

TERMS AND CONDITIONS FOR INVESTMENT DEPOSIT

These terms and conditions set out the rights and obligations of you, the Customer, and us, the Bank, in connection with your investment in any type of Investment Deposit which the Bank makes available from time to time and are specified herein. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them.

PART I : GENERAL TERMS

This Part I is applicable to all types of Investment Deposits. All transactions, settlements, clearances and dealings effected, conducted, carried out and entered into by the Customer with and through the Settlement Account shall be subject to and upon the terms and conditions of this Part I.

1. **Definitions and Interpretation**

1.1 In this Part I, save where the context otherwise requires :-

"**Application Form**" means the document (howsoever named) in a form (prepared by the Bank from time to time) setting out the terms, details and particulars of an intending transaction in respect of any Investment Deposit and constituting the Customer's application, order or offer to the Bank for the Investment Deposit as set out therein;

"**Bank**" means Bank SinoPac, being a licensed bank under the Banking Ordinance (Cap.155 of the Laws of Hong Kong) and registered under Part 16 of the Companies Ordinance (Cap. 622) and carrying on business in Hong Kong;

"**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks in Hong Kong are generally open for business;

"**Confirmation**" means the document (howsoever named) issued or signed by the Bank setting out or incorporating the terms, details and particulars of the transaction in respect of any Investment Deposit and constituting the Bank's confirmation of entering, execution and completion of or the acceptance of the transaction in respect of the Investment Deposit pursuant to the Application Form and these Terms;

"**Customer**" means the person or persons placing any Investment Deposit;

"**General Commercial Agreement**" means the General Commercial Agreement of the Bank, if any, executed by the Customer in favour of the Bank, as from time to time amended or supplemented;

"**GTC**" means the General Terms and Conditions for Accounts of the Bank (as from time to time amended or supplemented), which governs the operation and conduct of accounts and banking services of the Bank;

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

"**Investment Deposit**" means any deposit placed with and accepted by the Bank as an investment, linked or structured deposit where the payment or repayment of principal, interest, bonus, moneys, profits, return, distributions or other amounts will be calculated, determined or ascertained, in whole or in part, by reference, directly or indirectly to a single or a basket of equities, securities, indices, goods, commodities, currency exchange rate, interest rate, credit of a specified entity, or any other subjects, matters or things (as may be determined by the Bank) on such terms and conditions as may be specified in the relevant Supplemental Terms (as defined in Clause 2.2), and "**Investment Deposits**" shall be construed accordingly;

"**Liabilities**" means all monies, liabilities and obligations, whether actual or contingent, present or future, due, owing or incurred from or by the Customer to the Bank, its nominee, subsidiary or other associated company in connection with any Investment Deposit, Settlement Account or these Terms or for which the Customer may otherwise be or become liable to the Bank on any account or in any manner or currency whatsoever (whether alone or jointly with any other person and in whatever name, style or firm), together with interest from the date of demand to the date of payment, legal costs and all other costs, charges and expenses incurred by the Bank, its nominee, subsidiary or other associated company in connection with the recovery or attempted recovery of such monies, liabilities and obligations;

"**Mandates**" means the Account Mandate for Investment Deposit (as from time to time amended or supplemented) executed by the Customer in favour of the Bank in relation to the operation and conduct of the Investment Deposit, and the Mandate for Limited Company Accounts, the Mandate for Sole Proprietorship Accounts, the Mandate for Partnership Accounts, the Mandate for Personal Accounts and the Mandate for Joint Accounts, as the case may be, executed by the Customer in favour of the Bank in relation to the operation of the bank account(s), as from time to time amended or supplemented;

"**Maturity Date**" means the date specified as such in the Confirmation, subject to adjustments in accordance with these Terms;

"**Settlement Account**" means the bank account opened and maintained with the Bank which is nominated by the Customer for the purpose of any Investment Deposit, all transactions, settlements, clearances and dealings of any Investment Deposit and specified as such in the Confirmation;

"**these Terms**" means all the terms and conditions in this "Terms and Conditions for Investment Deposit" as from time to time amended or supplemented pursuant to Clause 18; and

"**Trade Date**" means in relation to any Investment Deposit, the date on which a binding contract is entered into between the Bank and the Customer in respect of such Investment Deposit pursuant to Clause 3.2 and specified as such in the Confirmation.

1.2 In this Part I:-

"**disposition**" shall include any sale, assignment, transfer, exchange, waiver, compromise, release, dealing with or in or granting of any option, right or interest in whatever form and manner whatsoever and any agreement so to do and "**dispose**" shall be construed accordingly;

"**encumbrance**" shall include any mortgage, charge, pledge, lien, hypothecation, priority or security interest, preferential right, trust arrangement, third party rights or any other arrangement or agreement conferring security or priority of payment and any agreement of any of the same and "**encumber**" shall be construed accordingly; and

"**securities**" shall have the meaning ascribed thereto in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) from time to time.

1.3 In this Part I, references to "Clauses", "Sub-Clauses" and "Schedules" are, unless otherwise stated, to clauses, sub-clauses of and schedules (if any) to this Part I.

1.4 Clause headings have been inserted for convenience of reference only and shall not affect the construction of these Terms.

1.5 Words and expressions importing the singular number only shall include the plural and vice versa and references to one gender shall include references to all other genders. Words importing person includes individual, association, company, bodies corporate, unincorporate and the partners of a named partnership.

1.6 Any reference to statutory provisions shall be construed as references to those provisions as the same may from time to time be replaced, amended, modified or re-enacted.

1.7 Any reference to these Terms and other documents referred to in these Terms shall be construed as references to these Terms or such other documents as the same may be amended or supplemented from time to time.

1.8 The expressions the "Bank" and the "Customer" shall, where the context permits, include their respective successors, personal representatives and assigns.

2. Scope

2.1 This Part I shall apply to and govern all the Investment Deposits.

2.2 In addition to this Part I, the Bank may from time to time issue, in respect of each type of the Investment Deposits, terms and conditions (the "**Supplemental Terms**") which will set out the methodology for determining the principal, interest, bonus, moneys, profits, return, distributions or other amounts payable or repayable to the Customer or

other factors that apply to and govern the relevant type of Investment Deposits. Each set of the Supplemental Terms shall for all intent and purpose supplement and form a part of these Terms. Accordingly, any reference to “these Terms” shall be construed as reference to the terms and conditions set out in this Part I and in each set of the Supplemental Terms (as from time to time amended or supplemented).

- 2.3 In respect of each Investment Deposit placed with the Bank, the Bank will send to the Customer the Confirmation setting out details such as the principal amount, interest rate, the Trade Date and the Maturity Date of the relevant Investment Deposit.
- 2.4 These Terms shall apply in addition to all other terms and conditions applicable to the Investment Deposits and/or to which the Customer is subject (the “**Other Terms**”) such as the GTC, the Mandates and the General Commercial Agreement. These Terms, the Other Terms and the Confirmation shall form the contract between the Customer and the Bank. The Customer agrees, accepts and acknowledges that in respect of each Investment Deposit entered into between the Bank and the Customer from time to time, such Investment Deposit shall be entered into upon and subject to, and the Customer shall be bound by all applicable rules, by-laws, regulations of the market, clearing system on or through which the Investment Deposit, or any transaction relating to the Investment Deposit is transacted, executed, cleared and settled (the “**Applicable Laws and Rules**”). In the event of any conflict or discrepancy, these documentation and the Applicable Laws and Rules shall govern in the following order of prevalence :-
 - (a) the Confirmation;
 - (b) the Application Form;
 - (c) these Terms;
 - (d) the Other Terms; and
 - (e) the Applicable Laws and Rules.

3. **Customer’s instructions and orders**

- 3.1 The Customer may from time to time place an order (through submission of the Application Form to the Bank) with the Bank for the placing of any Investment Deposit according to the terms quoted and determined by the Bank (as set out in the Application Form) in its sole and absolute discretion. The Bank is authorised, but is not obliged, to accept any order which is given by the Customer orally (whether in person or by telephone) or in writing (but without prejudice to the Bank’s right to accept any order by any other means). An order (as set out in the Application Form) is irrevocable unless otherwise consented to by the Bank. The Bank shall have sole and absolute discretion whether to accept any order placed by the Customer without assigning any reason. The Bank has the right to accept any order from the Customer in such manner and on such terms as the Bank in its sole and absolute discretion thinks fit before confirmation by the Bank of its acceptance of such order and the Bank will endeavour to notify (whether orally, in writing or by other means) the Customer of the acceptance or non-acceptance of any order and to execute any accepted order as soon as practicable after such order is placed with the Bank.
- 3.2 Upon the acceptance or confirmation by the Bank of any order received from the Customer or any transaction for any Investment Deposit, a binding and irrevocable contract as between the Bank and the Customer shall be constituted whereby the

Customer shall be bound to place such Investment Deposit on the terms (as set out in the Confirmation) agreed, irrespective of the receipt or non-receipt of any written confirmation (including without limitation the Confirmation) by the Customer. If the Customer fails to place such Investment Deposit, the Customer will be liable for the Bank's costs and losses, including but not limited to the cost of unwinding hedging positions taken by the Bank to cover such Investment Deposit.

- 3.3 The Customer consents to and authorises the Bank to record any telephone conversations between the Customer and the Bank in writing and/or by tape-recording on a centralised system operated by the Bank and/or other means, and the Bank's records shall be conclusive and binding on the Customer in the absence of manifest error. The Bank may dispose of any such written or other records and erase such tapes after the expiration of such period as the Bank may determine.
- 3.4 The Bank shall not be liable for any loss or damage whatsoever and howsoever arising which the Customer may suffer or incur arising out of, in connection with or in relation to the Bank's not taking any instruction or accept any order from the Customer. The Bank shall have the absolute discretion to take any instruction or accept any order from the Customer at such time as the Bank shall in its absolute discretion think fit.
- 3.5 The Bank shall be entitled to rely on any instructions, directions, notices or other communication given or purported to be given by the Customer or any one of its authorised persons as specified to the Bank from time to time and the Customer shall be bound by all such communications. The Customer agrees to indemnify the Bank and hold the Bank harmless from and against all losses, costs and expenses (including legal costs on full indemnity basis) suffered or incurred by the Bank in reliance thereupon.

4. **Investment Deposits**

- 4.1 Any Investment Deposit may be made in such currencies and in such amount as the Bank may in its sole and absolute discretion allow, and specified as such in the Confirmation.
- 4.2 In relation to each Investment Deposit, the Customer shall, at or before the time a binding contract is formed between the Customer and the Bank, maintain in the Settlement Account an amount at least equal to the deposit amount and such other amounts as agreed between the Bank and the Customer to be payable by the Customer under these Terms. The Customer hereby authorises the Bank to debit from the Settlement Account all such amounts on or after the Trade Date for effecting payment of the same.
- 4.3 Subject to the adjustments to be made in accordance with these Terms, any Investment Deposit is to be placed for such deposit period as the Bank may in its sole and absolute discretion allow and recorded as such in the Confirmation.
- 4.4 No Investment Deposit can or will be automatically renewed upon its maturity. A separate order has to be placed by the Customer and the terms of the relevant Investment Deposit have to be agreed between the Bank and the Customer.

5. Early Withdrawal

- 5.1 No Investment Deposit may be withdrawn or repaid prior to the Maturity Date except with the written consent of the Bank which may be subject to such conditions as the Bank, in its absolute discretion, deems fit. Such conditions may have the effect of reducing the amount of interest, bonus, moneys, profits, return, distributions or other amounts payable or principal repayable to the Customer.
- 5.2 If by reason of death or bankruptcy (if an individual), liquidation or winding up (if a company) of the Customer or any other reason whatsoever, the repayment of any Investment Deposit prior to its maturity becomes legally enforceable, and such repayment is demanded :-
- (a) the Bank shall not be required to pay to the Customer any interest, bonus or premium which would otherwise be payable to the Customer;
 - (b) the amount repayable to the Customer shall be reduced by an amount equal to all fees, costs, expenses, losses and damages charged, suffered or incurred by the Bank arising out of, in connection with or in relation to such early repayment; and
 - (c) the Bank may, in its sole and absolute discretion, determine whether to pay or repay to the Customer in the form of cash or the underlying currencies or securities.
- 5.3 The Bank shall have the discretion to terminate or cancel any Investment Deposit or any part thereof prior to its maturity if it determines, in its sole and absolute discretion, that it is necessary or appropriate to protect any right and interest of the Bank (where any event specified in Clause 14.1, or any other event which has an effect analogous to any such event, occurs in respect of the Customer), to combine accounts or set-off or to protect the Customer's interests. In such case, the Bank will repay to the Customer such Investment Deposit for such amount as the Bank shall determine to be fair and reasonable in all the circumstances provided that :-
- (a) the amount repayable shall be reduced by an amount equal to all fees, costs, expenses, losses and damages charged, suffered or incurred by the Bank arising out of, in connection with or in relation to such early repayment; and
 - (b) the Bank may, in its sole and absolute discretion, determine whether to pay or repay to the Customer in the form of cash or the underlying currencies or securities.

6. Confirmation

- 6.1 On or within 7 Business Days after the day on which the Bank and the Customer have agreed on any Investment Deposit, the Bank will give the Confirmation to the Customer, whether in person, by post or any other methods as the Bank shall deem fit. In respect of any Investment Deposit, the Bank may (but is not obliged) require the Customer to sign on the Confirmation and/or return to the Bank a duplicate of the Confirmation duly signed by the Customer. Notwithstanding the aforesaid, the validity of the contract as constituted between the Bank and the Customer in respect of such Investment Deposit shall not be prejudiced by the receipt or non-receipt of the Confirmation by the Customer, the signing or non-signing of the Confirmation by the Customer, or the receipt or non-receipt of the signed duplicate of the Confirmation by

the Bank.

- 6.2 The Confirmation shall not constitute any evidence of title of any Investment Deposit and shall not be negotiable or transferable.
- 6.3 The Customer shall upon receipt of the Confirmation examine the Confirmation and to give immediate notice to the Bank if the Customer considers that any detail stated therein is incorrect in any respect. If the Bank does not receive any notice from the Customer within 90 days after the issue of the Confirmation, the Customer shall be deemed to have accepted all the transaction details therein contained as true and accurate in all respects.

7. **Payment**

- 7.1 All sums payable to the Customer in respect of any Investment Deposit will be paid subject to any deduction or withholding in respect of tax or otherwise required to be made by law.
- 7.2 All sums payable to the Customer in respect of any Investment Deposit will be payable only at the Bank in Hong Kong where such Investment Deposit is made notwithstanding that such Investment Deposit is made, or any sum is to be paid, in a foreign currency.

8. **Fees**

- 8.1 The Bank reserves the right to impose service fees, facility fees and /or other charges from time to time as the Bank in its absolute discretion thinks fit. The Bank will give reasonable notice to the Customer of any fees or charges imposed (or of any changes to such fees or charges). Such fees will not apply in respect of any Investment Deposit already placed with the Bank during the term of such Investment Deposit.
- 8.2 Time is of the essence in respect of any payment to be made by the Customer under these Terms.

9. **Calculations and Determinations**

- 9.1 All rates, fixings, values, calculations and all other matters required to be ascertained or established in respect of or in relation to any Investment Deposit shall be conclusively determined by the Bank and shall be binding on the Customer, save and except for manifest error.
- 9.2 Where an exchange rate is to be determined by the Bank at a particular time, or during a particular period, such determination shall be made by the Bank in accordance with generally accepted practices in the relevant foreign exchange market, and each such determination shall be conclusive and binding in the absence of manifest error.

10. **Business Day**

- 10.1 If any payment, calculation or determination to be made or other action to be taken

under these Terms by the Bank and/or the Customer would otherwise fall on or by reference to a day which is not a Business Day, then unless otherwise specified in these Terms or in the Confirmation, it shall be postponed until or by reference to (where applicable) the first following day that is a Business Day.

11. Information

- 11.1 The Bank may make available to the Customer various information which may include indicative price of any securities and exchange rates, commentaries or otherwise. Such information shall be provided for the Customer's reference only.
- 11.2 The Customer understands that the Bank does not assume any responsibility for the completeness or timeliness of any information provided. The Bank shall not be responsible for any decision made by the Customer, or any action or omission by the Customer, arising out of, in connection with or in relation to any information provided by the Bank for the Customer's reference only nor shall the Bank be liable for any loss or damages incurred or suffered by the Customer occasioned by or incidental to any of such decisions, acts or omissions on the part of the Customer.

12. Representation, Warranties and Undertakings

- 12.1 The Customer represents, warrants and undertakes to the Bank that :-
- (a) the Customer, if an individual, is at least 18 years old and not a U.S. citizen or resident;
 - (b) the Customer, if a company, is duly incorporated under the laws of the place of its incorporation and is validly existing and in good standing;
 - (c) the Customer is not a U.S. person (as defined in Regulation S of the Securities Act of 1933 under the laws of the United States of America), and shall not place or hold the Investment Deposit beneficially owned by or for a U.S. person or in violation of any applicable law;
 - (d) the Customer is dealing with each Investment Deposit as a principal on the Customer's own behalf and not as trustee or agent;
 - (e) the Customer has full power, capacity and authority to enter into agreement constituted by these Terms or any Investment Deposit and to exercise the Customer's rights and perform the Customer's obligations under these Terms, and have obtained all authorisations and consents necessary for the Customer to do so, and such authorisations and consents are in full force and effect and these Terms are legal, valid, binding and enforceable on the Customer in accordance with its terms;
 - (f) none of the events specified in Clause 14.1 exists or occurs;
 - (g) the Customer shall not dispose of or encumber any Investment Deposit or any part thereof except in favour of the Bank;
 - (h) all the information, representations and warranties provided in the Mandates and given or made by the Customer are complete, true and accurate at all times, and the Bank may rely on such information, representations and warranties until the Bank has received written notice from the Customer of any changes therein;
 - (i) the Customer has disclosed and declared to the Bank all the necessary information and documents which may affect the Bank's decision as to whether to accept any order placed by the Customer for any Investment

Deposit; and

- (j) the Customer has read all the terms of these Terms and understands them fully, it has adequate financial expertise and resources to comply with such terms, and there is commercial justification for the Customer entering into the Investment Deposit with the Bank.

12.2 The Customer shall forthwith notify and make known to the Bank in writing of any changes in the information, representations and warranties provided in the Mandates, and provided, given or made by the Customer pursuant to these Terms or any agreement entered into pursuant to these Terms or relating to the Investment Deposit and the Settlement Account. The Bank shall reserve the right to decide whether to accept an Investment Deposit pursuant to these Terms after considering the change to such information, representations and warranties.

12.3 The Customer undertakes to the Bank to do or execute any act, deed, document or thing which the Bank requires the Customer to do being in the reasonable opinion of the Bank necessary or desirable in connection with the implementation and enforcement of these Terms.

13. **Disclaimers**

13.1 The Customer acknowledges, confirms and agrees that :-

- (a) the Customer understands the nature and suitability for the Customer's purposes of the type of transactions to be made under each Investment Deposit and the risks involved in them (including without limitation the risks disclosed in these Terms or in any relevant term sheet issued by the Bank), and that the Customer has sufficient knowledge, experience and professional advice to evaluate the merits and risks involved in and assess the suitability of such transactions;
- (b) the Customer shall establish each Investment Deposit in reliance only on the Customer's own independent judgment and not to rely on any communication, information or views whatsoever from the Bank, any of its related companies or their respective officers, employees or agents as a recommendation or as investment advice as to whether to place any Investment Deposit, the likely future share, currency and market movements or the benefits or risks involved in such transactions or otherwise; and
- (c) in relation to each Investment Deposit placed by the Customer with the Bank, the Bank is not acting as an adviser to, or in a fiduciary capacity in respect of, the Customer, and the Bank has not made or given any representation, warranty, guarantee or other assurance on or as to the actual or potential return on investment (whether in relation to the nature, amount or otherwise) in respect of such Investment Deposit.

14. **Suspension of obligations**

14.1 If (a) the Customer has become incapacitated, insolvent or generally suspended payment of debts when the same become due, or (b) (if an individual) a bankruptcy petition or other similar process is presented against the Customer, or (c) (if a company) a winding-up petition or other similar process is presented against the Customer or a resolution is passed to effect the same (d) an encumbrancer takes

possession of or a receiver, liquidator, provisional liquidator, trustee, administrator or other analogous officer is appointed over the Customer's assets or a distress execution attachment or other legal process is levied or enforced upon all or any of the Customer's assets and is not discharged within 7 days or the Customer enters into composition or arrangement with the Customer's creditors or makes a general assignment for the benefit of the Customer's creditors, or (e) the Customer defaults in payment or performance of any obligation under any agreement to which the Customer is a party (whether or not the Bank is one of the other parties), or (f) the Bank determines in good faith that there has been a material adverse change in the Customer's circumstances, business, financial condition, legal status or capacity, or (g) the Customer defaults in or fails to honour or satisfy the payment or any other obligations under these Terms, or (h) any representation or warranty made by the Customer is untrue or inaccurate in any respect when made or in any respect when repeated or deemed to be repeated pursuant to these Terms by reference to the circumstances then existing, then the Bank may, without prejudice to Clause 5.2, at its election and without any liability to the Customer, suspend all or any its obligation to perform under these Terms for such period of time as it may deem necessary and/or terminate or cancel any Investment Deposit in accordance with Clause 5.3.

15. **Joint and Several Liability**

- 15.1 Where the Customer comprises two or more persons,
- (a) references to the Customer shall be deemed to include each such person individually (a "**Joint Customer**") individually and the obligations and liabilities of the Joint Customer under these Terms shall be joint and several;
 - (b) any act or omission of any Joint Customer shall be deemed the act or omission of all the Joint Customers;
 - (c) the Bank may act on the instructions of any the Joint Customer acting singly but each of the Joint Customers shall be jointly and severally liable to the Bank with the other Joint Customers for any obligation or liability incurred by any of them to the Bank in connection with any Investment Deposit or otherwise under or in connection with these Terms;
 - (d) the Bank shall be at liberty to release or discharge any of such persons from his liability under these Terms or to accept any composition from or make other arrangements with any of such persons without releasing or discharging the other or others or otherwise prejudicing or affecting the rights and remedies of the Bank against the other or others, and none of them shall be released or discharged by the death of any one of them;
 - (e) any communication required to be made to the Customer (other than any notice given under Clauses 8 and 18) may be sent to the last known address of any one or more of such persons;
 - (f) any notice to the Customer under these Terms (other than any notice given under Clauses 8 and 18) shall be validly served if served on any one of such persons; and
 - (g) these Terms shall not be affected by the death, incapacity or dissolution of any Joint Customers.
- 15.2 If the Customer is a firm, these Terms shall be deemed to be binding on all person from time to time carrying on business in the name of or in succession to the firm and any change in the constitution of the firm whether by death, retirement or admission

of partner or otherwise shall not in any way affect, invalidate or discharge the obligations and liabilities of such persons.

16. **Assignment**

- 16.1 The Customer shall not assign or novate any of its rights or liabilities under these Terms.
- 16.2 The Bank may at any time and in any circumstance that the Bank in its sole and absolute discretion deems fit (including by way of example, but in no way restrictive, the consolidation, amalgamation or merger of the Bank with or into another entity or person), without any notice to or consent of the Customer, assign, novate or transfer the whole or any part of its rights, benefits, liabilities and/or obligations under these Terms to any person. For the avoidance of doubt, any of such assignment, novation or transfer shall not affect the provisions of these Terms and the terms of the executed contract as between the Bank and the Customer in relation to the relevant Investment Deposit. The Bank shall have the right to disclose to any assignee, novatee or transferee or potential assignee, novatee or transferee or to any other person with whom the Bank has entered into or may propose to enter into contractual relations in relation to these Terms such information about the Customer as the Bank shall consider appropriate.

17. **Notices**

- 17.1 Any communications or notices required or permitted to be given by or on behalf of the Bank to the Customer may be given in writing and sent by mail (postage prepaid) or facsimile or personal delivery addressed to the Customer at the last known mailing address or facsimile number on record with the Bank for the purpose of the relevant Investment Deposit, and shall be deemed to have been received by the Customer, if sent by letter, 2 days after posting if mailed to an address in Hong Kong or 5 days after posting if mailed to an address elsewhere; and if sent by facsimile or personal delivery, when dispatched.
- 17.2 Any communications or notices from the Customer to the Bank shall be irrevocable and ineffective until actually received.

18. **Amendment**

- 18.1 The Bank shall notify the Customer promptly in writing of any amendments to these Terms or any agreement or terms and conditions entered into pursuant to these Terms or relating to the Investment Deposit. The Bank may at its discretion amend, delete or substitute any of the terms or conditions under these Terms or add new terms to these Terms by sending to the Customer a notice setting out such amendment, deletion, substitution or addition at least 90 days prior to such amendment taking effect (unless any change is not within the Bank's control) and such amendment shall (save as aforesaid) be deemed incorporated in and shall form part of these Terms or the respective terms and conditions (as appropriate).

19. **Customer Authorisation**

- 19.1 If the Customer is obliged to pay an amount of cash in any currency or deliver any securities under these Terms, the Customer hereby authorises the Bank to make such payment or delivery from monies, currencies or securities credited to the accounts of the Customer held with the Bank in satisfaction of such obligations.
- 19.2 If the Investment Deposit and/or the instruction of the Customer requiring or involving an exchange into or from one currency to another, the costs thereof and any profit or loss arising as a result of a fluctuation in the exchange rate of the relevant currency will be entirely for the account of the Customer. The Bank may convert moneys in the Settlement Account into and from any currency at such rate of exchange as the Bank shall in its sole discretion determine as being the then prevailing money market rate. Such conversion may be made for the purpose of any transaction or for the calculation of any debit balance due from the Customer or credit balance owed to the Customer.

20. **Use of Customer Information**

- 20.1 The Bank will keep information relating to the Investment Deposit and Settlement Account confidential, but is authorised to conduct credit enquiries on the Customer to verify the information provided and may provide any such information to (i) its auditors, legal advisers, brokers or dealers instructed by the Bank on behalf of the Customer, (ii) the Hong Kong regulators or any other regulatory authority to comply with their requirements or requests for information and (iii) any of the Bank's branches or associates or any group company of the Bank. The Bank shall not be liable in any way to the Customer for any disclosure made pursuant to this Clause 20.1.
- 20.2 Where the Customer is an individual, the Customer agrees to be bound by the Bank's "Notice to Customers relating to the Personal Data (Privacy) Ordinance", a copy of which is available with these Terms, and to the use of his/her personal data in the manner specified in the said Notice.

21. **Combination and Set-Off**

- 21.1 The Bank may, at any time and without notice to the Customer, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any of the Customer's accounts with the Bank (including the Settlement Account) or with any subsidiaries or associated companies and set-off or transfer any receivables held in or for the account of, or moneys standing to the credit of, any one or more of such accounts in or towards satisfaction of any of the Liabilities. Where any such set-off, consolidation, combination or transfer requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange conclusively determined by the Bank to be applicable.
- 21.2 For the purpose of exercising the right of set-off or of discharging any Liabilities, the Bank may sell or dispose of any of the Investment Deposit, securities, receivables or monies from time to time held in or for the account of the Settlement Account or any other account with the Bank. The Bank shall be under no duty to the Customer as to the price obtained in respect of any such sale or disposal.

21.3 Where the Customer comprises two or more persons, the Bank may set off the credit balance in any accounts of any one or more of such persons with the Bank against the debit balance in other accounts which may be held by any one or more of such persons with the Bank.

22. **Miscellaneous Provisions**

22.1 If at any time any provision of these Terms is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

22.2 No failure or delay on the part of the Bank to enforce or exercise any right or power under these Terms shall operate as a waiver thereof nor shall any waiver by the Bank of any particular default by the Customer affect or prejudice any right or power of the Bank in respect of any other default or any subsequent default of the same or different kind nor shall any single or partial enforcement or exercise by Bank of any right or power under these Terms preclude any other or further enforcement or exercise thereof or the enforcement or exercise of any other right or power. No waiver of any default by the Customer shall be effective unless it is in writing and expressly stated to that effect and signed by the Bank.

23. **Risk Disclosure Statements**

23.1 Investment Deposits carry risks not normally associated with ordinary bank deposits and are generally not a suitable substitute for ordinary savings or time deposits.

23.2 The return on each Investment Deposit will be dependent, to at least some extent, on movements in some specified securities, currency exchange rate, interest rate, indices or commodity prices which are affected by a wide range of factors, including national and international financial and economic conditions and political and natural events. The effect of normal market forces may at times be countered by intervention by central banks and other bodies. At times, exchange rates, and prices linked to such rates, may rise or fall rapidly. Exchange controls or other monetary and financial measures may be imposed by a government, sometimes with little or no warning. Such measures may have a significant effect on the linked underlyings and may have unexpected consequences for any Investment Deposit.

23.3 The Customer should carefully study the financial markets and consider whether the Investment Deposit is suitable for him in the light of his financial position and investment objectives. If necessary, the Customer should seek professional advice before entering into any transaction.

23.4 The Customer hereby confirms and agrees that he :-

- (a) is fully satisfied and understands the extent of the exposure to risk inherent in each Investment Deposit, and
- (b) if necessary, the Customer should seek professional advise in relation to each Investment Deposit.

23.5 The Investment Deposits cannot generally be cancelled or withdrawn prior to the Maturity Date without the consent of the Bank. If the Bank does consent to an early withdrawal, it will be a condition for such consent that the amount of any cost or loss suffered or incurred by the Bank by reason of early withdrawal is deducted from the deposit. Such costs and losses may include the cost of unwinding a hedging position taken by the Bank to cover the deposit, and may result in a lower rate of return than might be expected, or even a negative rate of return.

23.6 Nothing in this Clause 23 shall prejudice any other risk disclosure statements issued by the Bank.

24. **Governing Law and Jurisdiction**

24.1 These Terms and each Investment Deposit shall be governed by and construed in accordance with the laws of Hong Kong.

24.2 The Customer hereby :-

- (a) irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong and of any country where the Customer has assets now or in the future;
- (b) waives any objections on the grounds of venue, forum non convenient or similar grounds; and
- (c) consents to service of process including any writ, judgment or other notice by mail to the Customer's address on the Bank's records or to such other address as may subsequently be notified in writing to, and received by, the Bank.

25. **Language**

25.1 The Chinese translation of these Terms is provided for convenience only and the English version shall prevail for all purposes.

PART II : EQUITY LINKED DEPOSIT

The terms and conditions in this Part II set out the rights and obligations of you, the Customer, and us, the Bank, in connection with your investment in equity-linked deposits which the Bank makes available from time to time and are specified herein. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them.

1. Scope, Definitions and Interpretation

- 1.1 In this Part II, any reference to “**these Supplemental Terms**” shall be construed as reference to the terms and conditions for equity-linked deposits as set out in this Part II (as from time to time be amended or supplemented).
- 1.2 These Supplemental Terms will set out the methodology for determining the return and other factors in respect of or in relation to each ELD.
- 1.3 These Supplemental Terms supplement the terms and conditions in Part I (the “**General Terms**”) and form a part thereof. Unless otherwise stated, in the event of any conflict or discrepancy between the General Terms and these Supplemental Terms, these Supplemental Terms shall prevail.
- 1.4 The terms and conditions set out in these Supplemental Terms and the General Terms shall apply to each ELD placed by the Customer with the Bank from time to time, and each ELD is an Investment Deposit for such purpose.
- 1.5 The expressions defined in Clauses 1.1 and 1.2 of the General Terms shall, save where the context otherwise requires or as otherwise re-defined in this Part II, have the same meaning when used in these Supplemental Terms. Clauses 1.4 to 1.7 of the General Terms shall equally apply to these Supplemental Terms.
- 1.6 In these Supplemental Terms, references to “Clauses” and “Sub-Clauses” are, unless otherwise stated, to clauses and sub-clauses to these Supplemental Terms.
- 1.7 In these Supplemental Terms, save where the context otherwise requires:
- “**Base Currency**” means the currency in which any ELD is deposited, denominated and recorded as the currency of the Deposit Amount in the Confirmation;
- “**Deposit Amount**” means the principal amount of any ELD and specified as such in the Confirmation;
- “**Deposit Period**” means the period from the Deposit Value Date to the Maturity Date (as specified in the Confirmation) and specified as such in the Confirmation;
- “**Deposit Value Date**” means the date specified as such in the Confirmation, whether or not it is a Business Day or an Exchange Business Day or otherwise,;

"**ELD**" means any equity-linked deposit placed with and accepted by the Bank from time to time subject to and upon these Supplemental Terms and "**ELDs**" shall be construed accordingly;

"**Exchange**" means, for each Linked Stock, (a) The Stock Exchange of Hong Kong Limited or any successor organization or body performing similar functions or (b) if such Linked Stock is not traded in the stock market operated and managed by the organization referred to in (a) above, any organization which is permitted to operate, or not prevented from operating, in a country or territory outside Hong Kong by the laws of that country or territory and provides for the establishment, operation and management of a stock market in which such Linked Stock is primarily listed and traded;

"**Exchange Business Day**" means for any Exchange, a day on which such Exchange is scheduled to be open for trading for its regular trading session, other than a day on which trading on such Exchange is scheduled to close prior to its regular weekday closing time;

"**Fixing Date**" means the date specified as such in the Confirmation, subject to adjustments in accordance with these Supplemental Terms;

"**Fixing Price**" means the price of any Linked Stock as quoted by the Exchange at the Fixing Time on the Fixing Date, subject to adjustments in accordance with these Supplemental Terms;

"**Fixing Time**" means the fixing time specified as such in the Confirmation;

"**Issuer**" means the issuer of the Linked Stock;

"**Linked Stock**" means the shares or stocks covered by the Option and agreed between the Bank and the Customer when the relevant ELD is placed and recorded as such in the Confirmation;

"**Maturity Principal and Return**" means in relation to any ELD, an amount comprising the Deposit Amount and the Return and recorded as such in the Confirmation;

"**Option**" means in relation to any ELD, a put option entitling, but not obliging, the Bank to sell to the Customer on the Maturity Date at the Strike Price such quantity of the Linked Stock as calculated in accordance with Clause 3.1(b);

"**Return**" means the sum representing the return on any ELD calculated in accordance with Clause 2.1;

"**Return Rate**" means the rate specified as such in the Confirmation;

"**Securities Account**" means the securities account opened and maintained with the Bank or such other corporation or institution which is nominated by the Bank for the purpose of any ELD and specified as such in the Confirmation;

“**Spot Reference Price**” means the price of any Linked Stock as determined by the Bank and specified as such in the Confirmation; and

“**Strike Price**” means a price of any Linked Stock as is determined by the Bank by reference to the Spot Reference Price and specified as such in the Confirmation.

2. **Return on ELD**

- 2.1 In respect of each ELD, the Return is calculated by basing on the Deposit Amount at the Return Rate and on the basis of the actual number of days that have elapsed during the Deposit Period.
- 2.2 The Return of any ELD will be comprised of the Option premium (that is the purchase price paid by the Bank to the Customer for the Option in relation to such ELD) and the accruing interest or return.
- 2.3 The Option shall be automatically and irrevocably granted by the Customer to the Bank simultaneously with the placing of each ELD.

3. **Maturity and Settlement**

- 3.1 Subject to Clause 3.4, each ELD will be settled on the Maturity Date as follows :-
- (a) if the Fixing Price is higher than or equal to the Strike Price, the Bank will allow the Option to lapse and pay to the Customer the Maturity Principal and Return, all in the form of cash and in the Base Currency; and
 - (b) if the Fixing Price is lower than the Strike Price, then the Bank will not pay to the Customer the Maturity Principal and Return but will exercise the Option and transfer to the Customer (and the Customer will be bound to receive) such quantity of the Linked Stock calculated by converting the Maturity Principal and Return at the Strike Price.
- 3.2 The settlement of each ELD will be made in the following manner :-
- (a) any payment to the Customer in the form of cash pursuant to Clause 3.1(a) shall be made on the Maturity Date and, unless otherwise agreed by the Bank, to the Settlement Account. In the case where the Customer does not already have the Settlement Account, the Bank may open such account(s) under the Customer’s name without further notification to the Customer; and
 - (b) any transfer to the Customer of the Linked Stock pursuant to Clause 3.1(b) shall be settled by transferring the Linked Stock on the Maturity Date and, unless otherwise agreed by the Bank, to the Securities Account. Alternatively, the Bank shall (at its sole and absolute discretion and option) have the right to settle by payment in the form of cash (the amount of which is calculated in accordance with the following formula) and in the Base Currency to the Settlement Account on the Maturity Date in lieu of transferring the Linked Stock as aforesaid:-

$$\text{Cash Amount} = \text{Maturity Principal and Return} \times \frac{\text{Fixing Price}}{\text{Strike Price}}$$

- 3.3 Any payment and/or transfer to the Customer in accordance with Clauses 3.1 and 3.2

shall be or deemed to be full and final settlement of the relevant ELD on the part of the Bank.

- 3.4 If the Bank in its sole and absolute discretion determines that a Trading Disruption (as defined in Clause 4.4) has occurred at any time from the Trade Date and prior to the Fixing Date, the Bank may (but not oblige to) in its sole and absolute discretion allow the Option to lapse on the Maturity Date and pay to the Customer on the Maturity Date the Maturity Principal and Return, all in the form of cash and in the Base Currency and/or take such other actions as it deems fit.
- 3.5 If the Maturity Date of any ELD is not a Business Day or an Exchange Business Day, then unless otherwise specified in these Supplemental Terms, the Maturity Date shall be postponed to the first succeeding day that is a Business Day and an Exchange Business Day.
- 3.6 If any of the following events occurs during the day on which the Bank shall transfer to the Customer the Linked Stock in accordance with these Supplemental Terms,
- (a) the day is a Disrupted Day (as defined in Clause 4.4) or there exists any event beyond the control of the Bank as a result of which the Bank is unable to deliver or transfer the Linked Stock;
 - (b) the register of members of the Issuer is closed for the purpose of establishing any dividend or other rights attaching to the Linked Stock; or
 - (c) a transfer of the Linked Stock cannot be recorded in the register of members of the Issuer;
- then the Bank may in its sole and absolute discretion postpone the transfer of the Linked Stock to the first succeeding day that is a Business Day and an Exchange Business Day and none of the events/conditions specified in Clause 3.6(a), (b) or (c) occurs or exists and the delivery or transfer may be effected or the register of members is open or transfer can be recorded (as the case may be) provided always that notwithstanding such postponement, no adjustment will be made to the Maturity Principal and Return.

4. Fixing Date and Market Disruption

- 4.1 If the Fixing Date is not a Business Day or an Exchange Business Day, then the Fixing Date shall be postponed to the first succeeding day that is a Business Day and an Exchange Business Day unless such day is a Disrupted Day, in which case Clause 4.2 shall apply.
- 4.2 If the Fixing Date is a Disrupted Day, the Bank may :-
- (a) in its sole and absolute discretion settle the ELD by determining the Fixing Price in its good faith and in a commercially reasonable manner and from information which the Bank believes to be relevant for such purpose, and the Bank will notify the Customer of its determination provided that the right of the Bank under these Supplemental Terms shall not be affected in any way by any delay or failure of such notification; and/or
 - (b) postpone the Fixing Date to such date when the Bank believes that it is possible and practicable to determine the Fixing Price in its sole and absolute discretion.

4.3 If the Fixing Day is postponed in accordance with this Clause, the Maturity Date mentioned in Clause 3.2 on which payment of cash or transfer of the Linked Stock is scheduled to be made to the Customer shall accordingly be postponed to the second day immediately following the postponed Fixing Date and Clause 3.5 shall apply accordingly. Notwithstanding any postponement of the Fixing Date and/or the Maturity Date as provided in these Supplemental Terms, no adjustment will be made to the Maturity Principal and Return.

4.4 For the purpose of this Clause,

“Disrupted Day” means any Exchange Business Day on which the Exchange fails to open for trading during its regular trading session or on which any Market Disruption Event has occurred;

“Market Disruption Event” means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Bank in its sole and absolute discretion determines is material, at any time on the Fixing Date, or (iii) an Early Closure;

“Trading Disruption” means any suspension of or limitation imposed on trading by the Exchange and whether by reason of movements in price exceeding limit permitted by the Exchange or otherwise (i) relating to the Linked Stock on the Exchange, or (ii) in options contracts or future contracts relating to the Linked Stock on any related exchange;

“Exchange Disruption” means any event that disrupts or impairs (as determined by the Bank in its sole and absolute discretion) the ability of market participants in general (i) to effect transactions in, or to obtain market values for, the Linked Stock on the Exchange, or (ii) to effect transactions in, or to obtain market values for, futures or options contracts relating to the Linked Stock on any related exchange; and

“Early Closure” means the closure on any Exchange Business Day of the Exchange or any related exchanges prior to the regular weekday closing time.

5. Adjustment provisions

5.1 Following each Potential Adjustment Event (as defined in Clause 5.2),

- (a) the Bank shall in its sole and absolute discretion (but is not obliged to) determine the appropriate adjustment to be made to the Fixing Price, the Maturity Principal and Return and/or other terms of these Supplemental Terms to account for the diluting or concentrative effect of any Potential Adjustment Event or otherwise necessary to preserve the economic equivalent of the rights of the Bank or Customer under any ELD prior to that Potential Adjustment Event, such adjustment to be effective as of the date determined by the Bank in its sole and absolute discretion; and
- (b) in determining whether an adjustment should be made as a result of the occurrence of any Potential Adjustment Event, the Bank may have regard to, but shall not be bound by, any adjustment to the terms of any options contract or futures contract relating to the Linked Stock made and announced by the Exchange or other exchanges.

- 5.2 A "**Potential Adjustment Event**" means the declaration by the Issuer of any of the following :-
- (a) a subdivision, consolidation or reclassification of the Linked Stock or a free distribution of the Linked Stock to existing holders by way of bonus, capitalization or similar issue;
 - (b) a distribution, issue or dividend to existing holders of the Linked Stock of (i) the Linked Stock, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of the Linked Stock, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Bank in its sole and absolute discretion;
 - (c) an extraordinary dividend (the characterisation of a dividend or a portion thereof as extraordinary shall be determined by the Bank in its sole and absolute discretion);
 - (d) a call by the Issuer in respect of the Linked Stock that are not fully paid;
 - (e) a repurchase by the Issuer of the Linked Stock, whether out of profits or capital and whether the consideration for such repurchase is cash, new shares, securities or otherwise; or
 - (f) any event in respect of the Linked Stock analogous to any of the foregoing events or otherwise having, in the opinion of the Bank, a diluting or concentrative effect on the market value of the Linked Stock.
- 5.3 If the De-Listing, Insolvency, Merger Event, Nationalisation or Material Event occurs in respect of or relation to the Linked Stock,
- (a) the Bank shall in its sole and absolute discretion determine the appropriate adjustment to be made to the Fixing Price, the Maturity Principal and Return and/or other terms of these Supplemental Terms to reflect the De-Listing, Insolvency, Merger Event, Nationalisation or Material Event (as the case may be), such adjustment to be effective as of the date determined by the Bank in its sole and absolute discretion;
 - (b) in determining whether any adjustment should be made as a result of the occurrence of the De-Listing, Insolvency, Merger Event, Nationalisation or Material Event, the Bank may have regard to, but shall not be bound by, any adjustment to the terms of any options contract or futures contract relating to the Linked Stock made and announced by the Exchange or other exchanges.

5.4 For the purpose of this Clause 5,

"**De-Listing**" means that the Linked Stock cease, for any reason, to be listed on the Exchange and as of such de-listing are not immediately re-listed on another recognised stock exchange or quotation system in the same jurisdiction as the Exchange;

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding affecting, the Issuer, (i) the Linked Stock are required to be transferred to a trustee, liquidator or other similar

official; or (ii) holders of the Linked Stock become legally prohibited from transferring them;

"Merger Event" means any (i) reclassification or change of the Linked Stock that results in a transfer of or an irrevocable commitment to transfer the Linked Stock outstanding, (ii) consolidation, amalgamation or merger of the Issuer with or into another entity or person (other than a consolidation, amalgamation or merger in which the Issuer is the continuing entity and which does not result in any such reclassification or change of the Linked Stock outstanding); or (iii) other takeover offer for the Linked Stock that results in a transfer of or an irrevocable commitment to transfer the Linked Stock (other than such Linked Stock owned or controlled by the offeror), in each case if the Merger Date is on or before the Maturity Date; and **"Merger Date"** means, in respect of a Merger Event, the date upon which all holders of the Linked Stock (other than, in the case of a takeover offer, Linked Stock owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer the Linked Stock;

"Nationalisation" means that the Linked Stock or all the assets or substantially all the assets of the Issuer (other than such Linked Stock owned or controlled by a governmental agency, authority or entity) are nationalised, expropriated or are otherwise required to be transferred to any such governmental agency, authority or entity; and

"Material Event" means any event, analogous to any of the foregoing events or otherwise, in respect of which the Bank determines in good faith that any adjustment shall be made to these Supplemental Terms.

6. Transaction Fees

- 6.1 All stock transaction charges (howsoever named and including but not limited to any Exchange levy, stamp duty, stock deposit fee, custody fee and Central Clearing and Settlement System settlement fee) in respect of or in relation to the transfer of the Linked Stock to the Customer by the Bank under these Supplemental Terms (whether to the Securities Account or otherwise) are payable by the Customer on demand. The Customer agrees and authorises the Bank to debit the relevant amounts payable by the Customer from the Settlement Account at such time when the same is due.

7. Risk Disclosure Statements

- 7.1 Each ELD carries risks not normally associated with ordinary bank deposits and is generally not a suitable substitute for ordinary savings or time deposits. If there is a cap on the total amounts of the Maturity Principal and Return in the ELD, the amount payable for such ELD is pre-determined and under no circumstances will the Customer receive at maturity an amount more than the Maturity Principal and Return.
- 7.2 If the ELD is not "principal protected". It is as likely that losses will be incurred rather than profit made as a result of placing any ELD. The return on the ELD will be dependent on movements in the stock market conditions and in particular subject to the risk of fluctuation in the price of the Linked Stock which may be up or down and such fluctuation may sometimes be dramatic. The form of return on the ELD may

either be cash or a specified quantity of the Linked Stock depending on the Fixing Price of the Linked Stock. If the Fixing Price of the Linked Stock is lower than the Strike Price, the Customer is obliged to take the specified quantity of the Linked Stock, the market value of which could be substantially less than the value of the original investment. The Linked Stock received by the Customer may even become worthless. Hence, the risk of loss to the Customer may be very substantial. The Customer should therefore carefully study the stock market and the Linked Stock, understand the risks associated with the ELD and seriously consider whether the ELD is suitable investment for him in the light of his financial position, investment experience, investment objectives and other relevant circumstances.

- 7.3 The Customer hereby confirms and agrees that :-
- (a) the Customer is prepared to accept the Maturity Principal and Return being returned in the form of a specified quantity of the Linked Stock;
 - (b) the Customer fully satisfies with and understands the extent of the exposure to risks inherent in any ELD and the extent to which such risk is appropriate for the Customer in the light of the Customer's financial position, investment experience and investment objectives; and
 - (c) if necessary, the Customer should seek independent financial and legal advice in relation to each ELD before entering into any transaction.
- 7.4 The ELDs cannot be cancelled or withdrawn by the Customer prior to the agreed Maturity Date.
- 7.5 If the Customer provides the Bank with an authority to hold mail or to direct mail to third parties, it is important for the Customer to promptly collect in person all documents relating to any ELD and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.
- 7.6 Nothing in this Clause 7 shall prejudice any other risk disclosure statements issued by the Bank.

8. Potential Conflict of Interest

- 8.1 The Bank and/or affiliates of the Bank may buy and sell the Linked Stock or derivatives of the Linked Stock, and may issue other instruments the value of which are linked to the value of the Linked Stock. These activities may affect the market value of the Linked Stock, or could result in the Bank, having interests which conflict with those of the Customer in relation to the market value of the Linked Stock. The Bank and /or affiliates of the Bank may also act as underwriter in connection with future offerings of shares or other securities or may act as financial adviser to the issuer, or sponsor, as the case may be, of any such share or other security or in a commercial banking capacity for the issuer of any such share or other security. Such activities could present certain conflicts of interest and may affect the value of any ELD.

PART III : COMMODITY LINKED DEPOSIT

The terms and conditions in this Part III set out the rights and obligations of you, the Customer, and us, the Bank, in connection with your investment in commodity-linked deposits which the Bank makes available from time to time and are specified herein. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them.

1. Scope, Definitions and Interpretation

- 1.1 In this Part III, any reference to “**these Supplemental Terms**” shall be construed as reference to the terms and conditions for commodity-linked deposits as set out in this Part III (as from time to time be amended or supplemented).
- 1.2 These Supplemental Terms will set out the methodology for determining the return and other factors in respect of or in relation to each COMLD.
- 1.3 These Supplemental Terms supplement the terms and conditions in Part I (the “**General Terms**”) and form a part thereof. Unless otherwise stated, in the event of any conflict or discrepancy between the General Terms and these Supplemental Terms, these Supplemental Terms shall prevail.
- 1.4 The terms and conditions set out in these Supplemental Terms and the General Terms shall apply to each COMLD placed by the Customer with the Bank from time to time, and each COMLD is an Investment Deposit for such purpose.
- 1.5 The expressions defined in Clauses 1.1 and 1.2 of the General Terms shall, save where the context otherwise requires or as otherwise re-defined in this Part III, have the same meaning when used in these Supplemental Terms. Clauses 1.4 to 1.7 of the General Terms shall equally apply to these Supplemental Terms.
- 1.6 In these Supplemental Terms, references to “Clauses” and “Sub-Clauses” are, unless otherwise stated, to clauses and sub-clauses to these Supplemental Terms.
- 1.7 In these Supplemental Terms, save where the context otherwise requires:

“**Base Currency**” means the currency in which any COMLD is deposited, denominated and recorded as the currency of the Deposit Amount in the Confirmation;

“**Base Price**” means, in relation to any Linked Commodity, the official settlement price as quoted by the relevant Exchange at the Fixing Time on the Trade Date and displayed on the Price Source as specified in the Confirmation, subject to adjustments in accordance with these Supplemental Terms;

“**COMLD**” means any commodity-linked deposit placed with and accepted by the Bank from time to time subject to and upon these Supplemental Terms and “**COMLDs**” shall be construed accordingly;

“**Deposit Amount**” means the principal amount of any COMLD and specified as such in the Confirmation;

“**Deposit Value Date**” means the date specified as such in the Confirmation, whether or not it is a Business Day or an Exchange Business Day or otherwise;

"**Exchange**" means, in respect of each Linked Commodity, an exchange or quotation system on which the Linked Commodity or any futures contract relating to the Linked Commodity is traded (or any successor organization or body performing similar functions) and is specified as such in the Confirmation;

"**Exchange Business Day**" means for any Exchange, a day on which such Exchange is scheduled to be open for trading for its regular trading session, other than a day on which trading on such Exchange is scheduled to close prior to its regular weekday closing time;

“**Fixing Date**” means the date specified as such in the Confirmation, subject to adjustments in accordance with these Supplemental Terms;

"**Fixing Price**" means, in relation to any Linked Commodity, the official settlement price as quoted by the Exchange at the Fixing Time on the Fixing Date and displayed on the Price Source as specified in the Confirmation, subject to adjustments in accordance with these Supplemental Terms;

“**Fixing Time**” means the fixing time specified as such in the Confirmation;

“**Interest**” means the fixed interest, if any, payable on any COMLD;

“**Interest Payment Date**” means any date on which the Interest will become payable and specified as such on the Confirmation, subject to adjustments in accordance with these Supplemental Terms;

“**Interest Rate**” means the interest rate per annum specified as such in the Confirmation;

"**Linked Commodity**" means each commodity referred to in Clause 2.1, and “**Linked Commodities**” shall be construed accordingly;

“**Maturity Payment**” means, in relation to any COMLD, the amount payable to the Customer upon maturity, which shall comprise of an amount equivalent to 100% of the Deposit Amount and the Variable Return;

“**Price Source**” means, in respect of any Linked Commodity, any publication (or such other origin of reference, include an Exchange) containing (or reporting) the settlement price (or the information necessary for determining the settlement price) for the Linked Commodity; and

“**Variable Return**” means the amount, if any, payable on any COMLD and more particularly described in Clause 4.

2. **Linked Commodity**

2.1 In respect of each COMLD, the Variable Return is linked to the performance of one underlying commodity or a basket of underlying commodities as agreed between the Customer and the Bank when the relevant COMLD is placed and recorded as such on the Confirmation.

2.2 By way of example, and without limitation, the Linked Commodities may include gold, silver, aluminium, copper, crude oil, natural gas, nickel, lead and platinum.

3. **Interest**

3.1 In respect of any COMLD, this Clause 3 shall only apply if and only if the relevant Confirmation specifies that the Interest is payable on the COMLD.

3.2 Unless otherwise specified in the relevant Confirmation, the Interest will be accrued on the Deposit Amount from (and including) the Deposit Value Date to (and excluding) the Maturity Date at the rate per annum equal to the Interest Rate.

3.3 The Interest shall accrue from day to day, and be calculated on the basis of the actual number of days elapsed and a 360 day year.

3.4 Unless otherwise specified in these Supplemental Terms:-

(a) the Interest will become payable on each Interest Payment Date; and

(b) in respect of any Interest Payment Date, the Interest will accrue from (and including) the immediately preceding Interest Payment Date (if none, the Deposit Value Date) to (and excluding) such Interest Payment Date and paid thereon.

3.5 If any Interest Payment Date is not a Business Day, then such Interest Payment Date shall be postponed to the first succeeding day that is a Business Day provided always that notwithstanding such postponement, no adjustment will be made to the amount of the Interest payable thereon.

3.6 Unless otherwise agreed by the Bank, the Interest will be paid into the Settlement Account. In the case where the Customer does not already have the Settlement Account, the Bank may open such account(s) under the Customer's name without further notification to the Customer.

4. **Variable Return**

4.1 The manner of determining and calculating the Variable Return of each COMLD will be set out in the Confirmation. In any event, the amount of the Variable Return is calculated by reference to the Base Price and the Fixing Price of each Linked Commodity.

4.2 The Variable Return may or may not be less than zero and will be specified in the Confirmation.

5. **Maturity and Settlement**

- 5.1 Unless otherwise specified in these Supplemental Terms, each COMLD will be settled on the Maturity Date, and the Bank will settle the same by paying to the Customer the Maturity Payment, all in the form of cash and in the Base Currency.
- 5.2 Unless otherwise agreed by the Bank, the Maturity Payment will be paid into the Settlement Account. In the case where the Customer does not already have the Settlement Account, the Bank may open such account(s) under the Customer's name without further notification to the Customer.
- 5.3 Any payment to the Customer in accordance with Clauses 5.1 and 5.2 shall be or deemed to be full and final settlement of the relevant COMLD on the part of the Bank.
- 5.4 If the Maturity Date of any COMLD is not a Business Day or an Exchange Business Day, then unless otherwise specified in these Supplemental Terms, the Maturity Date shall be postponed to the first succeeding day that is a Business Day and an Exchange Business Day.

6. **Market Disruptions**

- 6.1 In respect of any COMLD, if the Bank determines that any Market Disruption Event in respect of any one or more Linked Commodities has occurred and is continuing on a day which is scheduled to be a day on which the Base Price or Fixing Price of the Linked Commodity is to be determined or any other day on which the Base Price or Fixing Price is required to be determined, the Bank may :-
- (a) in its sole and absolute discretion determine the Base Price or the Fixing Price in its good faith and in a commercially reasonable manner and from information which the Bank believes to be relevant for such purpose, and the Bank will notify the Customer of its determination provided that the right of the Bank under these Supplemental Terms shall not be affected in any way by any delay or failure of such notification; and/or
 - (b) postpone such determination day to such date when the Bank believes that it is possible and practicable to determine the Base Price or the Fixing Price (as the case may be) in its sole and absolute discretion.
- 6.2 If a day on which the Base Price or Fixing Price of the Linked Commodity is scheduled to be determined or any other day on which the Base Price or Fixing Price is required to be determined is not a Business Day or an Exchange Business Day, then such day shall be postponed to the first succeeding day that is a Business Day and an Exchange Business Day.
- 6.3 If the Fixing Date is postponed in accordance with this Clause, the Maturity Date mentioned in Clause 5.1 on which payment of the Maturity Payment is scheduled to be made to the Customer shall accordingly be postponed to the second day immediately following the postponed Fixing Date and Clause 5.4 shall apply accordingly. If any Interest Payment Date shall fall on the Maturity Date, such Interest Payment Date shall also be postponed to such postponed Maturity Date. Notwithstanding any postponement of the Fixing Date, the Maturity Date and/or the

Interest Payment Date as provided in these Supplemental Terms, no adjustment will be made to the Maturity Payment or the amount of Interest payable.

6.4 **“Market Disruption Event”** means, in respect of any Linked Commodity, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Bank which has or will have a material adverse effect on the ability of commodity dealers generally to place, maintain or modify hedges of positions in respect of such Commodity. A Market Disruption Event may include, without limitation, any of the following events:-

- (a) any failure of trading to commence, or the permanent discontinuation of trading, or any suspension or absence of or limitation on trading of the Linked Commodity or any futures or options contracts in respect of the Linked Commodity on the applicable Exchange, or the occurrence of any event that disrupts or impairs (as determined by the Bank) the ability of market participants in general:-
 - (i) to effect transactions in, or to obtain market values for, the Linked Commodity on the applicable Exchange, or
 - (ii) to effect transactions in, or obtain market values for, future or options contracts in respect of the Linked Commodity on the applicable Exchange

(collectively the **“Exchange Disruption”**);

- (b) the failure of the Price Source to announce or publish the settlement price for the Linked Commodity (or the information necessary for determining the settlement price), or the temporary or permanent discontinuance or unavailability of the Price Source (the **“Price Source Disruption”**);
- (c) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for the Bank to perform its obligations under the COMLD or for dealers generally to place, maintain or modify hedges of positions in respect of the Linked Commodity;
- (d) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets of a country in which any applicable Exchange is located;
- (e) the occurrence of any event including, without limitation, any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Bank to perform its obligations under the COMLD or of dealers generally to place, maintain or modify hedges of positions with respect to the Linked Commodity or a material and adverse effect on the economy of the country where the Exchange is located or the trading of the Linked Commodity or futures or options contracts in respect of

the Linked Commodity generally on the applicable Exchange.

7. **Adjustment provisions**

7.1 If at any time prior to the Maturity Date there occurs any Potential Adjustment Event (as defined in Clause 7.2), the Bank shall in its sole and absolute discretion (but is not obliged to) determine the appropriate adjustment to be made to the Base Price, the Fixing Price, the Variable Return and/or other terms of these Supplemental Terms to account for such material change and to preserve the economic equivalent of the rights of the Bank or Customer under any COMLD prior to that Potential Adjustment Event, such adjustment to be effective as of the date determined by the Bank in its sole and absolute discretion.

7.2 **"Potential Adjustment Event"** means:-

- (a) the occurrence of a material change in the formula for or method of determining the price for the Linked Commodity;
- (b) the occurrence of a material change in the content, composition or constitution of the Linked Commodity or the future or option contract relating to the determination of the specified price for the Linked Commodity; or
- (c) any event in respect of the Linked Commodity analogous to any of the foregoing events.

8. **Accelerating the Determination and Payment of Variable Return**

8.1 In respect of any COMLD, if the Bank at any time determines that one or more Market Disruption Events or Potential Adjustment Events in respect of one or more Linked Commodities has occurred and is continuing, and if any such Market Disruption Event or Potential Adjustment Event has continued for at least eight (8) consecutive days that are Exchange Days, the Bank may, at its option upon notice to the Customer, elect to accelerate the determination and payment of the Variable Return on a specified date (the "**Acceleration Date**"). In such event:-

- (a) the Fixing Price of all the Linked Commodities shall be determined as of the Acceleration Date;
- (b) the Bank shall in its sole and absolute discretion determine the Fixing Price for the Linked Commodity in respect of which the Market Disruption Event has occurred and is continuing in its good faith and in a commercially reasonable manner and from information which the Bank believes to be relevant for such purpose;
- (c) the Bank shall be entitled to make such adjustments, if any, to the formula for calculating the Variable Return as the Bank reasonably determines appropriate to account for the fact that, as a consequence of the occurrence and continuance of the Market Disruption Event or Potential Adjustment Event, the Fixing price is to be determined as of the Acceleration Date, rather than on the Fixing Date;

- (d) payment of the Variable Return shall be made within reasonable time at the Bank's sole discretion after the Acceleration Date.
- 8.2 For the avoidance of doubt, notwithstanding that the Bank has accelerated the payment of the Variable Return, the Deposit Amount or the Interest will not be accelerated and will remain due and payable on the Maturity Date or the relevant Interest Payment Date.
- 8.3 If the Bank determines that the Market Disruption Event has occurred in respect of one or more of the Linked Commodities and such Market Disruption Event is the result of an Exchange Disruption or a Price Source Disruption, then, in lieu of accelerating the determination and payment of the Variable Return as provided under Clause 8.1, the Bank may use an alternate Exchange or Price Source (as the case may be) to determine the Fixing Price for the affected Linked Commodity.
9. **Risk Disclosure Statements**
- 9.1 Each COMLD carries risks not normally associated with ordinary bank deposits and is generally not a suitable substitute for ordinary savings or time deposits. If there is a cap on the total amounts of the Maturity Payment in the COMLD, the amount payable for such COMLD is pre-determined and under no circumstances will the Customer receive at maturity an amount more than the Maturity Payment.
- 9.2 If the COMLD is not "principal protected", losses may be incurred rather than profit made as a result of placing any COMLD.
- 9.3 It is uncertain as to how much Variable Return, if any, will be payable as the Variable Return will be dependent on movements in the commodity market conditions and in particular subject to the risk of fluctuation in the price of the Linked Commodity which may be up or down and such fluctuation may sometimes be dramatic. There is a possibility that no amount of Variable Return will be payable. The Customer should therefore carefully study the commodity market and the Linked Commodities, understand the risks associated with the COMLD and seriously consider whether the COMLD is suitable investment for him in the light of his financial position, investment experience, investment objectives and other relevant circumstances.
- 9.4 The Customer hereby confirms and agrees that :-
- (a) the Customer fully satisfies with and understands the extent of the exposure to risks inherent in any COMLD and the extent to which such risk is appropriate for the Customer in the light of the Customer's financial position, investment experience and investment objectives; and
- (b) if necessary, the Customer should seek independent financial and legal advice in relation to each COMLD before entering into any transaction.
- 9.5 The COMLDs cannot be cancelled or withdrawn by the Customer prior to the agreed Maturity Date.

- 9.6 If a Market Disruption Event in respect of any Linked Commodity occurs on a day on which the Base Price or the Fixing Price of the Linked Commodity is to be determined, the determination of such prices will be postponed to a later date. Fluctuations in prices may occur in the interim.
- 9.7 Investment in the COMLD is not equivalent to a direct investment in the Linked Commodity. The COMLD does not represent an interest in any of the Linked Commodities and the Customer will have no right or entitlement to any Linked Commodity. The Customer is subject to different risks than the risks of such a direct investment and any return payable on the COMLD will not be identical to the return associated with the Linked Commodities.
- 9.8 If the Customer provides the Bank with an authority to hold mail or to direct mail to third parties, it is important for the Customer to promptly collect in person all documents relating to any COMLD and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.
- 9.9 Nothing in this Clause 9 shall prejudice any other risk disclosure statements issued by the Bank.

10. **Potential Conflict of Interest**

The Bank and/or affiliates of the Bank may buy and sell the Linked Commodity or derivatives of the Linked Commodity, and may issue other instruments the value of which are linked to the value of the Linked Commodity. These activities may affect the market value of the Linked Commodity, or could result in the Bank, having interests which conflict with those of the Customer in relation to the market value of the Linked Commodity.

PART IV : CURRENCY LINKED DEPOSITS

The terms and conditions in this Part IV set out the rights and obligations of you, the Customer, and us, the Bank, in connection with your investment in currency linked deposits which the Bank makes available from time to time and are specified herein. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them.

9. Scope, Definitions and Interpretation

9.1 In this Part IV, any reference to “**these Supplemental Terms**” shall be construed as reference to the terms and conditions for currency-linked deposits as set out in this Part IV (as from time to time be amended or supplemented).

9.2 These Supplemental Terms will set out the methodology for determining the return and other factors in respect of or in relation to each CURLD or PPCURLD.

9.3 These Supplemental Terms supplement the terms and conditions in Part I (the “**General Terms**”) and form a part thereof. Unless otherwise stated, in the event of any conflict or discrepancy between the General Terms and these Supplemental Terms, these Supplemental Terms shall prevail.

9.4 The terms and conditions set out in these Supplemental Terms and the General Terms shall apply to each CURLD or PPCURLD placed by the Customer with the Bank from time to time, and each CURLD or PPCURLD is an Investment Deposit for such purpose.

9.5 The expressions defined in Clauses 1.1 and 1.2 of the General Terms shall, save where the context otherwise requires or as otherwise re-defined in this Part IV, have the same meaning when used in these Supplemental Terms. Clauses 1.4 to 1.7 of the General Terms shall equally apply to these Supplemental Terms.

9.6 In these Supplemental Terms, references to “Clauses” and “Sub-Clauses” are, unless otherwise stated, to clauses and sub-clauses to these Supplemental Terms.

9.7 In these Supplemental Terms, save where the context otherwise requires:

“**Base Currency**” means the currency in which any CURLD or PPCURLD is deposited and denominated, and is specified as the currency of the Principal in the Confirmation;

“**CURLD**” means any currency-linked deposit which the Bank makes available from time to time subject to and upon these Supplemental Terms and the Confirmation;

“**Closing Price**” means the exchange rate as between the Linked Currency and the Base Currency conclusively quoted by the Bank with reference to the prevailing market spot rate at the Determination Time on the Determination Date;

“Deposit Period” means the period of CURLD or PPCURLD as specified as such in the Confirmation;

“Determination Date” means the determination date as specified as such in the Confirmation;

“Determination Time” means a time on the Determination Date as specified as such in the Confirmation;

“Disruption Event” means the hoisting of No.8 or higher typhoon signal or the issuing of a “Black” rainstorm warning, or such other event as specified in the Confirmation;

“Linked Currency” means the currency covered by the Option and agreed between the Bank and the Customer when the relevant CURLD or PPCURLD is placed, and is specified as such in the Confirmation;

“Option” means in relation to any CURLD, a call or put option under which the Bank or the Customer (as option holder) is entitled, but not obliged, to exercise on the Maturity Date : (a) so as to buy or to sell (as the case may be) at the Strike Price such amount of the Linked Currency as calculated in accordance with the Confirmation, or (b) so as to execute or implement such special agreement, transaction or arrangement as specified by such option set out in the Confirmation;

“PPCURLD” means any principal protected CURLD which the Bank makes available from time to time subject to and upon these Supplemental Terms and the Confirmation;

“Premium” means the purchase price paid by the Bank to the Customer for the Option in relation to any CURLD or PPCURLD;

“Principal” means the principal amount of any CURLD or PPCURLD and specified as such in the Confirmation;

“Return” means the sum representing the return on any CURLD and any PPCURLD calculated in accordance with Clauses 3 and 4, respectively;

“Return Rate” means, in relation to any CURLD, the rate specified as such on the Confirmation;

“Return Calculation” means, in relation to any PPCURLD, the methodology or formula adopted in calculating the Return as specified or set out in the Confirmation; and

“Strike Price” means, in relation to any CURLD, the exchange rate as between the Linked Currency and the Base Currency specified as such on the Confirmation at which the Linked Currency may be sold to the Customer by the Bank upon the exercise of the Option.

10. **Grant of Option**

10.1 The Option shall be automatically and irrevocably granted by the Bank or Customer (as the case may be) to the Customer or Bank (as the case may be) simultaneously with the placing of each CURLD or PPCURLD.

11. **Return on CURLD**

11.1 In respect of each CURLD, the Bank will pay to the Customer the Return on the Maturity Date. The Return is payable on the Principal for the Deposit Period, calculated at the Return Rate on the basis of the Base Currency, the actual number of days that have elapsed during such Deposit Period and of other terms set out in the Confirmation.

12. **Return on PPCURLD**

12.1 In respect of each PPCURLD, the Bank shall pay to the Customer the Principal and Return on the Maturity Date. The Return is payable on the Principal for the Deposit Period, calculated in accordance with the Return Calculation specified in each Confirmation and other terms set out in the Confirmation.

12.2 The interest accruing on the Principal will be treated as a Premium paid back by the Bank to the Customer.

13. **Maturity and Settlement**

13.1 In respect of any CURLD and PPCURLD, the Bank shall compare the Closing Price with the Strike Price at Determination Time on the Determination Date. The Bank and Customer shall exercise the Option in accordance with the Confirmation.

13.2 In respect of each CURLD, the Bank or the Customer (as the case may be) shall, in accordance with these Supplemental Terms and the Confirmation, pay to the other party such amount and in the Base Currency or Linked Currency as specified, calculated or determined by the Confirmation and these Supplemental Terms.

13.3 In respect of each PPCURLD, the Bank shall, in accordance with these Supplemental Terms and the Confirmation, pay the Customer the Principal and Return (calculated in accordance with the Confirmation and these Supplemental Terms) and in the Base Currency or Linked Currency as specified or determined by the Confirmation.

13.4 Payment to the Customer pursuant to Clauses 5.2 and 5.3 shall be made on the Maturity Date and, unless otherwise agreed by the Bank, to the Settlement Account. In the case where the Customer does not have the Settlement Account, the Bank may open such account(s) under the Customer's name without further notification to the Customer.

13.5 Payment to the Customer in accordance with Clauses 5.2, 5.3 and 5.4 shall be or deemed to be full and final settlement of the relevant CURLD or PPCURLD on the part of the Bank.

13.6 If the Determination Date of any CURLD or PPCURLD originally specified in the

Confirmation is not a Business Day or the Bank is not open for business when a Disruption Event occurs at any time or throughout the Determination Date, then the Determination Date shall be the next succeeding day that is a Business Day or (as the case may be) at different hours of such day or the next succeeding day that is a Business Day on which there is no Disruption Event or such other time as the Bank considers appropriate.

- 13.7 If the Determination Date is postponed in accordance with Clause 5.6, the Maturity Date shall accordingly be postponed to the first succeeding day that is a Business Day on which no Disruption Event occurs.
- 13.8 If the Maturity Date of any CURLD or PPCURLD originally specified in the Confirmation is not a Business Day or the Bank is not open for business when a Disruption Event occurs at any time or throughout the Maturity Date, then the Maturity Date shall be the first succeeding day that is a Business Day or (as the case may be) the first succeeding day that is a Business Day on which there is no Disruption Event or such other time as the Bank considers appropriate.

14. **Risk Disclosure Statements**

- 14.1 Each CURLD or PPCURLD carries risks not normally associated with ordinary bank deposits and is generally not a suitable substitute for ordinary savings or time deposits.
- 14.2 The return on each CURLD and PPCURLD will be dependent, to at least some extent, on movements in some specified currency exchange rate. Currency exchange rates are affected by a wide range of factors, including national and international financial and economic conditions and political and natural events. The effect of normal market forces may at times be countered by intervention by central banks and other bodies. At times, exchange rates, and prices linked to such rates, may rise or fall rapidly. Exchange controls or other monetary measures may be imposed by a government, sometimes with little or no warning. Such measures may have a significant effect on the convertibility or transferability of a currency and may have unexpected consequences for any CURLD and PPCURLD.
- 14.3 CURLD is not “principal protected”. The principal amount of the deposit itself may be subject to variation by reference to the relevant currency exchange rate or may be repaid in a different currency. The total return on the deposit may be negative (when measured in terms of the currency of the original deposit) and, depending on the particular terms of any CURLD, the value of the principal repayable upon its maturity may be significantly less than the value deposited in the event of an adverse movement in the relevant exchange rate. The Customer should therefore carefully study the currency market and consider whether CURLD is a suitable investment for him in the light of his financial position, investment experience and investment objectives.
- 14.4 PPCURLD is “principal protected”. The Customer should be aware that he may only receive the Principal without Return on the Maturity Date. The Customer should therefore carefully study the currency market and consider whether PPCURLD is a suitable investment for him in the light of his financial position, investment experience and investment objectives.

14.5 The Customer hereby confirms and agrees that he :

- (a) in relation to CURLD, is prepared to accept the Principal and Return being returned in the form of the Linked Currency;
- (b) is fully satisfied and understands the extent of the exposure to risk inherent in each CURLD or PPCURLD and the extent to which such risk is appropriate for the Customer in the light of the Customer's financial position, investment experience and investment objectives, and
- (c) if necessary, the Customer should seek independent financial and legal advice in relation to each CURLD or PPCURLD before entering into any transaction.

14.6 If the Customer provides the Bank with an authority to hold mail or to direct mail to third parties, it is important for the Customer to promptly collect in person all documents relating to any CURLD and PPCURLD and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

14.7 Nothing in this Clause 6 shall prejudice any other risk disclosure statements issued by the Bank.

15. **Potential Conflict of Interest**

The Bank and/or affiliates of the Bank may buy and sell the Linked Currency or derivatives of the Linked Currency, and may issue other instruments the value of which are linked to the value of the Linked Currency. These activities may affect the exchange rate of the Linked Currency, or could result in the Bank, having interests which conflict with those of the Customer in relation to the exchange rate of the Linked Currency.

PART V : INDEX LINKED DEPOSIT

The terms and conditions in this Part V set out the rights and obligations of you, the Customer, and us, the Bank, in connection with your investment in index linked deposits which the Bank makes available from time to time and are specified herein. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them.

11. Scope, Definitions and Interpretation

- 11.1 In this Part V, any reference to “**these Supplemental Terms**” shall be construed as reference to the terms and conditions for index linked deposits as set out in this Part V (as from time to time be amended or supplemented).
- 11.2 These Supplemental Terms will set out the methodology for determining the return and other factors in respect of or in relation to each INDEXLD.
- 11.3 These Supplemental Terms supplement the terms and conditions in Part I (the “**General Terms**”) and form a part thereof. Unless otherwise stated, in the event of any conflict or discrepancy between the General Terms and these Supplemental Terms, these Supplemental Terms shall prevail.
- 11.4 The terms and conditions set out in these Supplemental Terms and the General Terms shall apply to each INDEXLD placed by the Customer with the Bank from time to time, and each INDEXLD is an Investment Deposit for such purpose.
- 11.5 The expressions defined in Clauses 1.1 and 1.2 of the General Terms shall, save where the context otherwise requires or as otherwise re-defined in this Part V, have the same meaning when used in these Supplemental Terms. Clauses 1.4 to 1.7 of the General Terms shall equally apply to these Supplemental Terms.
- 11.6 In these Supplemental Terms, references to “Clauses” and “Sub-Clauses” are, unless otherwise stated, to clauses and sub-clauses to these Supplemental Terms.
- 11.7 In these Supplemental Terms, save where the context otherwise requires:
- “**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular session or on which a Market Disruption Event has occurred;
- “**Deposit Amount**” means the principal amount of any INDEXLD and specified as such in the Confirmation;
- “**Deposit Value Date**” means the date specified as such in the Confirmation, whether or not it is a Business Day or an Exchange Business Day or otherwise;
- “**Exchange**” means, in respect of an Index, each exchange or quotation system specified as such for such Index in the Confirmation, or any successor organization or body performing similar functions to such exchange or quotation system, or any substitute exchange or quotation system to which trading in the

securities/commodities comprising such Index has temporarily relocated (provided that the Bank has determined that there is compatible liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

“**Exchange Business Day**” means for any Exchange, a day on which such Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session, notwithstanding any such Relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time/other than a day on which trading on such Exchange is scheduled to close prior to its regular weekday closing time;

“**INDEXLD**” means any index linked deposit placed with and accepted by the Bank from time to time subject to and upon these Supplemental Terms and “**INDEXLDs**” shall be construed accordingly;

“**Index**” and “**Indices**” means, subject to adjustment in accordance with Clause 8, the index or indices specified in the Confirmation and related expressions shall be construed accordingly;

“**Index Sponsor**” means, in relation to an Index, the corporation or other entity, that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which is the index sponsor specified for such Index in the Confirmation;

“**Interest**” means the interest, if any, payable on any INDEXLD;

“**Interest Payment Date**” means any date on which the Interest, if any, will become payable and specified as such on the Confirmation, subject to adjustments in accordance with these Supplemental Terms;

“**Interest Rate**” means the interest rate as specified, or to be determined on such basis or according to such formula as set out in the Confirmation;

“**Linked Index**” means each Index referred to in Clause 2.1, and “**Linked Indices**” shall be construed accordingly;

“**Maturity Payment**” means, in relation to any INDEXLD, the amount payable to the Customer upon maturity, where (a) no fixed amount is payable at maturity, a payment in cash or (b) a fixed amount is payable at maturity, an amount equivalent to 100% of the Deposit Amount and the Return;

“**Reference Price**” means,

- (a) in respect of a single underlying Index, an amount (which shall be deemed to be an amount of the currency as specified in the Confirmation) equal to the official closing level of the Index as determined by the Bank (or if a Valuation Time other than the Scheduled Closing Time is specified in the Confirmation, the level of the Index determined by the Bank at such Valuation Time) on the Valuation Date, without regard to any subsequently published correction; and

- (b) in respect of a basket of Indices, an amount (which shall be deemed to be an amount of the currency as specified in the Confirmation) equal to the sum of the values calculated for each Index as the official closing level of each Index as determined by the Bank/Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the Confirmation, the level of the Index determined by the Bank/Calculation Agent at such Valuation Time) on the Valuation Date, without regard to any subsequently published correction, multiplied or calculated by the relevant multiplier or formula as specified in the Confirmation;

“Related Exchange” means, in relation to an Index, each exchange or quotation system specified as such for such Index in the Confirmation, or any successor organization or body performing similar functions to such exchange or quotation system or any substitute exchange or quotation system to which trading in the futures or options contracts relating to such Index has temporarily relocated (provided that the Bank has determined that there is compatible liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), Provided That where “All Exchanges” is specified as the Related Exchange in the Confirmation, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Bank) on the overall market for futures or options contracts relating to such Index;

“Return” means the amount, if any, payable on any INDEXLD and more particularly described in Clause 5.

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

“Scheduled Trading Day” means any day on which each Exchange or Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

“Scheduled Valuation Date” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

“Valuation Date” means the date specified as such in the Confirmation or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless Disrupted Day is specified as applying in the Confirmation and, in the opinion of the Bank/Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then :

- (a) where the INDEXLD is specified in the Confirmation to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Days that is not a Disrupted Day, or
- (b) where INDEXLD is specified in the Confirmation to relate to a basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an

“**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index; and

“**Valuation Time**” means the Valuation Time specified as such in the Confirmation or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the Valuation Date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and specified the Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

12. **Linked Indices**

12.1 In respect of each INDEXLD, the Return is linked to the performance of one underlying Index or a basket of underlying Indices as agreed between the Customer and the Bank when the relevant INDEXLD is placed and recorded as such in the Confirmation.

13. **Interest**

13.1 In respect of any INDEXLD, this Clause 3 shall only apply if and only if the relevant Confirmation specifies that the Interest is payable on the INDEXLD.

13.2 Unless otherwise specified in the relevant Confirmation, the Interest will be accrued on the Deposit Amount from (and including) the Deposit Value Date to (and excluding) the Maturity Date at the rate per annum equal to the Interest Rate.

13.3 The Interest shall accrue from day to day, and be calculated on the basis of the actual number of days elapsed and a 360 day year.

13.4 Unless otherwise specified in the Confirmation or these Supplemental Terms:-
(a) the Interest will become payable on each Interest Payment Date; and
(b) in respect of any Interest Payment Date, the Interest will accrue from (and including) the immediately preceding Interest Payment Date (if none, the Deposit Value Date) to (and excluding) such Interest Payment Date and paid thereon.

13.5 If any Interest Payment Date is not a Business Day, then such Interest Payment Date shall be postponed to the first succeeding day that is a Business Day provided always that notwithstanding such postponement, no adjustment will be made to the amount of the Interest payable thereon.

13.6 Unless otherwise agreed by the Bank, the Interest will be paid into the Settlement Account. In the case where the Customer does not already have the Settlement Account, the Bank may open such account(s) under the Customer’s name without further notification to the Customer.

14. **Maturity Payment**

14.1 In respect of any INDEXLD, this Clause 4 shall only apply if and only if the relevant Confirmation specifies that the Maturity Payment comprises no fixed amount.

14.2 The manner of determining and calculating the Maturity Payment of each INDEXLD will be set out in the Confirmation. In any event, the amount of such payment in cash is calculated by reference to the value and performance of the underlying Index or Indices.

15. **Return**

15.1 In respect of any INDEXLD, this Clause 5 shall only apply if and only if the relevant Confirmation specifies that the Maturity Payment comprises the Deposit Amount and the Return.

15.2 The manner of determining and calculating the Return of each INDEXLD will be set out in the Confirmation. In any event, the amount of the Return is calculated by reference to the value of the underlying Index or Indices.

15.3 The Return may or may not be less than zero and will be specified in the Confirmation.

15.4 A minimum Return (which may be zero) or a maximum Return may be specified in the Confirmation in which case, the Customer will not receive less than the minimum Return or more than the maximum Return, respectively, at maturity.

16. **Maturity and Settlement**

16.1 Unless otherwise specified in these Supplemental Terms, each INDEXLD will be settled on the Maturity Date, and the Bank will settle the same by paying to the Customer the Maturity Payment, all in the form of cash and in the currency as specified in the Confirmation.

16.2 Unless otherwise agreed by the Bank, the Maturity Payment will be paid into the Settlement Account. In the case where the Customer does not already have the Settlement Account, the Bank may open such account(s) under the Customer's name without further notification to the Customer.

16.3 Any payment to the Customer in accordance with Clauses 6.1 and 6.2 shall be or deemed to be full and final settlement of the relevant INDEXLD on the part of the Bank.

16.4 If the Maturity Date of any INDEXLD is not a Business Day or an Exchange Business Day, then unless otherwise specified in the Confirmation or these Supplemental Terms, the Maturity Date shall be postponed to the first succeeding day that is a Business Day and an Exchange Business Day.

17. **Market Disruptions**

17.1 In respect of any INDEXLD, if the Bank determines that any Market Disruption Event in respect of any one or more Linked Indices has occurred and is continuing on the Scheduled Valuation Date or any other day on which the valuation is required to be determined, the Bank may: -

- (a) in its sole and absolute discretion determine the Index in its good faith and in a commercially reasonable manner and from information which the Bank believes to be relevant for such purpose, and the Bank will notify the Customer of its determination provided that the right of the Bank under these Supplemental Terms shall not be affected in any way by any delay or failure of such notification; and/or
 - (b) postpone the Scheduled Valuation Date to such date when the Bank believes that it is possible and practicable to determine the Index (as the case may be) in its sole and absolute discretion.
- 17.2 If the Valuation Date is not a Business Day or an Exchange Business Day, then such day shall be postponed to the first succeeding day that is a Business Day and an Exchange Business Day.
- 17.3 If the Valuation Date is postponed in accordance with this Clause, the Maturity Date mentioned in Clause 6.1 on which payment of the Maturity Payment is scheduled to be made to the Customer shall accordingly be postponed to the second day immediately following the postponed Valuation Date and Clause 6.4 shall apply accordingly. If any Interest Payment Date shall fall on the Maturity Date, such Interest Payment Date shall also be postponed to such postponed Maturity Date. Notwithstanding any postponement of the Valuation Date, the Maturity Date and/or the Interest Payment Date as provided in these Supplemental Terms, no adjustment will be made to the Maturity Payment or the amount of Interest payable.
- 17.4 **“Market Disruption Event”** means, in respect of an Index: -
- (a) the occurrence or existence at any time for more than two hours of trading during the one hour period that ends at the relevant Valuation Time of :-
 - (i) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (1) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent or more of the level of the relevant Index; or
 - (2) in futures or options contracts relating to the relevant Index on any relevant Exchange; or
 - (ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Bank) the ability of market participants in general (1) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent or more of the level of the relevant Index, or (2) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index or any relevant Related Exchange(s), which in either case the Bank determines is material; or
 - (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent or more of the level of the relevant Index or any Relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such

Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day, or, if earlier, (2) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event (a) or (b) in respect of any Index exists at any time, if such a Market Disruption Event occurs in respect of a security/commodity included in the Index at any time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

- (c) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for the Bank to perform its obligations under the INDEXLD;
- (d) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets of a country in which any applicable Exchange or Related Exchange is located; and
- (e) the occurrence of any event including, without limitation, any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Bank to perform its obligations under the INDEXLD or a material and adverse effect on the economy of the country where any applicable Exchange or Related Exchange is located.

18. Adjustment provisions

18.1 If a relevant Index is: -

- (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Bank; or
- (b) replaced by a successor index using, in the sole and absolute discretion of the Bank, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index,

then in each case that index (the “**Successor Index**”) will be deemed to be the Index;

18.2 If at any time prior to the Maturity Date there occurs any Index Adjustment Event (as defined in Clause 8.3 below), the Bank shall in its sole and absolute discretion (but is not obliged to) determine if such Index Adjustment Event has a material effect on the INDEXLD and, if so, shall calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date as determined by the Bank in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior

to that Index Adjustment Event or determine the appropriate adjustment to be made to the Reference Price, the Return and/or other terms of these Supplemental Terms to account for such material change and to preserve the economic equivalent of the rights of the Bank or Customer under any INDEXLD prior to that Index Adjustment Event, such adjustment to be effective as of the date determined by the Bank in its sole and absolute discretion.

- 18.3 “**Index Adjustment Event**” means one or more of the following events: -
- (a) if on or prior to the Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock or capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”); or
 - (b) if on the Valuation Date, the Index Sponsor or (if applicable) the successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”).

- 18.4 Upon the occurrence of an Index Adjustment Event, the Bank shall give notice as soon as practicable to the Customer in accordance with these Terms giving the details of the action proposed to be taken in relation thereto.

19. Risk Disclosure Statements

- 19.1 Each INDEXLD carries risks not normally associated with ordinary bank deposits and is generally not a suitable substitute for ordinary savings or time deposits. If there is a cap on the total amounts of the Maturity Payment in the INDEXLD, the amount payable for such INDEXLD is pre-determined and under no circumstances will the Customer receive at maturity an amount more than the Maturity Payment.
- 19.2 If the INDEXLD is not “principal protected”, losses may be incurred rather than profit made as a result of placing any INDEXLD.
- 19.3 If Return is payable on the INDEXLD, it is uncertain as to how much Return, if any, will be payable as the Return will be dependent on movements in the underlying Index or Indices, which in turn will be dependent on movements in the prices of the securities/commodities and/or futures or options contracts comprising the Index or Indices that are affected by a wide range of factors including national and international financial and economic conditions and political and natural events, which may be up or down and such fluctuation may sometimes be dramatic. There is a possibility that no amount of Return will be payable. If there is a cap on the amount of the Return, under no circumstances will the Customer receive at maturity an amount of Return more than that cap. The Customer should therefore carefully study the Linked Index and the securities/commodities and related futures and options contracts comprising the Linked Index, understand the risks associated with the INDEXLD and seriously consider whether the INDEXLD is suitable investment for him in the light of his financial position, investment experience, investment objectives

and other relevant circumstances.

- 19.4 The Customer hereby confirms and agrees that :-
- (a) the Customer fully satisfies with and understands the extent of the exposure to risks inherent in any INDEXLD and the extent to which such risk is appropriate for the Customer in the light of the Customer's financial position, investment experience and investment objectives; and
 - (b) if necessary, the Customer should seek independent financial and legal advice in relation to each INDEXLD before entering into any transaction.
- 19.5 The INDEXLDs cannot be cancelled or withdrawn by the Customer prior to the agreed Maturity Date.
- 19.6 If a Market Disruption Event in respect of any Linked Index occurs on a day on which the Reference Price of the Linked Index is to be determined, the determination of such prices will be postponed to a later date. Fluctuations in the level of the Linked Index may occur in the interim.
- 19.7 Investment in the INDEXLD is not equivalent to a direct investment in the securities/commodities or futures and options contracts comprising the Linked Index. The INDEXLD does not represent an interest in any of the securities/commodities or futures and options contracts comprising the Linked Index and the Customer will have no right or entitlement to any of them. The Customer is subject to different risks than the risks of such a direct investment and any return payable on the INDEXLD will not be identical to the return associated with the securities/commodities or futures and options contracts comprising the Linked Index.
- 19.8 If the Customer provides the Bank with an authority to hold mail or to direct mail to third parties, it is important for the Customer to promptly collect in person all documents relating to any INDEXLD and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.
- 19.9 Nothing in this Clause 9 shall prejudice any other risk disclosure statements issued by the Bank.

20. **Potential Conflict of Interest**

The Bank and/or affiliates of the Bank may buy and sell the securities/commodities or futures and options contracts comprising the Linked Index or derivatives of such the securities/commodities or futures and options contracts or the Linked Index, and may issue other instruments the value of which are linked to the value of the securities/commodities or futures and options contracts comprising the Linked Index or the Linked Index. These activities may affect the market value of the securities/commodities or futures and options contracts comprising the Linked Index and the level of the Linked Index, or could result in the Bank, having interests which conflict with those of the Customer in relation to the market value of the securities/commodities or futures and options contracts comprising the Linked Index and the level of the Linked Index.

PART VI : INTEREST RATE LINKED DEPOSIT

The terms and conditions in this Part VI set out the rights and obligations of you, the Customer, and us, the Bank, in connection with your investment in interest rate linked deposits which the Bank makes available from time to time and are specified herein. All these terms and conditions are legally binding, so please read them through carefully before you agree to be bound by them.

1. Scope, Definitions and Interpretation

- 1.1 In this Part VI, any reference to “**these Supplemental Terms**” shall be construed as reference to the terms and conditions for interest rate linked deposits as set out in this Part VI (as from time to time be amended or supplemented).
- 1.2 These Supplemental Terms will set out the methodology for determining the return and other factors in respect of or in relation to each IRLD and PPIRLD.
- 1.3 These Supplemental Terms supplement the terms and conditions in Part I (the “**General Terms**”) and form a part thereof. Unless otherwise stated, in the event of any conflict or discrepancy between the General Terms and these Supplemental Terms, these Supplemental Terms shall prevail.
- 1.4 The terms and conditions set out in these Supplemental Terms and the General Terms shall apply to each IRLD or PPIRLD placed by the Customer with the Bank from time to time, and each IRLD or PPIRLD is an Investment Deposit for such purpose.
- 1.5 These expressions defined in Clauses 1.1 and 1.2 of the General Terms shall, save where the context otherwise requires or as otherwise re-defined in this Part VI, have the same meaning when used in these Supplemental Terms. Clauses 1.4 to 1.7 of the General Terms shall equally apply to these Supplemental Terms.
- 1.6 In these Supplemental Terms, references to “Clauses” and “Sub-Clauses” are, unless otherwise stated, to clauses and sub-clauses to these Supplemental Terms.
- 1.7 In these Supplemental Terms, save where the context otherwise requires :-

“**Deposit Period**” means the period of IRLD or PPIRLD as specified as such in the Confirmation;

“**Deposit Value Date**” means the date specified as such in the Confirmation;

“**Disruption Event**” means the hoisting of No.8 or higher typhoon signal or the issuing of a “Black” rainstorm warning, or such other event as specified in the Confirmation;

“**IRLD**” means any interest rate linked deposit placed with and accepted by the Bank from time to time subject to and upon these Supplemental Terms and the Confirmation.

“**Interest**” means the interest, if any, payable on any IRLD or PPIRD;

“**Interest Determination Date**” means the determination date for the Interest Rate as specified as such in the Confirmation;

“**Interest Payment Date**” means any date on which the Interest, if any, will become payable and specified as such on the Confirmation, subject to adjustments in accordance with these Supplemental Terms;

“**Interest Rate**” means the interest rate as specified, or to be determined on such basis or according to such formula as set out in the Confirmation and these Supplemental Terms;

“**Maturity Payment**” means, the amount payable to the Customer upon maturity, where (a) in relation to IRLD, an amount equivalent to the Return, or (b) in relation to PPIRLD with Return payable under the Confirmation, an amount equivalent to the Principal and the Return, or (c) in relation to PPIRLD with no Return payable under the Confirmation, an amount equivalent to the Principal;

“**Principal**” means the principal of each IRLD or PPIRLD specified as such in the Confirmation;

“**PPIRLD**” means any principal protected IRLD placed with and accepted by the Bank from time to time subject to and upon these Supplemental Terms and the Confirmation;

“**Reference Interest Rate**” means the reference interest rate specified as such in the Confirmation;

“**Reference Interest Rate Formula**” means the formula relating to the Reference Interest Rate for determining and calculating the Interest Rate, as set out in the Confirmation;

“**Return**” means the sum representing the return on any IRLD and any PPIRLD as determined and calculated in accordance with Clauses 4 and 5; and

“**Return Determination Date**” means the determination date for the Return as specified as such in the Confirmation.

2. Linked Interest Rate

2.1 In respect of each IRLD or PPIRLD, the Return is linked to the performance of one underlying Reference Interest Rate or a basket of underlying Reference Interest Rates as agreed between the Customer and the Bank when the relevant IRLD or PPIRLD is placed and recorded as such in the Confirmation.

3. Interest

3.1 In respect of any IRLD or PPIRLD, this Clause 3 shall only apply if and only if the relevant Confirmation specifies that Interest is payable on the IRLD or PPIRLD.

3.2 Unless otherwise specified in the relevant Confirmation, the Interest will be accrued on the Principal for any Interest Period at the rate per annum equal to the Interest Rate. The Interest Rate is determined and calculated by reference to or in accordance with the Reference Interest Rate(s) or the Reference Interest Rate Formula.

3.3 The Interest Rate may also have either or both of the following limitations on the rate of interest :-

(a) a maximum limitation, or ceiling, on the rate of interest which may accrue during any interest period (the “**Maximum Interest Rate**”); and/or

(b) a minimum limitation, or floor, on the rate of interest which may accrue during any interest period (the “**Minimum Interest Rate**”).

The manner of determining and calculating any applicable Maximum Interest Rate and Minimum Interest Rate shall be set forth in the Confirmation.

3.4 The Interest shall accrue from day to day, and be calculated on the basis of the actual number of days elapsed and a 360 day year.

3.5 Unless otherwise specified in the Confirmation or these Supplemental Terms :-

(a) the Interest will become payable on each Interest Payment Date; and

(b) in respect of any Interest Payment Date, the Interest will accrue from (and including) the immediately preceding Interest Payment Date (if none, the Deposit Value Date) to (and excluding) such Interest Payment Date and paid thereon.

3.6 Unless otherwise specified in the Confirmation, if any Interest Payment Date is not a Business Day, then such Interest Payment Date shall be postponed to the first succeeding day that is a Business Day provided always that notwithstanding such postponement, no adjustment will be made to the amount of the Interest payable thereon.

3.7 Unless otherwise agreed by the Bank, the Interest will be paid into the Settlement Account. In the case where the Customer does not already have the Settlement Account, the Bank may open such account(s) under the Customer’s name without further notification to the Customer.

3.8 If the Interest Determination Date of any IRLD or PPIRLD originally specified in the Confirmation is not a Business Day or the Bank is not open for business when a Disruption Event occurs at any time or throughout the Interest Determination Date, then the Interest Determination Date shall be the next following day that is a Business Day or (as the case may be) at different hours of such day or the next following day that is a Business Day on which there is no Disruption Event or such other time as the Bank considers appropriate.

4. **Return on IRLD**

- 4.1 In respect of any IRLD, this Clause 4 shall only apply if and only if the relevant Confirmation specifies that Return is payable on the IRLD.
- 4.2 If Return is payable under the Confirmation, the Bank will pay to the Customer the Return on the Maturity Date as specified in the Confirmation. The Return is payable on the Principal for the Deposit Period. The manner of determining and calculating the Return of each IRLD will be set out in the Confirmation. In any event, the amount of the Return is calculated by reference to the underlying Reference Interest Rate(s).
- 4.3 The Return may or may not be less than zero and will be specified in the Confirmation.
- 4.4 A minimum Return (which may be zero) or a maximum Return may be specified in the Confirmation in which case, the Customer will not receive less than the minimum Return or more than the maximum Return, respectively, at maturity.

5. **Return on PPIRLD**

- 5.1 In respect of any PPIRLD, this Clause 5 shall only apply if and only if the relevant Confirmation specifies that Return is payable on the IRLD.
- 5.2 If Return is payable under the Confirmation, the Bank shall pay to the Customer the Principal and Return on the Maturity Date as specified in the Confirmation. The Return is payable on the Principal for the Deposit Period. The manner of determining and calculating the Return of each IRLD will be set out in the Confirmation. In any event, the amount of the Return is calculated by reference to the underlying Reference Interest Rate(s).
- 5.3 The Return may or may not be less than zero and will be specified in the Confirmation.
- 5.4 A minimum Return (which may be zero) or a maximum Return may be specified in the Confirmation in which case, the Customer will not receive less than the minimum Return or more than the maximum Return, respectively, at maturity.

6. **Maturity and Settlement**

- 6.1 Unless otherwise specified in these Supplemental Terms, each IRLD and PPIRLD will be settled on the Maturity Date, and the Bank will settle the same by paying to the Customer the Maturity Payment, all in the form of cash and in the currency as specified in the Confirmation.
- 6.2 Unless otherwise agreed by the Bank, the Maturity Payment will be paid into the Settlement Account. In case where the Customer does not have the Settlement Account, the Bank may open such account(s) under the Customer's name without further notification to the Customer.

- 6.3 Payment to the Customer in accordance with Clauses 6.1 and 6.2 shall be or deemed to be full and final settlement of the relevant IRLD or PPIRLD on part of the Bank.
- 6.4 If the Return Determination Date of any IRLD or PPIRLD originally specified in the Confirmation is not a Business Day or the Bank is not open for business when a Disruption Event occurs at any time or throughout the Return Determination Date, then the Return Determination Date shall be the next following day that is a Business Day or (as the case may be) at different hours of such day or the next following day that is a Business Day on which there is no Disruption Event or such other time as the Bank considers appropriate.
- 6.5 If the Return Determination Date is postponed in accordance with Clause 6.4, the Maturity Date shall accordingly be postponed to the immediately following Business Day on which no Disruption Event occurs.
- 6.6 If the Maturity Date of any IRLD or PPIRLD originally specified in the Confirmation is not a Business Day, or the Bank is not open for business when a Disruption Event occurs at any time throughout the Maturity Date, then the Maturity Date shall be the next following day that is a Business Day or (as the case may be) the next following day that is a Business Day on which there is no Disruption Event or such other time as the Bank considers appropriate.

7. **Risk Disclosure Statements**

- 7.1 Each IRLD and PPIRLD carries risks not normally associated with ordinary bank deposits and is generally not a suitable substitute for ordinary savings or time deposits.
- 7.2 If there is a cap on the total amounts of the Principal and Return in the IRLD or PPIRLD, the amount payable for such IRLD or PPIRLD is pre-determined and under no circumstances will the Customer receive at maturity an amount more than the Principal and Return.
- 7.3 If a Maximum Interest Rate is imposed, the amount of Interest payable for such IRLD or PPIRLD is pre-determined and under no circumstances will the Customer receive an amount more than such amount in any interest period.
- 7.4 In cases of IRLD, it is likely that losses will be incurred rather than profit made as a result of placing any IRLD.
- 7.5 The amount of Interest and the Return on the IRLD and PPIRLD will be dependent on movements in the market conditions and in particular subject to the risk of fluctuation in the Reference Interest Rate(s) which may be up or down and such fluctuation may sometimes be dramatic. The Customer should therefore carefully study the market and the Reference Interest Rate(s), understand the risks associated with the IRLD or PPIRLD and seriously consider whether the IRLD or PPIRLD is suitable investment for him in light of his financial position, investment experience, investment objectives and other relevant circumstances.

- 7.6 The Customer hereby confirms and agrees that:-
- (a) the Customer is fully satisfied with and understands the extent of the exposure to risks inherent in any IRLD and PPIRLD, and the extent to which such risk is appropriate for the Customer in light of the Customer's financial position, investment experience and investment objectives; and
 - (b) if necessary, the Customer should seek independent financial and legal advice in relation to each IRLD and PPIRLD before entering into any transaction.
- 7.7 Unless it is otherwise provided for in the Confirmation, no IRLD nor PPIRLD can be withdrawn by the Customer prior to the agreed Maturity Date.
- 7.8 If the Customer provides the Bank with an authority to hold mail or to direct mail to third parties, it is important for the Customer to promptly collect in person all documents relating to any IRLD or PPIRLD and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.
- 7.9 Nothing in this Clause 7 shall prejudice any other risk disclosure statements issued by the Bank.

8. **Potential Conflict of Interest**

The Bank and/or affiliates of the Bank may buy and sell the notes, bonds or other instruments relating or linked to the Reference Interest Rate(s), and may issue notes, bonds or other instruments linked or related to the Reference Interest Rate(s). These activities may affect the Reference Interest Rate(s), or could result in the Bank, having interests which conflict with those of the Customer in relation to the level or rate of the Reference Interest Rate(s).