securities as

a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;

- (e) Any delay or failure to route any China Connect orders or any delay or failure to send any order cancellation requests or to provide the China Connect Service, due to any system, communication or connection failure, power outage, software or hardware malfunction or other event beyond the control of SEHK or the Bank;
- (f) Any circumstance in which a China Connect order which a China Connect Exchange Participant has requested to be cancelled is not cancelled for any reason whatsoever;
- (g) Any delay, failure or error of any China Connect Market System or any system upon which the relevant SEHK Subsidiary or the Bank is reliant in providing the China Connect Service; and
- (h) Any delay or failure to execute, or any error in matching or executing any, China Connect order due to any reason beyond the control of SEHK, HKEx or the relevant SEHK Subsidiary, or the Bank (including, without limitation, any action or decision taken or made, or not taken or made, by SSE, any China Connect Authority or any other relevant governmental or regulatory body).

If there is any delay or failure to send any order cancellation request in any circumstance described in paragraph (e) or (f) above, the Client shall, in the event such order is matched and executed, remain responsible to fulfil any settlement obligations in respect of such transaction.

## 26. OPERATIONAL HOURS

SEHK has absolute discretion to determine from time to time the operational hours of the China Connect Service, and will have absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis or otherwise. The Bank shall not be under any obligation to inform the Client of any such determination by SEHK as to the operational hours of the China Connect Service. Any such change in the operational hours and arrangements with respect to the China Connect Service will affect the Bank's ability to accept and process the Client's orders and generally to provide China Connect Service in a timely manner.

Where, for example, there is any price sensitive information relating to a PRC Listco during a time when the China Connect Service is not in operation, the China Connect Securities issued by or in connection the PRC Listco may continue to trade on the relevant China Connect Market and the price of such China Connect Securities may move significantly. In such case, Northbound investors will not be able to trade in such securities until the next available Trading Day under China Connect.

## 27. MARGIN TRADING

Subject to any and all conditions prescribed by the Bank from time to time, the Bank may provide margin trading facilities but shall have no obligation to do so. Any and all margin trading activities shall be subject to the conditions prescribed by China Connect Authorities. Subject to the foregoing, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant China Connect Authorities to be eligible for margin trading ("Eligible Margin Trading Securities"). The HKEx will from time to time publish a list of Eligible Margin Trading Securities.

SSE may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by the relevant China Connect Market and resume margin trading activities

when the volume of margin trading activities drops below a prescribed threshold. Where the SEHK is notified by the relevant China Connect Market that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, the HKEx will disclose such information on its website. In such circumstances, any margin trading (except for margin trading in respect of China Connect Securities buy orders) in the relevant China Connect Security shall be suspended and/or resumed accordingly. Where SSE and/or SZSE as the case may be have reserved the right to require (at some point in time) margin trading orders to be flagged as margin trading orders when routed to China Connect, the Bank shall have no obligation to update the Client in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

## 28. RIGHTS ISSUANCES

Where a Hong Kong or overseas investor receives any form of entitlement security from the issuer of a China Connect Security, if such entitlement security:

- (a) Is a China Connect Security, Hong Kong and overseas investors will be allowed to buy and sell the entitlement security through China Connect;
- (b) Is not a China Connect Security but is a RMB denominated security listed on a China Connect Market, Hong Kong and overseas investors may be permitted to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;
- (c) Is a security listed on a China Connect Market but is not traded in RMB, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security through China Connect. HKEx has stated that the relevant China Connect Market and SEHK will consult each other to agree on the appropriate treatment of the entitlement security; or
- (d) Is not listed on a China Connect Market, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such alternative arrangements will be provided.

## 29. ODD LOT TRADING

Odd lot trading in China Connect Securities is available only for sell orders and all odd lots must be sold in one single order. A board lot order may be matched with different odd lot sell orders, resulting in odd lot trades. Board lot and odd lot orders are matched on the same platform on China Connect and subject to the same share price. The maximum order size is 1 million shares and the tick size is uniformly set at RMB0.01.

## 30. SHORT SELLING

Unless specifically agreed, all orders must be fully covered. Short selling may only be allowed in the absolute unfettered discretion of the Bank subject to any and all requirements and conditions stipulated by the Bank from time to time, provided that such covered short selling satisfies the requirements specified by the relevant China Connect Authorities. Short selling may be suspended where the volume of short selling in respect of the relevant China Connect Security exceeds the threshold(s) specified by the SEHK, and may be resumed if the SEHK so permits. However, naked short selling of China Connect Securities is prohibited. The Client shall be fully responsible for understanding and complying with short selling requirements in effect from time to time and for any consequences of non-compliance.

## 31. RISKS ASSOCIATED WITH INVESTING IN CHINA CONNECT SECURITIES

### PRC-related risks

Investing in the PRC, an emerging market, involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability.

### Market risk

The market value of China Connect Securities and the income from them may go down as well as up. There can be no assurance that the Client will achieve profits or avoid losses from trading China Connect Securities, significant or otherwise. The return the Client receives from China Connect Securities (if any) will fluctuate in response to changes in capital appreciation and/or income relating to such China Connect Securities. Furthermore, China Connect Securities may experience volatility and decline depending on market conditions. Through trading China Connect Securities, the Client is exposed to various forms of risk, including (for example) interest rate risks (risks of falling China Connect Securities values in a rising interest rate market), income risks (risks of falling incomes from China Connect Securities in a falling interest rate market) and credit risk (risk of a default by an issuer of China Connect Securities).

### Possible business failure risk

In the current economic environment, global markets are experiencing very high levels of volatility and an increased risk of corporate failures. The insolvency or other corporate failure of any issuer of China Connect Securities may have an adverse effect on the Client's investment. The Client may lose money by investing in China Connect Securities.

### Equity risk

Investing in China Connect Securities may offer a higher rate of return than investing in short term and longer term debt securities. However, the risks associated with investments in China Connect Securities may also be higher, because the investment performance of China Connect Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies.

### Dividend risk

Whether an issuer of China Connect Securities will pay distributions is subject to such issuer's dividend policy. Dividend payment rates in respect of China Connect Securities may depend on factors including general economic conditions and the financial positions of the relevant issuers. There can be no assurance that any dividends or distributions in respect of China Connect Securities will be declared or paid.

### Liquidity risks

Although China Connect Securities are listed for trading on a China Connect Market and available for trading through SEHK by China Connect, there can be no assurance that an active trading market for China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect the Client's ability to dispose of China Connect Securities at the desired price. If the Client needs to sell China Connect Securities at a time when no active market for them exists, the price the Client receives for his China Connect Securities — assuming the Client is able to sell them — is likely to be lower than the price received if an active market did exist.

### General legal and regulatory risk

The Client must comply with all Applicable Regulations. Furthermore, any change in any Applicable Regulations may have an impact on the market sentiment which may in turn affect the performance of China Connect Securities. It is

impossible to predict whether such an impact caused by any such change will be positive or negative for China Connect Securities. In the worst case scenario, the Client may lose a material part of his investments in China Connect Securities.

### Currency risk

The value of RMB against Hong Kong dollars or other foreign currencies may be affected by a wide range of factors. There is no guarantee that RMB will not depreciate. A depreciation of RMB may result in a decrease in the market value of RMB securities and the realisation price of RMB securities. Non-RMB based investors who are trading in RMB securities may also sustain loss in the event that they subsequently convert any RMB proceeds back to Hong Kong dollars or other base currencies.

There are also significant restrictions on the remittance of RMB into and out of the PRC. If the issuer of RMB securities is not able to remit RMB to Hong Kong or make distributions in RMB due to exchange controls or other restrictions, the issuer may make distributions (including dividends and other payments) in other currencies. Investors may therefore be exposed to additional foreign exchange risk and liquidity exposures.

The liquidity and trading price of China Connect Securities may be adversely affected by the limited availability of RMB outside the PRC and restrictions on the conversion of RMB. These factors may affect the liquidity of RMB for investors and accordingly adversely affect the market demand for China Connect Securities.

## DEFINITIONS AND INTERPRETATION FOR THESE STOCK CONNECT TERMS

For the purpose of these Stock Connect Terms:-

**"A Shares"** means any securities issued by companies incorporated in the PRC which are listed and traded on any PRC A Share market (i.e. the Shanghai Stock Exchange or the Shenzhen Stock Exchange) and not on SEHK.

**"Applicable Regulations"** means any law, regulation or order, or any rule, direction, policy, guideline, circular, code, notice or restriction (whether or not having the force of law) issued by any exchange, regulatory authority, governmental agency (including tax authority), or other organisation (in each case, whether within or outside Hong Kong) which is applicable to the Client and/or the Bank or any Related Person from time to time including, without limitation, the China Connect Rules.

**"Cash"** means all cash or cash equivalents in Renminbi received and held by the Bank on the terms of these Stock Connect Terms.

**"CCASS"** means the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK and/or any system established for the purpose of China Connect.

**"CCASS China Connect Rules"** means the general rules of CCASS, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.

**"China Connect"** means a securities trading and clearing links programme developed or to be developed by SEHK, the relevant China Connect Market(s), HKSCC and CSDCC for the establishment of mutual market access between SEHK and the relevant China Connect Market(s).

**"China Connect Authorities"** means the exchanges, clearing systems and regulators which provide services in relation to and/or regulate China Connect and activities relating to China Connect, including without limitation SEHK, HKSCC, the relevant SEHK Subsidiary, the relevant China Connect Market(s), CSDCC, CSRC, PBOC, SAFE, SAT, SFC, HKMA and any other regulator, exchange, clearing system, agency or authority with jurisdiction, authority or

responsibility in respect of China Connect (including, without limitation, any tax or other authority that may impose or levy any form of tax, duty, fine, penalty or interest on or in respect of any China Connect Securities under any applicable law or regulation); and "China Connect Authority" means any one of them.

"**China Connect Market**" means a stock market in the PRC including, without limitation SSE and SZSE for as long as such market is acceptable to SEHK and included in the list of China Connect Markets which are eligible for China Connect trading.

"**China Connect Market System**" means the system used for the trading of China Connect Securities on the relevant China Connect Market, as operated by the relevant exchange that operates the China Connect Market and has entered into trading links with SEHK.

"**China Connect Rules**" means any laws, rules, regulations, policies, guidelines or circulars published or applied by any China Connect Authority from time to time in respect of China Connect or any activities arising from China Connect.

"**China Connect Securities**" means any securities listed on the relevant China Connect Market which may be eligible for trading on China Connect.

"**China Connect Service**" means the order-routing service through which Northbound orders placed by an Exchange Participant may be transmitted by SEHK or the SEHK Subsidiary to the corresponding China Connect Market for the buying and selling of China Connect Securities and any related supporting services.

"**ChiNext Shares**" means any securities listed on the ChiNext Board of the SZSE which may be traded by Hong Kong and international investors under China Connect.

"**Clearing Participant**" has the meaning given to such term in the rules of the CCASS.

"**CSC**" means the China Stock Connect System for receiving and routing China Connect orders to a China Connect Market System for automatic matching and execution.

"**CSDCC**" means China Securities Depository and Clearing Corporation.

"**CSRC**" means China Securities Regulatory Commission.

"**Eligible Investor**" means a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) or the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO who is permitted or approved by the prevailing China Connect Authorities to trade the relevant SZSE Securities through Shenzhen Hong Kong Stock Connect, or such other types of investors permitted or approved by the prevailing China Connect Authorities to trade the relevant SZSE Securities through Shenzhen Hong Kong Stock Connect.

"**Exchange Participant**" means any China Connect Exchange Participant (as defined in the SEHK China Connect Rules).

"**Forced Sale Notice**" has the meaning given to such term in Article 2.1 in the Stock Connect Terms.

"**H Shares**" means any securities issued by companies incorporated in the PRC and listed on the SEHK.

"**HKEx**" means the Hong Kong Exchanges and Clearing Limited

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx.

"**Market Data Information**" means any market data information in respect of any China Connect Security which SEHK, SSE or any other China Connect Authority from time to time disseminates or otherwise makes available to the Client.

"**Non-trade Transfer**" means a transfer of China Connect Securities which involves a change in the beneficial ownership of the China Connect Securities and which is not conducted through the China Connect Service and executed on the China Connect Market.

"**Northbound**" denotes the trading of China Connect Securities by Hong Kong and international investors through China Connect.

"**PBOC**" means the People's Bank of China.

"**PRC**" means, for the purposes of these Stock Connect Terms, the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"**PRC Citizen**" means any person holding a resident identification card or other equivalent government-issued identification of the PRC.

"**PRC Listco**" has the meaning given to such term in paragraph 5 of Appendix 1 to these Stock Connect Terms.

"**Pre-Trade Checking**" has the meaning ascribed to it under article 1 in Appendix 1 Risk Disclosures.

"**QFII**" means the Qualified Foreign Institutional Investor program which was launched in 2002 in the PRC to allow licensed foreign investors to buy and sell A Shares in the PRC stock exchanges.

"**Related Person(s)**" shall mean any company or entity of the Credit Agricole group of companies, and their respective employees and agents.

"**Renminbi**" or "RMB" means the lawful currency of the PRC, deliverable in Hong Kong.

"**RQFII**" means the RMB Qualified Foreign Institutional Investor program which was launched in 2011 to allow Hong Kong and other foreign jurisdictions to reinvest offshore RMB into the PRC securities market.

"**SAFE**" means the State Administration of Foreign Exchange of the PRC.

"**SAT**" means the State Administration of Taxation of the PRC securities market.

"**SEHK**" means The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of HKEx.

"**SEHK China Connect Rules**" means the rules of HKEx, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/ or varied from time to time.

"**SEHK Subsidiary**" means a wholly-owned subsidiary of SEHK duly authorised as an automated trading service provider under the SFO and licensed under applicable laws in the PRC to provide the order-routing service under China Connect.

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

"**Shanghai Hong Kong Stock Connect**" means a securities trading and clearing links programme developed by SEHK, SSE, HKSCC and CSDCC for the establishment of mutual market access between SEHK and SSE.

"**Shenzhen Hong Kong Stock Connect**" means a securities trading and clearing links programme developed by SEHK, SZSE, HKSCC and CSDCC for the establishment of mutual market access between SEHK and SZSE.

"**SSE**" means the Shanghai Stock Exchange.

"**SSE China Connect Rules**" means the SSE Regulations on the Shanghai-Hong Kong Stock Connect Pilot Programme which have been published by SSE for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"**SSE Listing Rules**" means the Rules Governing the Listing



of Stocks on Shanghai Stock Exchange, as amended, supplemented, modified and/or varied from time to time.

**"SSE Rules"** means the SSE China Connect Rules and the business and trading rules and regulations of SSE, as amended, supplemented, modified and/or varied from time to time.

**"SSE Securities"** means any securities listed on the SSE which may be traded by Hong Kong and international investors under China Connect.

**"Stock Connect Terms"** means these terms and conditions (including any Appendices hereto) which are supplemental to the General Terms and Conditions, and as amended, supplemented, modified and/or varied from time to time.

**"SZSE"** means the Shenzhen Stock Exchange.

**"SZSE China Connect Rules"** means the SZSE Regulations on the Shenzhen Hong Kong Stock Connect Programme which have been published by SZSE for the purpose of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

**"SZSE Listing Rules"** means the Rules Governing the Listing of Stocks on SZSE as amended, supplemented, modified and/or varied from time to time.

**"SZSE Rules"** means the SZSE China Connect Rules and the business and trading rules and regulations of SZSE, as amended, supplemented, modified and/or varied from time to time.

**"SZSE Securities"** means any securities listed on the SZSE which may be traded by Hong Kong and international investors under China Connect.

**"Taxes"** means all taxes, (including but not limited to income tax, business tax, stamp duty, value added tax, tax on gains, transactional tax, if applicable), duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including but not limited to additions to tax, penalties and interest imposed on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under these Stock Connect Terms or (iii) the Client.

**"Trading Day"** means a day on which SEHK is open for Northbound trading for (a) Hong Kong and Shanghai (in case of Shanghai Hong Kong Stock Connect) or (b) Hong Kong and Shenzhen (in the case of Shenzhen Hong Kong Stock Connect), where "T day" denotes the day on which a transaction is executed and "T+1 day" denotes (as the case may be) the day which is one Trading Day or, in the context of settlement of funds, one business day (on which banks in Hong Kong and (a) Shanghai (in the case of Shanghai Hong Kong Stock Connect) or (b) Shenzhen (in the case of Shenzhen Hong Kong Stock Connect) are generally open for business) after T day.

Words importing the masculine gender shall include the feminine and neuter genders respectively. Words importing the singular shall include the plural and vice versa.

TO: CA Indosuez (Switzerland) SA, Hong Kong Branch (the "Bank")

CLIENT:

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(hereafter the «Client») hereby:

1. acknowledges the Client has received the General and Other Terms and Conditions comprising: Part A: General Terms and Conditions; Part B: Consent to Treatment as a Professional Investor; Part C: Risk Disclosure Statement for Transactions; Part D: General Conditions for the Granting of Credit; Part E: Specific Conditions for Foreign Exchange, Precious Metals, and Derivatives Transactions (Over the Counter); Part F: Specific Conditions for Forward Contracts and Quoted Options on Exchanges; Part G: General Conditions for the issue of Guarantees; Part H: Terms and Conditions for Renminbi Services; and Part I: Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Terms and Conditions.
2. expressly declare(s):
  - (a) having read, understood and agreed to all the provisions contained in the General and Other Terms and Conditions, especially those concerning international sanction (article 7.27B), open safe custody (article 3.2), transfers of funds and securities (article 5.5), intra-group disclosures (article 7.25), outsourcing of activities (article 7.26), Client's tax liability (article 7.27), data protection and banking secrecy (article 7.28), governing law, place of performance and jurisdiction (article 7.39), all in the General Terms and Conditions, provided that if the Client selects not to consent to being treated as a Professional Investor then the Client shall be considered not to have agreed to Part B: Consent to Treatment as a Professional Investor;
  - (b) having read and understood the Risk Disclosure Statement for Transactions and accepted its contents. The Client accepts the risks so notified and/or implied; and (c) requests the Bank to open for the Client a
    - Joint Account** (referred to in General and Other Terms and Conditions Part A Clause 7.27C which applies to that Joint Account)
    - Collective Account** (referred to General and Other Terms and Conditions in Part A Clause 7.27D which applies to that Collective Account); and
3. certifies(y) having received the document entitled Fees and Charges in its current English and Chinese versions. The Client confirms having read, understood and agreed to the content of that document and taken note that the Bank remains at his(their) disposal to provide any additional information relating thereto.

## RISK DISCLOSURE STATEMENT FOR TRANSACTIONS

By entering into any transaction, the Client confirms, agrees and acknowledges as follows:

- he has read and fully understood the Risk Disclosure Statement for Transactions and all documents pertaining to the transaction, the nature of the transaction and the terms and conditions governing the transaction as well as the margin requirements, if applicable;
- he has made his own assessment of the transaction and of his own objectives, knowledge, experience, financing risk capacity and ability to monitor the transaction, based on such independent financial, tax, legal or other advice as he considers appropriate;
- he understands the nature, fundamentals and market underlying of the transaction;
- he understands, is familiar with and is fully aware of the risks related to the transaction;
- he is willing to take all such risks;
- he is capable of bearing a full loss of the amounts invested as a result of or in connection with any transaction entered into with the Bank and any additional loss over and above the amounts invested;
- that he is and shall at all times be fully responsible for any transaction he chooses to enter into or, as the case may be, entered into by the Bank on behalf of the Client in respect of the Mandate; and
- that he is aware of and fully understands all applicable laws, regulations and directives to which he is subject and that he is entitled and/or authorised under or by such laws, regulations and/or directives to enter into any transaction he chooses to enter into.

## INFORMATION DISCLOSURE AGREEMENTS

The Client takes due note that the laws of Hong Kong related to the supervision of the financial markets require the local identification of any holder of securities and/or futures contracts listed and/or traded on the Hong Kong markets, and even concluded over-the-counter in Hong Kong.

As holder of any such instruments or party to any such contracts, presently or in the future, the Client hereby irrevocably authorises the Bank to provide, at any time, without prior notice to the Client, by any mean of transmission and at the client's sole risks, any of the Bank's local depositaries, brokers, correspondents, service providers and/or agents, to the attention of the Hong Kong financial markets regulators, with any document and information required by any such person related to the Client, the Beneficial Owner and/or such instruments or contracts, in particular identity, address, ISIN code, and position held.

Opposition of the Client to any such disclosure, if any, whether on a case by case basis or otherwise, would carry instructions to the Bank to sell any such instruments and to close any such contracts, but would however not impact the Bank's duties to comply with their disclosure obligations, whether legal, regulatory, contractual or otherwise. Moreover, it might lead the Bank to terminate to provide services to the Client and/or to refuse any further transaction for the Client on those markets.

The Client hereby further irrevocably authorise(s) the Bank to furnish, disclose, divulge and reveal any and all information relating to the Client, the financial condition, personal particulars and all other information relating to the Client and the accounts established by the Client with the Bank and/or relating to the credit standing, financial position of the Client and all other information of whatsoever nature pertaining to the Client to:

- (a) any of the Bank's servants, agents, head office, holding company(ies) for the purposes of risk management, credit appraisal, review, reporting, collation, synthesis or processing of information whether pursuant to a statutory or contractual requirement or otherwise;
- (b) any central depository or custodian in Hong Kong or other jurisdictions in which the Client's assets are registered, deposited or governed;
- (c) any person if the release of information is necessary or desirable for the Bank to perform its duties, exercise its powers, comply with any legal or regulatory requirement or any request of a Court or Government agency or supervisory or regulatory authority or any intermediary or other intervening party whether in Hong Kong or elsewhere or any auditor appointed for purposes of satisfying the requirements, whether contractual or otherwise, of any such agency or supervisory or regulatory authority, or to safeguard the Bank's interests;
- (d) any potential assignee or transferee in respect of the Bank's rights and/or liabilities in relation to the account(s);
- (e) any person from whom the Bank takes or proposes to take any guarantee or security in connection with any of the obligations and/or liabilities of the Client to the Bank;
- (f) any credit card companies and credit reference agencies; and
- (g) any person (including, without limitation any third party service provider (each a «Service Provider») whether within or outside Hong Kong engaged by the Bank to perform out-sourced functions) and any other person to whom disclosure is permitted or required by Hong Kong law or any other applicable laws.

The Client hereby agree(s) that the disclosure of any such documents and/or information to any such person in any such circumstances shall not constitute a breach of any of the Bank's obligations of secrecy or confidentiality.

The Client further agree(s) that if, and to the extent that, the Bank or any service provider shall consider that non-disclosure of any information requested by any Court or Government agency or regulatory authority or other authority of the United States of America or any other country, or any auditor or other person appointed for purposes of satisfying the requirements, whether contractual or otherwise, of any such agency or regulatory authority, would result in any assets, operations or personnel of the Bank or such service provider or of any of the Bank's or such service provider's holding company's branches, affiliates, subsidiaries and/or representative offices becoming liable to seizure, interference or prejudice in the United States of America or such other country, the Bank or, as the case may be such service provider shall be entitled (and is fully authorised by the Client) to make disclosure of any such information to such party as the Bank or, as the case may be, such service provider considers necessary in the particular circumstances.

The authorisations contained in this Client Acknowledgement are continuing authorisations notwithstanding the death, bankruptcy, liquidation or any other cause of incapacity or change in the constitution of the Client whatsoever.

## CUSTODY ARRANGEMENTS

The Client acknowledges and agrees that any of his securities or assets that are deposited or transferred to the Bank for custody and safe-keeping may be placed with foreign professional third-party custodians ("Third-Party Custodians"). It is possible that such Third-Party Custodian may claim a lien or right of retention or sale over such securities or assets in respect of charges for administration or custody of the securities or assets or other amounts.

## REFUSE TO CONSENT TO BEING TREATED AS PROFESSIONAL INVESTOR

- By checking the box in this section, the Client selects **NOT** to consent to being treated as a Professional Investor and **NOT** to give any consents and acknowledgments in Part B of the General and Other Terms and Conditions.

If the Client does NOT check the box in this section, by signing the Client Acknowledgment to the General and Other Terms and Conditions, the Client consents to being treated as Professional Investor and gives all the consents and acknowledgments in Part B of the General and Other Terms and Conditions.

## PROSPECTIVE INVESTORS OF EXCHANGE FUND BILLS AND NOTES ("EFBN")

The Client takes note that the Client may open a separate securities account with the Hong Kong Monetary Authority ("HKMA") through the Bank, being a recognised dealer in EFBN, for his holdings of EFBN, which are Hong Kong dollar debt securities issued by the HKMA, and designate the account with the Client's name.

The Client confirms, with respect to article 7.38 of the General Terms and Conditions that (please tick where appropriate) - the meaning of capitalised terms hereto is as defined in these General Terms and Conditions:

- neither he nor any of the Beneficial Owner is an employee of a SFC Registered Institution or a SFC Licensed Corporation in Hong Kong.
- the following persons (either as Account holder or as Beneficial Owner), and only these persons, are employees of a SFC Registered Institution or of a SFC Licensed Corporation in Hong Kong:

Full name of the person(s)

Employer

## NOTICE IN RELATION TO DEPOSIT PROTECTION

The client hereby acknowledges receipt of notification from the Bank that the Bank is a member of the Deposit Protection Scheme in Hong Kong. Eligible deposits taken by the Bank are protected by the Scheme up to a limit of HK\$500,000 per depositor. The following types of deposits maintained with the Bank are deposits qualified for protection by the Scheme:

- deposits in the current account opened with the Bank
- time deposits with a maturity not longer than five years

## NOTICE IN RELATION TO FINANCIAL DISPUTE RESOLUTION SCHEME

The Client acknowledges that the Client has been informed by the Bank and fully understands that in respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme ([https://www.fdr.org.hk/en/html/aboutus/aboutus\\_tor.php](https://www.fdr.org.hk/en/html/aboutus/aboutus_tor.php))) arising between the Bank and the Client out of the selling process or processing of investment products distributed by the Bank (as agent for third party service providers), the Bank is required to enter into a Financial Dispute Resolution Scheme process with the Client; however any dispute over the contractual terms of the product should be resolved between directly the third party service provider and the Client.

FMIA Classification (This section is not applicable to Clients who are natural person, unless he or she is entered into the commercial register in Switzerland as a sole proprietor or serves as a trustee of a trust under foreign law)

Forward exchange transactions on currencies, precious metals or any other underlying, as well as any over-the-counter purchases or sales of options on currencies, transactions on precious metals or any other underlying concluded between the Client and the Bank as covered by the Specific Conditions for Foreign Exchange, Precious Metals and Derivatives Transactions (the «CSFX Transaction(s)») are subject to the Swiss Financial Market Infrastructure Act (the «FMIA»).

In order to determine which requirements of the FMIA apply to the CSFX Transactions, the Client hereby informs the Bank of its classification under the FMIA and represents and warrants to the Bank on a continuing basis (i.e. shall be deemed to represent and warrant to the Bank on any date on which a CSFX Transaction is made or a payment or delivery becomes due thereunder) that the information provided hereunder is true and correct.

The Client confirms hereby that it has read the Appendix to Part E of the General and Other Terms and Conditions and accordingly represents and warrants that it is (tick the relevant box):

- a «large Financial Counterparty»;
- a «small Financial Counterparty»;
- a «large Non-Financial Counterparty»;
- a «small Non-Financial Counterparty».

With the following Legal Entity Identifier<sup>2</sup> (LEI): \_\_\_\_\_

The Client undertakes to spontaneously inform the Bank in the event of any change to its classification. The Bank may further request at any time a written declaration and/or satisfactory evidence from the Client confirming that the above representations and warranties are still true and accurate.

### By signing this Client Acknowledgment to General and Other Terms and Conditions, the Client:

- confirms the Client has read, fully understood and agree to all the content in the Client Acknowledgment to the General and Other Terms and Conditions;
- confirms that the Client understands, is familiar with, and accepts all risks arising from the fluctuation of the value of the Collateral (as defined in the GCGC in Part D of this General and Other Terms and Conditions), and notably from the purchase of securities by means of borrowed funds as well as from exchange transactions;
- declares that the Client is particularly aware of the risk inherent in financing operations in a different currency from that in which the Collateral is denominated;
- declares that the Client is aware of and accepts all the risks arising from the CSFX Transactions (as defined in the CSFX Conditions) and CSMR Transactions (as defined in the CSMR Conditions);
- confirms that he has full knowledge of the rules applicable to the Exchanges (as defined in the CSMR Conditions) on which he intends to trade and that he accepts without any restriction all their terms and conditions; and
- (if the Client has NOT checked in the box under REFUSAL TO CONSENT TO BEING TREATED AS PROFESSIONAL INVESTOR above) confirms that the Client has read, understood, agrees with and accepts, without any restriction whatsoever, all of the contents on every page of this General and Other Terms and Conditions and all other documents referred to or listed out above; **OR**  
(if the Client has checked in the box under REFUSAL TO CONSENT TO BEING TREATED AS PROFESSIONAL INVESTOR above)

<sup>2</sup> Every legal entity, including funds or trusts, can be granted a LEI. LEIs are issued by «Local Operating Units» (LOUs) of the Global LEI System. The list of LOUs and relevant internet websites are available on: [www.gleif.org](http://www.gleif.org) and [www.leiroc.org](http://www.leiroc.org). The LEI is a 20-character, alpha-numeric code, to uniquely identify legally distinct entities that engage in financial transactions.

\* This field is not mandatory if the Client has no LEI and is not a Financial Counterparty.

confirms that the Client has read and understood all of the contents on every page of this General and Other Terms and Conditions and all other documents referred to or listed out above, and agrees with and accepts them (except Part B of the General and Other Terms and Conditions) without any restriction whatsoever.

\* Please check the appropriate boxes in this Client Acknowledgment to General and Other Terms and Conditions to indicate the Client's instructions.

**SIGNATURE:**

Date : \_\_\_\_\_

Account Number : \_\_\_\_\_

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

**DECLARATION OF THE BANK**

The undersigned registered staff hereby represents and warrants that he/she has provided the General and Other Terms and Conditions in both English and Chinese to the Client and that he/she has invited the Client to read the same, ask questions and seek independent advice.

Registered staff's full name (in block letters) and signature

**SIGNATURE:**

CE Number (in block letters):

\_\_\_\_\_  
Registered staff's full name (in block letters)

\_\_\_\_\_  
Registered staff's signature

\_\_\_\_\_  
Date



TO: CA Indosuez (Switzerland) SA, Hong Kong Branch (the "Bank")

CLIENT:

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(hereafter the «Client») hereby:

1. acknowledges the Client has received the General and Other Terms and Conditions comprising:
  - Part A: General Terms and Conditions;
  - Part B: Consent to Treatment as a Professional Investor; Part C: Risk Disclosure Statement for Transactions;
  - Part D: General Conditions for the Granting of Credit;
  - Part E: Specific Conditions for Foreign Exchange, Precious Metals, and Derivatives Transactions (Over the Counter);
  - Part F: Specific Conditions for Forward Contracts and Quoted Options on Exchanges;
  - Part G: General Conditions for the issue of Guarantees; Part H: Terms and Conditions for Renminbi Services; and
  - Part I: Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Terms and Conditions.
2. expressly declare(s):
  - (a) having read, understood and agreed to all the provisions contained in the General and Other Terms and Conditions, especially those concerning international sanction (article 7.27B), open safe custody (article 3.2), transfers of funds and securities (article 5.5), intra-group disclosures (article 7.25), outsourcing of activities (article 7.26), Client's tax liability (article 7.27), data protection and banking secrecy (article 7.28), governing law, place of performance and jurisdiction (article 7.39), all in the General Terms and Conditions, provided that if the Client selects not to consent to being treated as a Professional Investor then the Client shall be considered not to have agreed to Part B: Consent to Treatment as a Professional Investor ;
  - (b) having read and understood the Risk Disclosure Statement for Transactions and accepted its contents. The Client accepts the risks so notified and/or implied; and (c) requests the Bank to open for the Client a
    - Joint Account** (referred to in General and Other Terms and Conditions Part A Clause 7.27C which applies to that Joint Account)
    - Collective Account** (referred to General and Other Terms and Conditions in Part A Clause 7.27D which applies to that Collective Account); and
3. certifies(y) having received the document entitled Fees and Charges in its current English and Chinese versions. The Client confirms having read, understood and agreed to the content of that document and taken note that the Bank remains at his(their) disposal to provide any additional information relating thereto.

## RISK DISCLOSURE STATEMENT FOR TRANSACTIONS

By entering into any transaction, the Client confirms, agrees and acknowledges as follows:

- he has read and fully understood the Risk Disclosure Statement for Transactions and all documents pertaining to the transaction, the nature of the transaction and the terms and conditions governing the transaction as well as the margin requirements, if applicable;
- he has made his own assessment of the transaction and of his own objectives, knowledge, experience, financing risk capacity and ability to monitor the transaction, based on such independent financial, tax, legal or other advice as he considers appropriate;
- he understands the nature, fundamentals and market underlying of the transaction;
- he understands, is familiar with and is fully aware of the risks related to the transaction;
- he is willing to take all such risks;
- he is capable of bearing a full loss of the amounts invested as a result of or in connection with any transaction entered into with the Bank and any additional loss over and above the amounts invested;
- that he is and shall at all times be fully responsible for any transaction he chooses to enter into or, as the case may be, entered into by the Bank on behalf of the Client in respect of the Mandate; and
- that he is aware of and fully understands all applicable laws, regulations and directives to which he is subject and that he is entitled and/or authorised under or by such laws, regulations and/or directives to enter into any transaction he chooses to enter into.

## INFORMATION DISCLOSURE AGREEMENTS

The Client takes due note that the laws of Hong Kong related to the supervision of the financial markets require the local identification of any holder of securities and/or futures contracts listed and/or traded on the Hong Kong markets, and even concluded over-the-counter in Hong Kong.

As holder of any such instruments or party to any such contracts, presently or in the future, the Client hereby irrevocably authorises the Bank to provide, at any time, without prior notice to the Client, by any mean of transmission and at the client's sole risks, any of the Bank's local depositaries, brokers, correspondents, service providers and/or agents, to the attention of the Hong Kong financial markets regulators, with any document and information required by any such person related to the Client, the Beneficial Owner and/or such instruments or contracts, in particular identity, address, ISIN code, and position held.

Opposition of the Client to any such disclosure, if any, whether on a case by case basis or otherwise, would carry instructions to the Bank to sell any such instruments and to close any such contracts, but would however not impact the Bank's duties to comply with their disclosure obligations, whether legal, regulatory, contractual or otherwise. Moreover, it might lead the Bank to terminate to provide services to the Client and/or to refuse any further transaction for the Client on those markets.

The Client hereby further irrevocably authorise(s) the Bank to furnish, disclose, divulge and reveal any and all information relating to the Client, the financial condition, personal particulars and all other information relating to the Client and the accounts established by the Client with the Bank and/or relating to the credit standing, financial position of the Client and all other information of whatsoever nature pertaining to the Client to:

- (a) any of the Bank's servants, agents, head office, holding company(ies) for the purposes of risk management, credit appraisal, review, reporting, collation, synthesis or processing of information whether pursuant to a statutory or contractual requirement or otherwise;
- (b) any central depository or custodian in Hong Kong or other jurisdictions in which the Client's assets are registered, deposited or governed;
- (c) any person if the release of information is necessary or desirable for the Bank to perform its duties, exercise its powers, comply with any legal or regulatory requirement or any request of a Court or Government agency or supervisory or regulatory authority or any intermediary or other intervening party whether in Hong Kong or elsewhere or any auditor appointed for purposes of satisfying the requirements, whether contractual or otherwise, of any such agency or supervisory or regulatory authority, or to safeguard the Bank's interests;
- (d) any potential assignee or transferee in respect of the Bank's rights and/or liabilities in relation to the account(s);
- (e) any person from whom the Bank takes or proposes to take any guarantee or security in connection with any of the obligations and/or liabilities of the Client to the Bank;
- (f) any credit card companies and credit reference agencies; and
- (g) any person (including, without limitation any third party service provider (each a «Service Provider») whether within or outside Hong Kong engaged by the Bank to perform out-sourced functions) and any other person to whom disclosure is permitted or required by Hong Kong law or any other applicable laws.

The Client hereby agree(s) that the disclosure of any such documents and/or information to any such person in any such circumstances shall not constitute a breach of any of the Bank's obligations of secrecy or confidentiality.

The Client further agree(s) that if, and to the extent that, the Bank or any service provider shall consider that non-disclosure of any information requested by any Court or Government agency or regulatory authority or other authority of the United States of America or any other country, or any auditor or other person appointed for purposes of satisfying the requirements, whether contractual or otherwise, of any such agency or regulatory authority, would result in any assets, operations or personnel of the Bank or such service provider or of any of the Bank's or such service provider's holding company's branches, affiliates, subsidiaries and/or representative offices becoming liable to seizure, interference or prejudice in the United States of America or such other country, the Bank or, as the case may be such service provider shall be entitled (and is fully authorised by the Client) to make disclosure of any such information to such party as the Bank or, as the case may be, such service provider considers necessary in the particular circumstances.

The authorisations contained in this Client Acknowledgement are continuing authorisations notwithstanding the death, bankruptcy, liquidation or any other cause of incapacity or change in the constitution of the Client whatsoever.

## CUSTODY ARRANGEMENTS

The Client acknowledges and agrees that any of his securities or assets that are deposited or transferred to the Bank for custody and safe-keeping may be placed with foreign professional third-party custodians ("Third-Party Custodians"). It is possible that such Third-Party Custodian may claim a lien or right of retention or sale over such securities or assets in respect of charges for administration or custody of the securities or assets or other amounts.

## REFUSE TO CONSENT TO BEING TREATED AS PROFESSIONAL INVESTOR

- By checking the box in this section, the Client selects **NOT** to consent to being treated as a Professional Investor and **NOT** to give any consents and acknowledgments in Part B of the General and Other Terms and Conditions.

If the Client does NOT check the box in this section, by signing the Client Acknowledgment to the General and Other Terms and Conditions, the Client consents to being treated as Professional Investor and gives all the consents and acknowledgments in Part B of the General and Other Terms and Conditions.



## PROSPECTIVE INVESTORS OF EXCHANGE FUND BILLS AND NOTES ("EFBN")

The Client takes note that the Client may open a separate securities account with the Hong Kong Monetary Authority ("HKMA") through the Bank, being a recognised dealer in EFBN, for his holdings of EFBN, which are Hong Kong dollar debt securities issued by the HKMA, and designate the account with the Client's name.

The Client confirms, with respect to article 7.38 of the General Terms and Conditions that (please tick where appropriate) - the meaning of capitalised terms hereto is as defined in these General Terms and Conditions:

- neither he nor any of the Beneficial Owner is an employee of a SFC Registered Institution or a SFC Licensed Corporation in Hong Kong.
- the following persons (either as Account holder or as Beneficial Owner), and only these persons, are employees of a SFC Registered Institution or of a SFC Licensed Corporation in Hong Kong:

Full name of the person(s)

Employer

## NOTICE IN RELATION TO DEPOSIT PROTECTION

The client hereby acknowledges receipt of notification from the Bank that the Bank is a member of the Deposit Protection Scheme in Hong Kong. Eligible deposits taken by the Bank are protected by the Scheme up to a limit of HK\$500,000 per depositor. The following types of deposits maintained with the Bank are deposits qualified for protection by the Scheme:

- deposits in the current account opened with the Bank
- time deposits with a maturity not longer than five years

## NOTICE IN RELATION TO FINANCIAL DISPUTE RESOLUTION SCHEME

The Client acknowledges that the Client has been informed by the Bank and fully understands that in respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme ([https://www.fdr.org.hk/en/html/aboutus/aboutus\\_tor.php](https://www.fdr.org.hk/en/html/aboutus/aboutus_tor.php))) arising between the Bank and the Client out of the selling process or processing of investment products distributed by the Bank (as agent for third party service providers), the Bank is required to enter into a Financial Dispute Resolution Scheme process with the Client; however any dispute over the contractual terms of the product should be resolved between directly the third party service provider and the Client.

FMIA Classification (This section is not applicable to Clients who are natural person, unless he or she is entered into the commercial register in Switzerland as a sole proprietor or serves as a trustee of a trust under foreign law)

Forward exchange transactions on currencies, precious metals or any other underlying, as well as any over-the-counter purchases or sales of options on currencies, transactions on precious metals or any other underlying concluded between the Client and the Bank as covered by the Specific Conditions for Foreign Exchange, Precious Metals and Derivatives Transactions (the «CSFX Transaction(s)») are subject to the Swiss Financial Market Infrastructure Act (the «FMIA»).

In order to determine which requirements of the FMIA apply to the CSFX Transactions, the Client hereby informs the Bank of its classification under the FMIA and represents and warrants to the Bank on a continuing basis (i.e. shall be deemed to represent and warrant to the Bank on any date on which a CSFX Transaction is made or a payment or delivery becomes due thereunder) that the information provided hereunder is true and correct.

The Client confirms hereby that it has read the Appendix to Part E of the General and Other Terms and Conditions and accordingly represents and warrants that it is (tick the relevant box):

- a «large Financial Counterparty»;
- a «small Financial Counterparty»;
- a «large Non-Financial Counterparty»;
- a «small Non-Financial Counterparty».

**With the following Legal Entity Identifier<sup>3</sup> (LEI): \*** \_\_\_\_\_

The Client undertakes to spontaneously inform the Bank in the event of any change to its classification. The Bank may further request at any time a written declaration and/or satisfactory evidence from the Client confirming that the above representations and warranties are still true and accurate.

**By signing this Client Acknowledgment to General and Other Terms and Conditions, the Client:**

- (a) confirms the Client has read, fully understood and agree to all the content in the Client Acknowledgment to the General and Other Terms and Conditions;
- (b) confirms that the Client understands, is familiar with, and accepts all risks arising from the fluctuation of the value of the Collateral (as defined in the GCGC in Part D of this General and Other Terms and Conditions), and notably from the purchase of securities by means of borrowed funds as well as from exchange transactions;

<sup>3</sup> Every legal entity, including funds or trusts, can be granted a LEI. LEIs are issued by «Local Operating Units» (LOUs) of the Global LEI System. The list of LOUs and relevant internet websites are available on: [www.gleif.org](http://www.gleif.org) and [www.lei.org](http://www.lei.org). The LEI is a 20-character, alpha-numeric code, to uniquely identify legally distinct entities that engage in financial transactions.

\* This field is not mandatory if the Client has no LEI and is not a Financial Counterparty.

- (c) declares that the Client is particularly aware of the risk inherent in financing operations in a different currency from that in which the Collateral is denominated;
- (d) declares that the Client is aware of and accepts all the risks arising from the CSFX Transactions (as defined in the CSFX Conditions) and CSMR Transactions (as defined in the CSMR Conditions);
- (e) confirms that he has full knowledge of the rules applicable to the Exchanges (as defined in the CSMR Conditions) on which he intends to trade and that he accepts without any restriction all their terms and conditions; and
- (f) (if the Client has NOT checked in the box under REFUSAL TO CONSENT TO BEING TREATED AS PROFESSIONAL INVESTOR above) confirms that the Client has read, understood, agrees with and accepts, without any restriction whatsoever, all of the contents on every page of this General and Other Terms and Conditions and all other documents referred to or listed out above; **OR**  
(if the Client has checked in the box under REFUSAL TO CONSENT TO BEING TREATED AS PROFESSIONAL INVESTOR above) confirms that the Client has read and understood all of the contents on every page of this General and Other Terms and Conditions and all other documents referred to or listed out above, and agrees with and accepts them (except Part B of the General and Other Terms and Conditions) without any restriction whatsoever.

\* Please check the appropriate boxes in this Client Acknowledgment to General and Other Terms and Conditions to indicate the Client's instructions.

**SIGNATURE:**

Date : \_\_\_\_\_

Account Number : \_\_\_\_\_

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
(Signatory's Last name(s)/First name(s))

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

**DECLARATION OF THE BANK**

The undersigned registered staff hereby represents and warrants that he/she has provided the General and Other Terms and Conditions in both English and Chinese to the Client and that he/she has invited the Client to read the same, ask questions and seek independent advice.

Registered staff's full name (in block letters) and signature

**SIGNATURE:**

CE Number (in block letters):

\_\_\_\_\_  
Registered staff's full name (in block letters)

\_\_\_\_\_  
Registered staff's signature

\_\_\_\_\_  
Date