

# Jade Ultra Global Generations Universal Life

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## MEANINGS AND DEFINITIONS

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Throughout this Policy HSBC Life (International) Limited is referred to as “we”, “our” or “us” and the Policyholder is referred to as “you” or “your”.

### In this Policy:

“**Accelerated Death Benefit**” means the amount of advanced Death Benefit payment under Clause D.4;

“**Account Value**” means the accumulation of premiums paid, with interest added less the total of (i) any Charges, (ii) any previously paid partial surrender amounts and the applicable surrender charges; (iii) any Accelerated Death Benefit payment made in accordance with the terms and conditions of this Policy;

“**Annual Premium**” means the payment of the scheduled premiums annually pursuant to Clause B.1(a) and is specified as Annual Premium in Policy Schedule 1;

“**Basic Plan**” means the Basic Plan specified in Policy Schedule 1;

“**Beneficiary**” means the person or entity entitled to receive the Policy proceeds and benefits as they become due at the death of the Life Insured;

“**Cash Value**” means the net Account Value of this Policy at any time, after deduction of any surrender charges as set out in Clause C.3;

“**Charges**” means the deductions applicable to this Policy as set out in Clause B.2 and any Supplementary Benefits;

“**Crediting Interest Rate**” means the rate of interest credited to part or all of the Account Value of this Policy as determined under Clause C.1;

“**Currency Switch**” means a change in Policy Currency as set out in Clause C.4;

“**Death Benefit**” means, subject to Clauses A.1(c) and A.10, the payment arising under this Policy in the event of the death of the Life Insured as determined under Clause A.3;

“**Exit Value Adjustment**” means an adjustment which may be applied at our discretion under Clauses C.2(b), C.3(c), C.4(f) or C.6(a);

“**First Premium**” means the first payment of the scheduled premium into this Policy in accordance with Clause B.1(a) of which the New Money Crediting Interest Rate shall apply;

“**General Crediting Interest Rate**” means the rate of interest credited to the Account Value of this Policy upon expiry of any Guaranteed Crediting Interest Rate Lock period; and to the Account Value in relation to all premiums paid into this Policy subsequent to the First Premium; all in accordance with Clause C.1;

“**Grace Period**” means a period of time allowed for the payment of any Annual Premium if applicable to this Policy and expiring on the forty-fifth (45th) day after the premium due date;

“**Guaranteed Crediting Interest Rate Lock**” means the mechanism for guaranteeing a fixed rate of interest for a period of time in accordance with Clause C.2;

**“Guaranteed Minimum Crediting Interest Rate”** means the guaranteed minimum General Crediting Interest Rate for the respective Policy Currency to be determined by the Company at its discretion and is specified in Policy Schedule 1;

**“Hong Kong SAR”** means the Hong Kong Special Administrative Region of the People’s Republic of China;

**“Indebtedness”** means the sum of all outstanding Policy Loan and any interest accrued on such Policy Loan;

**“Insurance Age”** means, as at any date, the age of the Life Insured or Policyholder (as applicable) specified as Insurance Age at Effective Date in Policy Schedule 1 plus the number of completed Policy Years;

**“Insurance Charge”** means the charge for cost of insurance in providing the Death Benefit in accordance with Clause B.2(c);

**“Insurance Companies Ordinance”** means Chapter 41 of the Laws of the Hong Kong Special Administrative Region (SAR) as amended from time to time;

**“Life Insured”** means the person named as Life Insured in Policy Schedule 1;

**“Monthly Anniversary Date”** means the day in each succeeding month corresponding to the Policy Effective Date, or if such date does not exist, then the last day of that month;

**“New Money Crediting Interest Rate”** means the rate of interest credited to the Account Value of this Policy in relation to the First Premium paid into this Policy as determined under Clause C.1;

**“No-Lapse Guarantee Benefit”** means, where applicable, the benefit as described in Clause D.1;

**“Premium Cessation Date”** means the date specified as Premium Cessation Date in Policy Schedule 1;

**“Policy”** means the terms and conditions set out in the provisions of this policy document, the Supplementary Benefits provisions (if any), and in any endorsements issued by us;

**“Policyholder”** means the person named as Policyholder in Policy Schedule 1;

**“Policy Anniversary”** means each date at yearly intervals from the Policy Effective Date;

**“Policy Currency”** means the currency in which all benefits accruing are recorded in this Policy and all payments from the Company must be made under this Policy and is specified as Policy Currency in Policy Schedule 1;

**“Policy Effective Date”** means the date specified as Effective Date in Policy Schedule 1;

**“Policy Expense Charge”** means the monthly amount to be deducted from the Account Value on the Policy Effective Date and thereafter on each Monthly Anniversary Date during the first 18 years of this Policy as specified in Policy Schedule 2;

**“Policy Expense Charge Period”** means the period during which the Policy Expense Charge to be deducted from the Account Value of this Policy in accordance with Clause B.2(b) during the first eighteen (18) Policy Anniversaries;

**“Policy Issue Date”** means the date specified as Issue Date in Policy Schedule 1;

**"Policy Loan"** means a loan from us under this Policy in accordance with Clause C.6;

**"Policy Premium Charge"** means the applicable amount to be deducted in accordance with Policy Schedule 2 based on the amount of premiums paid to this Policy before such premium is allocated to the Account Value;

**"Policy Year"** means the period between the Policy Effective Date and the first (1st) Policy Anniversary which is deemed to be the first (1st) Policy Year and each subsequent period between consecutive Policy Anniversaries;

**"Registered Medical Practitioner"** means any Medical Practitioner duly qualified and legally registered as such under the Medical Registration Ordinance of the Hong Kong SAR or any amendment thereto, or otherwise authorised and entitled to practice western medicine in any other country accepted by us in accordance with the laws of that country and who is other than the Life Insured or the Policyholder or a member of the Life Insured's or Policyholder's immediate family or any other person determined by us to have a potential conflict of interest;

**"Single Premium"** means the payment of the scheduled premiums in one lump sum pursuant to Clause B.1(a) and is specified as Single Payment in Policy Schedule 1;

**"Sum Insured"** is the amount at any time specified as such under Policy Schedule 1 or in any endorsement;

**"Sum at Risk"** is the amount by which the specified Sum Insured exceeds the Account Value;

**"Supplementary Benefits"** means any benefit payable under any Supplementary Benefit provisions as attached to this Policy;

**"Surrender"** means an encashment pursuant to Clause A.7;

**"Surrender Charge"** means the surrender charge as set out in Clause C.3 and is specified in Policy Schedule 2;

**"Transaction"** means any of the following:

- A Surrender;
- A Currency Switch;
- A Policy Loan;
- The allocation of your premium in accordance with Clause B.1;
- The deduction of Charges in accordance with Clause B.2;
- The addition of No-Lapse Guarantee Benefit option in accordance with Clause D.1;
- A change in Sum Insured in accordance with Clause D.3;
- The payment of Accelerated Death Benefit in accordance with Clause D.4;
- The payment of benefits pursuant to the terms of any Supplementary Benefits;

Except to the extent that the context otherwise requires:

- (a) Clause headings are for convenience only and will be disregarded in the interpretation of this Policy;
- (b) Words denoting the singular shall include the plural and vice versa;
- (c) Words denoting any gender shall include both genders;
- (d) Any reference to a time of the day or to the close of business shall be a reference to Hong Kong time and the close of business in the Hong Kong SAR.

## A. GENERAL PROVISIONS

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### 1. POLICY AND CONTRACT

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- (a) The entire contract between you and us is constituted by the terms and conditions of this Policy, all Policy Schedules and endorsements, your application for this Policy, and any written statements and answers given as evidence of insurability.
- (b) Subject to Clause A.1(c), no amendment to this Policy, Policy Schedules or endorsements will take effect unless it is written in an endorsement or revised Policy Schedule issued by us.
- (c) If the Life Insured's age, sex, smoker status or country of residence is stated incorrectly (in this paragraph (c), a "misstatement"), all amounts payable by us under your Policy will be adjusted as follows:
  - (i) the No-Lapse Guarantee Benefit, where applicable, shall not apply.
  - (ii) if a misstatement comes to our attention before surrender, death, payment of Accelerated Death Benefit under Clause D.4 or payment of benefits pursuant to the terms of any Supplementary Benefits, we may adjust the Sum Insured to such amount as could have been provided by the premiums actually paid based on the correct information, and upon such adjustment paragraphs (iii), (iv) and (v) below shall not apply.
  - (iii) on surrender the Account Value will be recalculated from the Policy Effective Date to a revised amount that is a reasonable estimation of the amount we determine that would have applied based on the correct information.
  - (iv) on death the Death Benefit will be recalculated to the amount that would have been payable based on the premiums paid and the correct information.
  - (v) on payment of Accelerated Death Benefit under Clause D.4 or benefits pursuant to the terms of any Supplementary Benefits, the benefit amount will be recalculated to the amount that would have been payable based on the premiums paid and the correct information.

### 2. INCONTESTABILITY

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Subject to Clause A.1(c), we will not in the absence of fraud contest this Policy after it has been in force during the lifetime of the Life Insured for two years from the Policy Issue Date or the effective date of any reinstatement pursuant to Clause A.9. For any increase in Sum Insured, a separate incontestability period of two years will apply to the incremental Sum Insured resulting from such change, from the effective date of such change.

### 3. DEATH BENEFIT

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We will pay a Death Benefit on the death of the Life Insured provided that this Policy is in force at death, and we receive the documents as set out in Clause A.5(a). The Death Benefit which applies under this Policy is the greater of:

- (a) Sum Insured; or
- (b) Account Value (to be determined on the date of receipt of the written notification of the Life Insured's death).

#### 4. PAYMENT OF BENEFITS

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- (a) The Death Benefit is payable to the Beneficiary if he survives the Life Insured but in case this Policy has been assigned in accordance with Clause E.3, we will pay the Death Benefit amount first to the assignee (unless otherwise advised by the assignee) and any remaining balance of Death Benefit amount to the Beneficiary. All other benefits are payable to the Policyholder or the assignee or other persons (as the case may be) under this Policy.
- (b) Any Indebtedness on this Policy outstanding at the time of any claim shall be deducted from the amount otherwise payable under this Policy. Our claim for any Indebtedness shall be prior to any claim of the Policyholder or the Beneficiary or the assignee or other persons (as the case may be) under this Policy.
- (c) Subject to Clause A.4(f) below, you may select the Death Benefit payable on the death of the Life Insured as set out in Clause A.3 above to be paid under one of the following settlement options for this Policy:
  - (i) Lump sum payment (Death Benefit will be paid in this option if the Policyholder does not select any settlement option); or
  - (ii) Regular instalments (only applicable for this Policy without any assignment)

Regular instalments will be paid to your Beneficiary(ies) in designated proportion (if any) annually over available tenor chosen by you. Remaining amount of benefits will be left in our company to accumulate at the non-guaranteed interest if any as determined by us, until the full amount of benefits has been paid to the Beneficiary(ies).

- (d) If you select regular instalments as the settlement option and this Policy becomes assigned pursuant to Clause A11, the existing settlement option will automatically be revoked.
- (e) If the Policy has designated Beneficiary(ies), while the Life Insured is alive, you may request to change the Death Benefit settlement option in writing provided that such instruction has been accepted and endorsed by us. Notwithstanding anything stated herein, the Company shall have absolute discretion (at any time) not to offer the option specified in the above-mentioned Clause A.4(c)(ii).

The Beneficiary(ies), at all times, does not have the right to change the Death Benefit settlement option set by the Policyholder.

In the event a Beneficiary dies while he is receiving the Death Benefit in regular instalments, the remaining amount of the Death Benefit (or, if there is more than one Beneficiary, the portion of the remaining amount of the Death Benefit attributable to that Beneficiary) as at the Beneficiary's death will be paid in a lump sum to the estate of the Beneficiary.

- (f) Notwithstanding any other provisions of this Policy, if the benefits under Clause A.4(c)(ii) above are determined by the court(s) or otherwise to constitute a trust, we shall nonetheless have absolute, unfettered discretion to choose the investments underlying the benefits to be so paid. We shall also have absolute discretion not to offer the election set out under Clause A.4(c)(ii) above.

## 5. CLAIMS

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- (a) We will not pay any Death Benefit claimed under this Policy unless we receive to our satisfaction the following documents as evidence,
- (i) Proof of death of the Life Insured and cause of death, or of diagnosis in relation to Clause D.4;
  - (ii) Proof of age, sex and survival of the person entitled to claim;
  - (iii) Evidence of the right of the claimant to be paid including but not limited to the identity proof of the claimant;
  - (iv) This Policy document; and
  - (v) Any other information as we may reasonably require to establish the validity of the claim.

The above documents or evidence will be provided at your or the claimant's expenses and shall be sent to us as soon as possible.

- (b) Unless otherwise stated by us, all premiums receivable and all payments made under this Policy will be in the Policy Currency at the time payment is made.
- (c) We will make payments under this Policy as soon as is reasonable taking into account the business conditions and our procedures in operation at the relevant time, subject to the terms of any specific sections of this Policy. We will not be liable for any losses incurred as a result of any delay in such payment.
- (d) For any Death Benefit, we will pay interest (if any) from the date we receive the notification of death, to the date of payment at an interest rate determined by us from time to time.
- (e) The receipt by you or your estate or any assignee or beneficiary (as the case may be) of any Death Benefit which we pay under this Policy will discharge us from any further liability in respect of such amount.

## 6. ADJUSTMENTS

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If an error or omission is found in any Transaction, calculation or operation already performed pursuant to or affecting the application of this Policy, we may at our discretion make such correcting adjustments to any balance, amount, number or calculation as we consider practicable, fair and reasonable.

## 7. SURRENDER

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You may surrender this Policy for the Cash Value by filing a written request with us in a form specified by us. Surrender will take effect, and the Cash Value will be calculated, on the date we receive such written request.

## 8. LAPSE

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Subject to any applicable No-Lapse Guarantee Benefit pursuant to Clause D.1, this Policy will lapse and have no value if on any Monthly Anniversary Date the Cash Value of this Policy is zero or less. An exception applies if annual premium payment is selected. In which case the date to be used for this purpose shall be the date of expiry of the Grace Period allowed for payment of premiums.



## 9. REINSTATEMENT

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- (a) Subject to paragraphs (b) and (c) below, you may apply to reinstate this Policy within twelve (12) months from date of lapse under Clause A.8 if the Life Insured is living. To reinstate this Policy, we require:
- (i) a written request for reinstatement in a form prescribed by us;
  - (ii) production, at your expense, of evidence of insurability of the Life Insured satisfactory to us;
  - (iii) payment of all overdue premiums with interest to be determined by us; and
  - (iv) repayment of any Cash Value paid by us after Policy lapses.
- (b) Reinstatement of No-Lapse Guarantee Benefit, where applicable, shall be made according to the terms of Clause D.1.
- (c) If your Policy Currency is in CNY currency, reinstatement of this Policy is not allowed unless the Policy Currency is switched to another non-CNY currency as may be available by us at that time in respect of the reinstated Policy.
- (d) It will be at our sole discretion whether to accept any application for reinstatement of this Policy.

## 10. SUICIDE

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If the Life Insured dies by suicide, whether sane or insane, within one year from the Policy Issue Date or the effective date of any reinstatement pursuant to Clause A.9, our liability will be limited to a refund of the premiums paid to us less any amounts paid by us (including any Indebtedness plus any amounts paid pursuant to a partial surrender) since the Policy Effective Date or the effective date of any reinstatement, whichever is later.

If the Life Insured dies by suicide, whether sane or insane, within one year from the date of any increase in Sum Insured, such increase in Sum Insured shall be deemed not to have taken effect in determining the Death Benefit payable and any additional premiums or charges arising as a consequence of the increase in Sum Insured shall be reversed.

## 11. TERMINATION

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All coverage under this Policy shall automatically terminate on the occurrence of the earliest of the following:

- (a) the death of the Life Insured;
- (b) this Policy is fully surrendered under Clause A.7;
- (c) this Policy lapses under Clause A.8;
- (d) this Policy becomes void;
- (e) this Policy terminates under Clause A.12(b)(vii), Clause C.6(a) or Clause D.4(b);
- (f) this Policy is replaced under Clause D.5;

- (g) this Policy is cancelled during the applicable cooling-off period;
- (h) this Policy terminates pursuant to the terms of any Supplementary Benefits.

## 12. COLLECTION AND USE OF CUSTOMER INFORMATION, FINANCIAL CRIME RISK MANAGEMENT ACTIVITY AND TAX COMPLIANCE

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### (a) Definitions

Terms used in this Clause and Appendix 1 shall have the following meanings:

**“Authorities”** includes any local or foreign judicial, administrative, public or regulatory body, any government, or public or government agency or authority, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, self-regulatory or industry bodies or associations of financial service providers or any of their agents with jurisdiction over any part of the HSBC Group.

**“Compliance Obligations”** means obligations of any member of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand or request from Authorities or reporting, disclosure or other obligations under Laws, or (c) Laws requiring us to verify the identity of our customers and Connected Persons.

**“Connected Person”** means a person or entity other than you whose information (including PersonalData or Tax Information) is provided by you, or on your behalf, to any member of the HSBC Group or otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include, but is not limited to, any person identified as a beneficiary under this Policy, any person who is, or may be, entitled to receive a payment under this Policy, a director or officer of a company, partners or members of a partnership, any “substantial owner”, “controlling person”, or beneficial owner, trustee, settlor or protector of a trust holding or controlling (directly or indirectly) the Policy, any of your representatives, agents or nominees, or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

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

**“Customer Information”** means all or any of the following items relating to you or a Connected Person, where applicable: (i) Personal Data, (ii) information about you, your accounts, transactions, use of our products and services and your relationship with the HSBC Group, and (iii) Tax Information.

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

**“Financial Crime Risk Management Activity”** means any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime that we or members of the HSBC Group may take.

**“HSBC Group”** means HSBC Holdings plc and any of its affiliates, subsidiaries, associated entities and any of their branches and offices, and **“any member of the HSBC Group”** has the same meaning.

**"Laws"** include any applicable local or foreign law, regulation, rule, judgment, voluntary code, directive, sanctions regime, court order, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or a member of the HSBC Group.

**"Personal Data"** means any data relating to an individual from which the individual can be identified.

**"Services"** includes (a) the opening and maintaining of this Policy, (b) the provision of services relating to this Policy and its termination or expiry, and (c) the maintenance of our overall relationship with you.

**"substantial owners"** means any individuals entitled to more than ten percent (10%) of the profits of or with an interest of ten percent (10%) or more in an entity either directly or indirectly.

**"Tax Authorities"** means Hong Kong or foreign tax, revenue, fiscal or monetary authorities.

**"Tax Certification Forms"** means any forms or other documentation as may be issued or required by a Tax Authority or by us from time to time to confirm your tax status or the tax status of a Connected Person.

**"Tax Information"** means any documentation or information about your tax status and/or the tax status of any Connected Person, owner, "controlling person", "substantial owner" or beneficial owner.

Reference to the singular includes the plural (and vice versa).

#### **(b) Collection, Use and Sharing of Customer Information**

This Clause explains how we will use information about you and Connected Persons. The Personal Information Collection Statement that applies to you and any other individuals (the "PICS"), also contains important information about how we and the HSBC Group will use your information and you should read this Clause in conjunction with the PICS. We and members of the HSBC Group may use Customer Information in accordance with this Clause and the PICS.

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- (1)
  - we are legally required to disclose; or
  - we have a public duty to disclose; or
  - our legitimate interests require disclosure; or
  - the disclosure is made with your consent; and
- (2) it is disclosed as set out in the PICS.

## **Collection**

- (i) We and other members of the HSBC Group may collect, use and share Customer Information. Customer Information may be requested by us or a member of the HSBC Group or on our behalf or on behalf of a member of the HSBC Group, and may be collected from you or a Connected Person (or a person acting on your behalf or on behalf of a Connected Person), from other sources (including from publicly available information), and it may be generated or combined with other information available to us or any member of the HSBC Group.

## **Use**

- (ii) We and other members of the HSBC Group may use, transfer and disclose Customer Information in connection with (1) the purposes set out in Appendix 1 (applicable to Customer Information other than Personal Data), (2) the PICS (applicable to Personal Data), and (3) matching against any data held by us or the HSBC Group for whatever purpose (whether or not with a view to taking adverse action against you) ((1) to (3) are collectively referred to as the "Purposes").

## **Sharing**

- (iii) We may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information to the recipients set out in the PICS (who may also use, transfer and disclose such Customer Information for the Purposes) and Appendix 1 (applicable to Customer Information other than Personal Data).

## **Your Obligations**

- (iv) You agree to inform us promptly, and in any event, within thirty (30) days in writing if there are any changes to Customer Information supplied to us or a member of the HSBC Group from time to time, and to respond promptly to any request for Customer Information from us, or a member of the HSBC Group.
- (v) You confirm that every Connected Person whose information (including Personal Data or Tax Information) has been (or will be) provided to us or a member of the HSBC Group has (or will at the relevant time have) been notified of and agreed to the use, processing, disclosure and transfer of their information as set out in these policy terms, Appendix 1 and the PICS (as may be amended or supplemented by us from time to time). You and every Connected Person have (or will at the relevant time have) read and understand the PICS. You shall advise such Connected Persons that they have rights of access to, and correction of, their Personal Data.
- (vi) You consent and shall take such steps as are required from time to time for the purposes of any applicable data protection law or secrecy law to permit us to use, store, disclose, process and transfer all Customer Information in the manner described in these policy terms. You agree to inform us promptly in writing if you are not able or have failed to comply with the obligations set out in (v) and (vi) in any respect.
- (vii) Where:
- you or a Connected Person fail(s) to provide promptly Customer Information reasonably requested by us, or
  - you or a Connected Person withhold(s) or withdraw(s) any consents that we may need to process, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to you), or

- we have, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk,

we may:

- a. be unable to provide new, or continue to provide all or part of the Services to you;
- b. take actions necessary for us or a member of the HSBC Group to meet the Compliance Obligations; and/or
- c. terminate this Policy if we reasonably consider that by continuing the Policy or the relationship with you we may break any Laws or we, or a member of the HSBC Group, may be exposed to action or censure from any Authority. Any termination will take effect as a surrender of the Policy. For such termination, we will pay the amount equal to the higher of:
  - (i) Cash Value as at the date of termination;
  - (ii) total premiums you have paid less any Indebtedness as at the date of termination less any other amount which has been paid by us under this Policy (if any) up to and including the date of termination.

In addition, if you fail to supply promptly your, or a Connected Person's, Tax Information and accompanying statements, waivers and consents as may be requested, then we may make our own decision with respect to your status or that of a Connected Person, including whether you or a Connected Person is reportable to a Tax Authority, and may require us or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to the appropriate Tax Authority.

**(c) Financial Crime Risk Management Activity**

- (i) Financial Crime Risk Management Activity may include, but is not limited to: (A) screening, intercepting and investigating any instruction or communication by you or on your behalf or by a Connected Person or on their behalf; (B) investigating the source of or intended recipient of funds; (C) combining Customer Information with other related information in the possession of the HSBC Group; and (D) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your or a Connected Person's identity and status.
- (ii) To the extent permissible by law, neither we nor any other member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the delaying, blocking or refusing of any payment or the provision of all or part of the Services or otherwise as a result of Financial Crime Risk Management Activity.

**(d) Tax Compliance**

You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including but not limited to, tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) and the provision of Services. Certain countries may have tax legislation with extra-territorial effect regardless of your place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You are advised to seek independent legal and tax advice. Neither we nor any member of the HSBC Group have any responsibility in respect of your tax obligations in any jurisdiction which they may arise including any that may relate specifically to the opening and use of account(s) or Services provided by us and members of the HSBC Group.

**(e) Survival Upon Termination**

This Clause shall continue to apply notwithstanding the termination of the Services or the expiry of this Policy.

**(f) Miscellaneous**

- (i) In the event of any conflict or inconsistency between any terms of this Clause and the other terms of this Policy, the terms of this Clause shall prevail.
- (ii) If all or any part of the provisions of the terms of this Clause become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of the terms in that jurisdiction.

**13. RIGHTS OF THIRD PARTIES**

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No person other than you and us will have any rights to enforce the provisions of this Policy.

**14. APPLICABLE LAW**

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This Policy shall be governed by and construed in accordance with the laws of Bermuda. However, in the event of any dispute arising in the Hong Kong SAR, the non-exclusive jurisdiction of the Hong Kong SAR courts will apply.

**15. POLICY SERVICING**

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This Policy is intended for sale only in the Hong Kong SAR. If you, or anyone else with authority over or otherwise connected to this Policy (such as the Life Insured or the Beneficiary) is temporarily or permanently:

- (i) outside of the Hong Kong SAR; or
- (ii) otherwise subject to the laws of any other place,

such that we reasonably believe that by complying with a particular term or condition we would breach any laws of the Hong Kong SAR or such other place, then we are entitled not to comply with such term or condition for any period of time we deem necessary, regardless of what such term or condition may provide. This might include declining to service some of your requests related to this Policy. You agree we will not be liable for any losses, damages, claims, liabilities or costs you or any other relevant person may suffer from our exercise of our rights under this Clause. The prior sentence continues to apply even if this Policy terminates for any reason.

## **B. PREMIUM, CHARGES AND EXIT VALUE ADJUSTMENT PROVISIONS**

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### **1. PREMIUM**

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#### **(a) Scheduled Premiums**

Premiums of this Policy are payable to us while the Life Insured is alive, on or before the premium due dates and up to but excluding the relevant Premium Cessation Date, or until the last premium due date prior to the date of termination of this Policy, if that is earlier.

Premiums of this Policy as set out in Policy Schedule 1 and based on the amount due in the Policy Currency, are payable (i) as a lump sum Single Premium; or (ii) as a regular premiums payable annually in the Policy Currency by any payment method which we make available.

#### **(b) Unscheduled Premiums**

(i) Subject to paragraph (b)(ii) below, you may make unscheduled additional premium payments in the Policy Currency at any time except after the Policy Anniversary date at which the Life Insured's Insurance Age turns one-hundred (100). The minimum amount of such unscheduled additional premium will be determined by us from time to time. We reserve the right to refuse, reduce or limit the number or amount of such unscheduled premium payments in any Policy Year except as required to keep this Policy in force.

(ii) If your Policy Currency is in CNY currency, no unscheduled additional premium payment is accepted except that this Policy will lapse and has no further value unless such payment is made to keep this Policy in force and effect; and under such circumstances, unscheduled additional premium payment is allowed if the Policy Currency in respect of this Policy is switched to another non-CNY currency as may be available by us at that time as the new policy currency.

#### **(c) Unless otherwise stated in paragraph (b)(ii) above,**

(i) premiums received will be applied to the Account Value on the later of the due date or at a time determined by us on or as soon as practicable after the dates of receipt of such premiums; and

(ii) all premiums are payable in the Policy Currency specified in Policy Schedule 1 or a relevant endorsement.

### **2. CHARGES**

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The following non-refundable Charges apply to this Policy:

#### **(a) Policy Premium Charge**

A Policy Premium Charge deduction will be applied to all premiums paid to and in respect of this Policy before such premium is allocated to the Account Value. The amount of such charge is shown in Policy Schedule 2.

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**(b) Policy Expense Charge**

- (i) A Policy Expense Charge as shown in Policy Schedule 2 will be deducted from the Account Value on the Policy Effective Date and thereafter on each Monthly Anniversary Date during the first eighteen (18) years under this Policy, ceasing on the Monthly Anniversary Date immediately preceding the eighteenth (18th) Policy Anniversary. Except where paragraph (ii) below applies, thereafter no such charge will be made. If the Monthly Anniversary Date is not a business day as defined by us, the Policy Expense Charge will be due on the next business day following the Monthly Anniversary Date. This Policy Expense Charge is determined by us at the time of Policy issue and we reserve the right to increase this Policy Expense Charge at any time with prior written notice of one (1) month to you before it takes effect, but to not more than one-hundred and twenty-five percent (125%) of the amount shown in Policy Schedule 2.
- (ii) Any addition of the No-Lapse Guarantee Benefit set out under Clause D.1 shall require payment of an additional Policy Expense Charge as we shall reasonably determine from time to time, payable over the remaining Policy Expense Charge Period, or the next eighteen (18) years under this Policy if the Policy Expense Charge Period has completed.

**(c) Insurance Charge**

An Insurance Charge will be applied on the Sum at Risk on the Policy Effective Date and thereafter on each Monthly Anniversary Date to provide the Death Benefit. The Sum at Risk for this purpose is determined at the time of calculating such charge, but if this is zero or less then no charge applies. If the Monthly Anniversary Date is not a business day as defined by us, the Insurance Charge will be due on the next business day following the Monthly Anniversary Date.

The rate charged will be determined by us in accordance with the Table of Current Monthly Cost of Insurance rates as shown in Policy Schedule 2 based on the prevailing and relevant mortality risk rates according to the Insurance Age at the then Monthly Anniversary Date, sex, underwriting class and country of residence of the Life Insured, and adjusted in accordance with any underwriting extra rating as shown in Policy Schedule 1. We reserve the right to amend these rates at any time with prior written notice of one (1) month to you before it takes effect, but under no circumstances will such rates exceed one-hundred and thirty-five percent (135%) of those stated in Policy Schedule 2 adjusted in accordance with any underwriting extra rating as shown in Policy Schedule 1. Where any other Transaction affecting this Policy is to take place on the same day as this charge, then this charge will be made after processing of such other Transaction.

**(d) Charge for Currency Switch or Change of Life Insured**

In the case of Currency Switch as described in Clause C.4(e) or Change of Life Insured as described in Clause D.5(a), we reserve the right to impose a charge in relation to such request as we shall determine from time to time and which will be deducted from the switched amount or Account Value respectively.

**(e) Surrender Charge**

A Surrender Charge shall apply upon surrendering of Policy, whether in part or in full, or upon a reduction in Sum Insured as follows:

- (i) In the case of a full surrender, the applicable Surrender Charge applying to this Policy during the respective Policy Years are specified in Policy Schedule 2.



- (ii) For any partial surrender or reduction in Sum Insured, a proportionate Surrender Charge computed in accordance with Clause B.2(e)(iii) below will apply upon each such (a) p a r t i a l surrender; or (b) reduction in Sum Insured. The aggregate sum of all such Surrender Charges incurred in any Policy Year shall not exceed the amount of Surrender Charge for the Policy Year as specified in Policy Schedule 2. Further, in each case of partial surrender or reduction in Sum Insured, the amounts of Surrender Charge as specified in Policy Schedule 2, which are applicable to full surrender, will subsequently be treated as though those amounts had been reduced by (a) the same proportion as the reduction in Account Value (in the case of partial surrender) or the reduction in Sum Insured (in the case of reduction in Sum Insured); or (b) the aggregate reduction ratio if there had been partial surrender and reduction in Sum Insured taken place in the previous Policy Years.
- (iii) For any partial surrender, the amount of Surrender Charge is the then applicable Surrender Charge multiplied by the ratio of (a) the partial surrender amount to (b) the Account Value before such partial surrender. For any reduction in Sum Insured, the amount of Surrender Charge is the then applicable Surrender Charge multiplied by the ratio of (a) the reduction in Sum Insured to (b) the Sum Insured before such reduction.

### 3. EXIT VALUE ADJUSTMENT

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We reserve the right to apply an Exit Value Adjustment as shall be determined by us at our discretion upon (i) any exit from the Guaranteed Crediting Interest Rate Lock benefit pursuant to Clauses C.2 and C.3(c); (ii) any Currency Switch pursuant to Clause C.4(f); and (iii) determining available loan amount as Policy Loan (if any) pursuant to Clause C.6(a) being taken before the expiry of the Guaranteed Crediting Interest Rate Lock period.

## C. ACCOUNT VALUE PROVISIONS

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### 1. CREDITING INTEREST RATE

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- (a) We will periodically declare two interest rates to apply to your Account Value. A New Money Crediting Interest Rate applies to the Account Value derived from the First Premium paid into the Policy on a daily basis and is guaranteed for the Guaranteed Crediting Interest Rate Lock period you have chosen as set out in Policy Schedule 1 and pursuant to Clause C.2. A General Crediting Interest Rate, which is subject to the Guaranteed Minimum Crediting Interest Rate as set out in Policy Schedule 1 depending on the Policy Currency chosen, will apply on a daily basis (i) during the Guaranteed Crediting Interest Rate Lock period, to the portion of the Account Value not derived from the First Premium paid into the Policy; and (ii) subsequent to the Guaranteed Crediting Interest Rate Lock period, to the entire Account Value.
- (b) Different New Money Crediting Interest Rates and General Crediting Interest Rates may apply to each of the No-Lapse Guarantee Benefit options available under this Policy pursuant to Clause D.1.
- (c) If you elect to add the No-Lapse Guarantee Benefit option pursuant to Clause D.1, then the Crediting Interest Rate(s) will be changed and applied to the Account Value from the date of such addition as follows: (i) The General Crediting Interest Rate will be changed to the corresponding prevailing General Crediting Interest Rate. (ii) If such addition is made during the Guaranteed Crediting Interest Rate Lock period, the New Money Crediting Interest Rate will be changed for the remainder of the Guaranteed Crediting Interest Rate Lock period to the corresponding New Money Crediting Interest Rate, that would have applied had such No-Lapse Guarantee Benefit option been elected on the original Policy Issue Date.

### 2. GUARANTEED CREDITING INTEREST RATE LOCK

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- (a) The Guaranteed Crediting Interest Rate Lock period you have selected is specified in Policy Schedule 1.

The Guaranteed Crediting Interest Rate Lock guarantees the New Money Crediting Interest Rate applied to the Account Value attributable to your First Premium payment for the number of years you selected at Policy Issue Date.

This rate will apply throughout such selected guaranteed period, irrespective of any subsequent change in the New Money Crediting Interest Rate or the General Crediting Interest Rate. After the expiry of the Guaranteed Crediting Interest Rate Lock period, the General Crediting Interest Rate will then apply to all of the Account Value pursuant to Clause C.1(a)(ii).

- (b) You may elect at any time to exit partially or fully from this Guaranteed Crediting Interest Rate Lock benefit but should you elect to do so we reserve the right to apply an Exit Value Adjustment as shall be determined by us on such date of exit if in our view this is appropriate in order to protect the interests of other policyholders. For any partial exit, any Exit Value Adjustment shall only apply to that affected portion of the Account Value. The remaining portion of Account Value unaffected by any partial exit shall continue to enjoy the Guaranteed Crediting Interest Rate Lock benefit for the remainder of the Guaranteed Crediting Interest Rate Lock period. Such remaining portion of Account Value and the amount exited shall be subject to our then applicable minimum rules. The exited portion of the Account Value would then be subject to the General Crediting Interest Rate. The Guaranteed Crediting Interest Rate Lock thereafter cannot be reinstated on the exited portion of the Account Value.

### 3. SURRENDER

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- (a) Subject to Clause C.3(c), you may request a partial surrender of the Account Value of this Policy at any time after the first (1st) Policy Anniversary. Any partial surrender, including any associated Surrender Charge incurred, resulting in the remaining Cash Value being less than USD5,000 (or an equivalent amount in the Policy Currency), or, the Sum Insured falling below USD500,000 (or an equivalent amount in the Policy Currency), will be treated as a request for full surrender.
- (b) You may request a full surrender of the Account Value of this Policy at any time.
- (c) A surrender, whether in partial or in full, may be subject to a Surrender Charge in accordance with Clause B.2(e). Subject to Clause C.3(g), you must exit from any Guaranteed Crediting Interest Rate Lock benefit pursuant to Clause C.2 before any portion of the Account Value subject to such benefit can be surrendered. For any surrender which triggers exit from any Guaranteed Crediting Interest Rate Lock benefit, whether in partial or in full, we reserve the right to apply an Exit Value Adjustment before processing such surrender as we shall determine if necessary to protect the interests of other policyholders.
- (d) Upon a partial surrender, the specified Sum Insured under this Policy shall be adjusted so that the Sum at Risk after the partial surrender shall be no greater than the Sum at Risk applying to this Policy immediately prior to such partial surrender.
- (e) A surrender will take effect on the date we receive such request in a form acceptable to us for this purpose.
- (f) No surrender request will take effect if it is not in writing, or if the amount to be surrendered is less than the minimum amount determined by us from time to time. We also reserve the right to defer the payment of any partial or full surrender for up to ninety (90) days from the date we receive such request.
- (g) After the tenth (10th) Policy Anniversary date, you may request for a partial surrender of up to five percent (5%) of the then Account Value in each Policy Year free of Surrender Charge pursuant to Clause B.2(e), Exit Value Adjustment pursuant to Clause C.2(b) and without reduction in Sum Insured pursuant to Clause C.3(d) (if any). For the avoidance of doubt, any unused quota for the said five percent (5%) of the then Account Value in any Policy Year may not be carried forward to a subsequent Policy Year.

### 4. CURRENCY SWITCH

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- (a) Subject to paragraph (g) below, you may request at any time after the first (1st) Policy Anniversary to switch the Account Value to another then available policy currency under this Policy. The policy currencies available at that time may differ from those which were available when you took out this Policy and are determined at our discretion from time to time and may differ depending on your current Policy Currency. The Account Value may be held under only one policy currency at any one time. Any No-Lapse Guarantee Benefit applying to this Policy pursuant to Clause D.1 shall immediately terminate upon switch of the Account Value to another policy currency but you may be eligible to elect a new No-Lapse Guarantee Benefit option subject to availability, as determined by us, at that time.

- (b) Subject to paragraph (d) below, a Currency Switch under paragraph (a) will take effect on a date we determine as soon as practicable after we receive such written request, on our then prevailing currency exchange rate. We will not be liable for any losses incurred as a result of any delay in such transaction.
- (c) Subject to paragraph (g) below, Currency Switch request will only be accepted if it is in writing and the requested amount to be switched is no less than the minimum amount determined by us from time to time.
- (d) We reserve the right to limit the number or frequency of switches under this Clause, and to defer any switch for up to ninety (90) days from the date we receive the instruction.
- (e) Subject to paragraph (g) below, you may make one (1) Currency Switch during any Policy Year without incurring any charges. For any subsequent Currency Switches happening in the same Policy Year, we reserve the right to impose a charge as we shall determine from time to time and shall be deducted from the switched amount. Any applicable currency exchange and related charges however will be borne by you in all cases and be deducted from the switched amount.
- (f) For any Currency Switch, we reserve the right to apply an Exit Value Adjustment before processing such switch as we shall determine if necessary to protect the interests of other policyholders. If any portion of the Account Value at that time is subject to a Guaranteed Crediting Interest Rate Lock benefit, then such Guaranteed Crediting Interest Rate Lock benefit ceases to apply and the terms of Clause C.2(b) shall apply in respect of exit from such Guaranteed Crediting Interest Rate Lock benefit as though you had elected to exit such benefit.
- (g) Any Currency Switch request into CNY currency as the new policy currency is not allowed under this Policy unless otherwise stated by us.

## 5. STATEMENTS

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As soon as practicable, within each Policy Year, we will send you a statement on a quarterly basis showing the Transactions and balance in the Account Value for the preceding period since the last such statement.

## 6. POLICY LOAN

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### (a) Policy Loan

Subject to paragraph (d) below, you may obtain a Policy Loan from us after the first (1st) Policy Anniversary. Whenever a Policy Loan is requested the loan balance (which includes the new loan and any existing loan with accrued interest (hereinafter called "Indebtedness"), may not exceed seventy-five percent (75%) of the Cash Value adjusted by any Exit Value Adjustment as determined pursuant to Clause C.2. But if at any time the amount of Indebtedness exceeds ninety percent (90%) of the Cash Value adjusted by any Exit Value Adjustment, the Policy will terminate with benefit payable as if full surrender were elected pursuant to Clause C.3(b). Reference to Exit Value Adjustment in this Clause C.6 relates to the amount that would apply as if this Policy were being surrendered at that moment in time.

To apply for a Policy Loan, you are required to complete and submit to us our specified form and provide such information and/or documents as may be reasonably requested by us. It will be at our discretion whether to accept any application for Policy Loan.

We will release the requested loan amount as soon as is reasonable taking into account the business conditions and our procedures in operation at the relevant time, but generally not later than ninety (90) days after such valid request is received and accepted by us.

**(b) Interest on Loan**

Interest will be charged on all Indebtedness at the prevailing rate for Policy Loans as we shall determine from time to time. Any unpaid interest will be added to the Indebtedness.

**(c) Loan Repayment**

All or any part of the Indebtedness may be repaid to us at any time by a method acceptable to us from time to time, which shall be determined by us at our discretion.

Any Indebtedness on this Policy outstanding at the time of any claim shall be deducted from the amount otherwise payable under this Policy. Our claim for any Indebtedness shall be prior to any claim of the Policyholders or any beneficiary(ies) or assignee or other persons under this Policy.

**(d) No Policy Loan is allowed under this Policy if the Policy Currency is in CNY currency.**

## D. COVERAGE PROVISIONS

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### 1. NO-LAPSE GUARANTEE BENEFIT

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This optional benefit applies to this Policy if specifically stated in Policy Schedule 1 or in an endorsement to this Policy. If not so stated, then this benefit does not apply.

Provided you have paid into this Policy at least the No-Lapse Guarantee Benefit minimum premium specified in Policy Schedule 1 or in any endorsement, and have not subsequently elected a Currency Switch pursuant to Clause C.4 or elected any partial surrender from the Account Value other than the Surrenderable Portion as defined in the next paragraph, then we shall maintain the specified Sum Insured in force at our cost until the death of the Life Insured or for the duration you had chosen as stated in Policy Schedule 1 or in any subsequent endorsement, whichever is earlier.

This means you can surrender the portion of Account Value attributable to the amount of premiums cumulatively paid beyond the specified No-Lapse Guarantee Benefit minimum premium, ignoring and excluding interest credited and all charges to date ("Surrenderable Portion"), without affecting the No-Lapse Guarantee Benefit. But if there is (i) a switch of Account Value to another policy currency pursuant to Clause C.4, (ii) if any portion of the surrender amount is drawn from any portion other than the Surrenderable Portion, (iii) if this Policy terminates pursuant to Clause C.6(a), or (iv) if the Life Insured is changed pursuant to Clause D.5, or (v) this Policy terminates pursuant to Clause A.12(b)(vii), then the No-Lapse Guarantee Benefit will cease to apply to this Policy. However, you may be allowed at our discretion to reinstate this No-Lapse Guarantee Benefit subject to the terms and conditions we may impose at that time.

You have a one-time option, on either the fifth Policy Anniversary or any subsequent fifth Policy Anniversary, without any evidence of insurability of the Life Insured, to add No-Lapse Guarantee Benefit on such terms and conditions as we shall determine from time to time, provided always that the Insurance Age of the Life Insured at the time of election cannot be lower than fifty (50) nor higher than eighty (80). Further you will be allowed to make such an election at each Policy Anniversary that falls between Insurance Ages seventy-five (75) and eighty (80) of the Life Insured, provided that the one-time option has not yet been previously exercised. An addition of No-Lapse Guarantee Benefit shall trigger additional Policy Expense Charge as set out under Clause B.2(b)(ii).

### 2. CHARITABLE GIVING BENEFIT

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The following benefit is automatically included in this Policy at no cost to you.

In the event of death of the Life Insured we will pay an additional one percent (1%) of the Sum Insured, subject to a maximum payment of USD100,000 (or an equivalent amount in Policy Currency) to the charity or charities you nominated in your application for this Policy or the charity you may have nominated thereafter. You may change this nomination at any time by giving notice to us in writing in a form acceptable to us. A charity for this purpose is any internationally recognised and accredited charitable body or foundation.

### 3. CHANGE IN SPECIFIED SUM INSURED

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Subject to our acceptance and such terms as determined by us, you may increase the specified Sum Insured at any time or reduce the specified Sum Insured at any time after the first (1st) Policy Anniversary under this Policy by submitting a written request in a form acceptable to us. No increase in the Sum Insured is allowed for this Policy if the Policy Currency is in CNY currency.

Where the Sum Insured is requested to be increased and the Policy Currency is in non-CNY currency, then such increase shall be subject to evidence of insurability of the Life Insured and our then terms and conditions as we shall determine from time to time. The increase in Sum Insured is subject to a minimum amount, currently set at USD100,000 (or an equivalent amount in the Policy Currency), which minimum may be changed by us from time to time.

Where the Sum Insured is requested to be reduced, then such reduction is subject to a minimum remaining Sum Insured of USD500,000 being maintained under the Policy (or an equivalent amount in the Policy Currency) and a minimum reduction amount set at USD100,000 (or an equivalent amount in the Policy Currency), both of which may be changed by us from time to time. Other terms and conditions, including any maximum cumulative reduction in Sum Insured, may apply and shall be determined by us from time to time.

Any reduction in Sum Insured will be subject to a Surrender Charge pursuant to Clause B.2(e) which will be deducted from the Account Value. For the avoidance of doubt, the reduction in Sum Insured will have no impact on (i) the Guaranteed Crediting Interest Rate Lock benefit under Clause C.2; and (ii) No-Lapse Guarantee Benefit under Clause D.1 provided that the conditions stated therein are satisfied.

### 4. ACCELERATED DEATH BENEFIT

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The following benefit automatically applies to this Policy at no cost to you.

- (a) The lower of the maximum stated in Clause D.4(b) and one-hundred percent (100%) of the (then applicable) Sum Insured will be paid subject to written application for such benefit in the event the Life Insured is diagnosed as suffering from a life threatening terminal illness, disease or injury subject to the following pre-requisite conditions:
- It has been diagnosed by a Registered Medical Practitioner after issue of this Policy;
  - Such diagnosis is supported by clinical, radiological, laboratory or other evidence of the medical condition satisfactory to us;
  - It is not curable by any means available to the medical profession;
  - The Registered Medical Practitioner is qualified to assess this condition and certify that it is expected to result in death within 12 months of such diagnosis.

- (b) The amount of Accelerated Death Benefit payable under this Policy is subject to the maximum of USD2,000,000 (or an equivalent amount in Policy Currency) less the total amount of Accelerated Death Benefit paid and/or payable to the Life Insured under all other universal life insurance policies issued by the Company as may be determined by the Company from time to time. Upon payment of such accelerated payment the amount of Sum Insured and Account Value shall both be reduced by the amount paid. Notwithstanding anything as set out in Clause A.8, if the Cash Value drops to zero or less after such reduction and the Sum Insured is greater than zero after such reduction, the Policy will continue to be in force for twelve (12) months after the payment of such Accelerated Death Benefit; thereafter the Policy will terminate unless the Account Value at that time is sufficient to fund all applicable charges subject to any applicable No-Lapse Guarantee Benefit pursuant to Clause D.1. Under such circumstances, unscheduled additional premium payment is allowed to keep this Policy in force and effect. If your Policy Currency is in CNY, the Policy Currency has to be switched to another non-CNY currency as may be available by us at that time as the new policy currency for the purpose. All other terms and conditions under this Policy remain in force. In the case that Sum Insured becomes zero after such reduction, the remaining balance of the Account Value (if any) will also be paid and this Policy will then terminate.

## 5. CHANGE OF LIFE INSURED

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The following benefit automatically applies to your Policy.

- (a) Where the Policyholder is a corporate business entity and such Policy was set up in relation to a business succession and planning strategy and the original Life Insured is no longer employed or otherwise engaged with that employer or any associated corporation or connected business entity, then you may apply for a change of Life Insured under this Policy. If such request is accepted by us, we reserve the right to impose a charge as we shall determine from time to time and which shall be deducted from the Account Value.
- (b) Where the Policyholder is not a corporation, subject to our acceptance of such request, you may request to change the current Life Insured under the Policy to another Life Insured according to the conditions stated in the next paragraph.

Our acceptance of any replacement Life Insured will be entirely at our discretion and includes requirements regarding the insurability of such Life Insured at that time, the establishment to our satisfaction that this Policyholder has adequate insurable interest in such replacement Life Insured and such other terms and conditions as we shall determine from time to time. Insurance Charges and Policy Expense Charges thereafter will be adjusted to reflect the new Life Insured's age, sex, country of residence, underwriting class and any additional ratings, but the time periods indicated under Clauses A.2 and A.10 shall restart from the date of change. Any No-Lapse Guarantee Benefit pursuant to Clause D.1 shall terminate in the event of a change in Life Insured, but you may elect to add any of the then available No-Lapse Guarantee Benefit options at that time and on such terms and conditions as we shall determine.

If because of applicable law or regulations or other practical constraints it is not possible to substitute a different Life Insured under this Policy, then at our discretion a replacement Policy may be issued under a new policy number and in such event all benefits, privileges and value under this Policy will be terminated and transferred fully to such replacement Policy.

If your Policy Currency is CNY currency, no Change of Life Insured is allowed if it requires payment of additional premium.



## **E. OWNERSHIP, ASSIGNMENT AND BENEFICIARY PROVISIONS**

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### **1. OWNERSHIP**

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Subject to the rights of any irrevocable beneficiary, you have all rights of ownership in this Policy while it is in force. You may subject to our consent change the ownership of this Policy, from yourself to a new policyholder. To request such a change you must file a written request with us in a form specified by us. If this change takes effect, all rights of ownership in this Policy will pass to the new policyholder on the effective date of change.

Any change will not be effective until it is accepted and recorded by us. Once accepted and recorded, the change will take effect as of the date you signed the request, subject to any payment we made or action we took before recording the change.

### **2. BENEFICIARY**

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(a) Whenever a beneficiary is designated by you in the application form or subsequently by filling out the appropriate designation form as prescribed by us, such beneficiary or beneficiaries as per our latest record will, subject to any applicable laws or regulations to the contrary, be deemed to be beneficially entitled to the Death Benefits under this Policy.

(b) If any beneficiary dies simultaneously with the Life Insured or in circumstances rendering it uncertain which of the beneficiary and the Life Insured died first, the beneficiary will be deemed to die before the Life Insured.

### **3. ASSIGNMENT**

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You may assign this Policy as collateral for a loan without the consent of any revocable beneficiary. A request for assignment will not be effective until it is accepted and endorsed by us. We will not be responsible for the consequences, validity or effect of any attempted assignment.

## APPENDIX 1

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The following terms supplement the Clause in the policy terms entitled “Collection and Use of Customer Information, Financial Crime Risk Management Activity and Tax Compliance” and relate to the use, store, process, transfer and disclosure of Customer Information other than Personal Data. Terms used in this Appendix 1 shall have the meanings set out in that Clause.

### **Use of Customer Information Other Than Personal Data**

The purposes for which Customer Information (other than Personal Data) may be used are as follows:

- (1) considering applications for products and services;
- (2) providing, managing, administering or effecting Services or any transaction that you request or authorise and the operation and administration of the products and services;
- (3) conducting credit checks and obtaining or providing credit references;
- (4) creating and maintaining the credit and risk related models of us and the HSBC Group;
- (5) any purposes in connection with any claims made by or against or otherwise involving you in respect of any products or services provided by us or a member of the HSBC Group;
- (6) determining the amount of indebtedness owed to or by you and by those providing a guarantee or security for your obligations;
- (7) complying with any obligations, requirements or arrangements, whether compulsory or voluntary, of us or any member of the HSBC Group to comply with, or in connection with any Compliance Obligations;
- (8) conducting Financial Crime Risk Management Activity;
- (9) meeting any obligations, demand or request from Authorities;
- (10) exercising any rights we or a member of the HSBC Group may have in connection with the products or services provided to you;
- (11) marketing, designing, improving or promoting Services or related products to you (and to Connected Persons to the extent permissible by Laws) and conducting market research;
- (12) enabling an actual or proposed assignee, transferee or participant or sub-participant of our or any member of the HSBC Group’s rights to evaluate the transaction intended to be the subject of the assignment, transfer, participation or sub-participation;
- (13) maintaining HSBC Group’s or our overall relationship with you; and
- (14) any purposes relating or incidental to any of the above.

## **Sharing and Transfer of Customer Information Other Than Personal Data**

We may (as necessary and appropriate for all or any of the Purposes) transfer, share, exchange and/or disclose any Customer Information (other than Personal Data) to all such persons as we may consider necessary (wherever located) including without limitation:

- (a) any member of the HSBC Group;
- (b) any agents, contractors, sub-contractors, service providers, reinsurers or associates of the HSBC Group (including their employees, directors and officers, agents, contractors, service providers and professional advisers);
- (c) any Authorities;
- (d) any person to whom we or any member of the HSBC Group is under an obligation or required or expected to make disclosure for the purposes set out in paragraph (7), (8) or (9) above;
- (e) anyone acting on behalf of you, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us or any member of the HSBC Group for you);
- (f) any party acquiring an interest in or assuming risk in or in connection with the Services;
- (g) other financial institutions, credit reference agencies or credit bureaus, for obtaining or providing credit references; and
- (h) any party involved in any business transfer, disposal, merger or acquisition by us or any member of the HSBC Group.