

The Hongkong and Shanghai Banking Corporation Limited

DEPOSIT PLUS SUPPLEMENTAL TERMS AND CONDITIONS

1. Invest in Deposit Plus

- 1.1 Deposit Plus is governed by the provisions of these Supplemental Terms and Conditions and the provisions of the Time Deposits - General Terms and Conditions. For the purpose of Deposit Plus, the provisions of these Supplemental Terms and Conditions prevail over the provisions of the Time Deposit Terms and Conditions to the extent of any inconsistency between them.
- 1.2 You may invest in Deposit Plus (i) in such currencies, (ii) with such minimum initial investment amount, and (iii) for such periods as we may allow from time to time.
- 1.3 We may set additional conditions relating to the Deposit Plus Deposit Currency or the Linked Currency (or both) in the relevant Confirmation as we consider appropriate.
- 1.4 Each Deposit Plus investment is subject to the terms of the relevant Confirmation. The terms of each relevant Confirmation should be read with these Supplemental Terms and Conditions and together are considered to form a single agreement between you and us governing that Deposit Plus investment. For the purpose of a Deposit Plus investment, the terms of the relevant Confirmation prevail over these Supplemental Terms and Conditions to the extent of any inconsistency between them.
- 1.5 Our certificate as to the amount of any sum payable by or to us pursuant to these Supplemental Terms and Conditions will be conclusive in the absence of any manifest error.
- 1.6 Scope of service
 - 1.6.1 In relation to an investment in Deposit Plus:
 - (a) we may solicit the sale of or recommend Deposit Plus to you in accordance with Clause 1.7.1(a) or (c); and/or
 - (b) you may enter into the transaction without or inconsistent with any solicitation or recommendation from us in accordance with Clause 1.7.1(d).
 - 1.6.2 We do not provide advisory services and therefore do not assume any advisory duty of care or obligation in the solicitation of the sale or recommendation of Deposit Plus other than to ensure reasonable suitability as set out in Clauses 1.7.1(a) and (c).
 - 1.6.3 Making available to you any advertisements, marketing or promotional materials, market information or other information relating to Deposit Plus shall not, by itself, constitute solicitation of the sale or recommendation of Deposit Plus.
 - 1.6.4 Unless otherwise specified in these Supplemental Terms and Conditions or in other terms and conditions in relation to any product:
 - (a) we do not advise on personalised asset allocation, investment portfolio and investment strategy; and
 - (b) we do not have any obligation to make available any service or provide advice in relation to the purchase or sale of products which we do not distribute or offer to our customers.
- 1.7 Transactions entered into with us to invest in Deposit Plus
 - 1.7.1
 - (a) If we solicit the sale of or recommend any Financial Product to you, the Financial Product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives ("**Customer Financial Information**").
 - (b) No other provision of these Supplemental Terms and Conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from Clause 1.7.1(a).
 - (c) If we solicit the sale of or recommend Deposit Plus to you, we will also ensure that Deposit Plus is reasonably suitable for you based on our suitability assessment. In our assessment, we will take into account your financial situation, investment experience and/or investment objectives, if it is required by applicable regulatory requirements.
 - (d) If you enter into a transaction with us to invest in Deposit Plus without or inconsistent with any solicitation or recommendation from us, we will not have any obligation or duty to assess whether or ensure that Deposit Plus is suitable for you. You acknowledge and agree that it is your sole responsibility to assess and to satisfy yourself that the transaction is appropriate for you. Any limitation of our obligation or duty in this Clause 1.7.1(d) is subject to compliance with all Applicable Regulations.
 - (e) We are not liable for any loss (including indirect or consequential loss), cost or damage of any kind incurred or suffered by you or any other person with respect to or arising out of any transactions which fall under Clause 1.7.1(d), except where it is proved that there was negligence or wilful default by (i) us, (ii) our agents or nominees, or (iii) our officers or employees or that of our agents or nominees in performing our obligations under these Supplemental Terms and Conditions (in which case we will only be liable for any loss and damage you incur or suffer that is direct and reasonably foreseeable arising directly and solely from such negligence or wilful default).
 - 1.7.2 By entering into a transaction with us to invest in Deposit Plus, you confirm that any information you provide to us (including the Customer Financial Information) is complete, accurate and up-to-date. When we assess suitability, we will rely on your confirmation.
 - 1.7.3 Before you enter into a transaction with us to invest in Deposit Plus, you should:
 - (a) consider your own circumstances and understand the Deposit Plus features, terms and risks, and you should contact us if you have any questions on Deposit Plus;
 - (b) note that we have no ongoing responsibility to ensure that the Deposit Plus we have solicited the sale of or recommended to you remains suitable for you;
 - (c) note that if circumstances relating to you, Deposit Plus, us, or general market conditions change, Deposit Plus may no longer be suitable for you; and
 - (d) note that we do not provide legal, tax or accounting advice on your investments, and you should therefore consider obtaining independent professional advice (including legal, tax and accounting advice) about your investments where necessary.
 - 1.7.4 This Clause 1.7 takes effect on 8 June 2017 ("**Effective Date**"), and applies to:
 - (a) any solicitation and/or recommendation of Deposit Plus we make to you on or after the Effective Date, provided that you enter into a transaction with us to invest in Deposit Plus following our solicitation and/or recommendation; and
 - (b) any transaction you enter into with us to invest in Deposit Plus without or inconsistent with any solicitation or recommendation from us on or after the Effective Date.

2. Returns and currency of Deposit Plus

- 2.1 Payment of a Deposit Plus investment (whether on maturity or in any other case) by us will be credited to an account maintained with us in Hong Kong unless we agree otherwise.

- 2.2 Subject to the provisions of these Supplemental Terms and Conditions, we will pay the principal amount of a Deposit Plus investment plus interest on its Maturity Date for value on the same day to the credit of an account designated in your disposal Instructions. If you do not designate an account or if the designated account is inactive or closed, we have the right to credit the relevant amount to any other account maintained by you with us.
- 2.3 (a) Interest on a Deposit Plus investment is calculated on its principal amount on the basis of:
- (i) the number of days in the Interest Period; or
 - (ii) if the Deposit Plus investment is uplifted before its Maturity Date for any reason, the number of days elapsed prior to the date of breaking the Deposit Plus investment, and the number of days in the relevant Interest Year.
- (b) Interest will accrue at the interest rate stated in the relevant Confirmation.
- 2.4 (a) Upon maturity of a Deposit Plus investment, its principal amount and interest will be paid in the Deposit Plus Deposit Currency where:
- (i) the Final Exchange Rate is less than or equal to the Conversion Rate, if the Relevant Rate stated in the relevant Confirmation is the amount of the relevant Linked Currency for one unit of the relevant Deposit Plus Deposit Currency; or
 - (ii) the Final Exchange Rate is greater than or equal to the Conversion Rate, if the Relevant Rate stated in the relevant Confirmation is the amount of the relevant Deposit Plus Deposit Currency for one unit of the relevant Linked Currency; and
- (b) Upon maturity of a Deposit Plus investment, its principal amount and interest will be paid in the Linked Currency where:
- (i) the Final Exchange Rate is greater than the Conversion Rate, if the Relevant Rate stated in the relevant Confirmation is the amount of the relevant Linked Currency for one unit of the relevant Deposit Plus Deposit Currency; or
 - (ii) the Final Exchange Rate is less than the Conversion Rate, if the Relevant Rate stated in the relevant Confirmation is the amount of the relevant Deposit Plus Deposit Currency for one unit of the relevant Linked Currency.

3. Withdrawal and renewal of Deposit Plus

- 3.1 A Deposit Plus investment (or any part of it) cannot be withdrawn without our consent prior to its Maturity Date. We may refuse to give consent at our discretion without giving reasons.
- 3.2 Where we consent to withdrawal of a Deposit Plus investment prior to its Maturity Date, we have the right to impose conditions as we consider appropriate. Such conditions may include deduction of break costs as we may determine conclusively. Such break costs include the costs, expenses, liabilities or losses we incur or suffer in connection with (i) breaking our hedging arrangement or (ii) obtaining funds from other sources for paying the Deposit Plus investment in the Deposit Plus Deposit Currency or the Linked Currency (as the case may be). Therefore the total amount paid on withdrawal may be less than the original principal amount of the Deposit Plus investment.
- 3.3 No Deposit Plus investment (including its principal amount and interest) can or will be automatically renewed.

4. Tax

We will pay the principal amount of a Deposit Plus investment and any interest or return subject to any deduction or withholding in respect of tax required by Applicable Regulations. We will advise you of the amount of deduction or withholding (if applicable) each time any principal amount, interest or return is paid.

5. Risk disclosure

- 5.1 The net return on a Deposit Plus investment will depend on market conditions prevailing at the Fixing Time on the Fixing Date.**
- 5.2 You must be prepared to risk any loss as a result of depreciation of value of the currency paid. Such loss may offset the interest or return earned on a Deposit Plus investment, or may even result in a loss to the principal amount of the Deposit Plus investment.**
- 5.3 You acknowledge this Clause 5 explains some principal risks but is not an exhaustive list of all possible risks associated with investment in Deposit Plus. If you have any concerns about Deposit Plus, you should consult your professional advisers.**

6. Your representations and confirmations

If you are a body corporate, you represent and confirm the following matters:

- 6.1 you have the authority and power to enter into these Supplemental Terms and Conditions and to make the Deposit Plus investment;
- 6.2 you have taken all necessary corporate steps to authorise the execution of these Supplemental Terms and Conditions; and
- 6.3 the provisions of these Supplemental Terms and Conditions are legally binding on and fully enforceable against you.

7. Joint depositors

If a Deposit Plus investment is made in the joint names of two or more persons:

- (a) you are jointly and severally liable with each other for the obligations and liabilities under these Supplemental Terms and Conditions;
- (b) any act or omission of any of you will be deemed the act or omission of all of you; and
- (c) any notice to be given to you under these Supplemental Terms and Conditions will be validly given to all of you if given to any of you.

8. Waiver

No act or omission by us will affect our rights, powers or remedies under these Supplemental Terms and Conditions or any further or other exercise of such rights, powers or remedies.

9. Limitation on our liability

We are not liable for any loss, damage, cost or expense incurred by you as a result of any interruption, delay or failure in performing any of our obligations under these Supplemental Terms and Conditions or any Confirmation to the extent that it is attributable to any cause or circumstance that is beyond our reasonable control.

10. Partial invalidity

If any provision of these Supplemental Terms and Conditions or any Confirmation is or becomes illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability does not affect any other provision which remains in full force, validity and effect.

11. Third party rights

No person other than you and us will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of these Supplemental Terms and Conditions.

12. Governing law and version

12.1 These Supplemental Terms and Conditions are governed by and will be construed according to Hong Kong laws.

12.2 The English version and Chinese version of these Supplemental Terms and Conditions shall have equal weight.

13. Jurisdiction

13.1 You submit to the non-exclusive jurisdiction of the Hong Kong courts.

13.2 These Supplemental Terms and Conditions may be enforced in the courts of any competent jurisdiction.

Definitions

Applicable Regulation means any law, regulation or court order, or any rule, direction, guideline, code, notice or restriction (whether or not having the force of law) issued by any Authority or industry or self-regulatory body, whether in or outside Hong Kong, to which we or you are subject or with which we or you are expected to comply from time to time.

Business Day means a day (other than a Saturday, a Sunday or a public holiday) on which banks are open for business including dealings in foreign exchange and foreign currency deposits in Hong Kong and in the principal banking centre of the jurisdiction of issuance of the Deposit Plus Deposit Currency and the Linked Currency.

Confirmation in relation to a Deposit Plus investment, means each separate confirmation issued by us to you in respect of that Deposit Plus investment pursuant to these Supplemental Terms and Conditions; and "**relevant Confirmation**" means the Confirmation of the Deposit Plus investment in question.

Conversion Rate in relation to a Deposit Plus investment, means the rate stated as Relevant Rate in the relevant Confirmation.

Deposit Plus means each investment accepted by us as a Deposit Plus investment pursuant to these Supplemental Terms and Conditions.

Deposit Plus Deposit Currency in relation to a Deposit Plus investment, means the currency in which that Deposit Plus investment is denominated, as accepted by us and stated in the relevant Confirmation.

Deposit Plus Deposit Date in relation to a Deposit Plus investment, means the date (being a Business Day) on which that Deposit Plus investment is made with us in accordance with these Supplemental Terms and Conditions, as stated in the relevant Confirmation.

Final Exchange Rate in relation to a Deposit Plus investment, means the Relevant Rate as quoted by us in good faith, as of approximately the Fixing Time on the Fixing Date.

Financial Product means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance. For the purpose of this definition, "leveraged foreign exchange contracts" mean those traded by persons licensed for Type 3 regulated activity under the relevant regulations in Hong Kong.

Fixing Date in relation to a Deposit Plus investment, means the date stated as Fixing Date in the relevant Confirmation.

Fixing Time means 10:00 am Hong Kong time.

Hong Kong means the Hong Kong Special Administrative Region of the People's Republic of China.

Interest Period in relation to a Deposit Plus investment, means the period from (and including) the Deposit Plus Deposit Date to (but excluding) the Interest Period End Date of that Deposit Plus investment.

Interest Period End Date in relation to a Deposit Plus investment, means the Maturity Date as stated in the relevant Confirmation. For the purpose of this definition, no adjustment to the Maturity Date as contemplated in the definition of "Maturity Date" should be made.

Interest Rate in relation to a Deposit Plus investment, means the interest rate stated as Interest Rate in the relevant Confirmation.

Interest Year means the number of days in a year for the purpose of calculating the accrual of interest, as determined conclusively by us by reference to the current market practice in Hong Kong in respect of the Deposit Plus Deposit Currency.

Linked Currency in relation to a Deposit Plus investment, means such currency other than the Deposit Plus Deposit Currency selected by you and agreed by us, as stated in the relevant Confirmation.

Maturity Date in relation to a Deposit Plus investment, means (i) the date of maturity of that Deposit Plus investment agreed by you and us, as stated in the relevant Confirmation, or (ii) if that date is not a Business Day, the following date which is a Business Day, or (iii) any other date as determined by us in accordance with these Supplemental Terms and Conditions.

person includes an individual, sole proprietorship, partnership, firm, company, corporation or unincorporated body of persons.

Relevant Rate means, in relation to the Deposit Plus Deposit Currency and the Linked Currency selected by you and agreed by us:

- (i) the amount of the relevant Linked Currency for one unit of the relevant Deposit Plus Deposit Currency; or
- (ii) the amount of the relevant Deposit Plus Deposit Currency for one unit of the relevant Linked Currency.

Supplemental Terms and Conditions means these "Deposit Plus Supplemental Terms and Conditions" as may be amended or supplemented from time to time.

Time Deposit Terms and Conditions means the "Time Deposits – General Terms and Conditions" as may be amended or supplemented from time to time.

we, us, our means The Hongkong and Shanghai Banking Corporation Limited of 1 Queen's Road Central, Hong Kong, a registered institution under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) with central entity number AAA523, and its successors and assigns.

you or your means each person who makes a Deposit Plus investment and, where that person is a partnership, any reference to you includes each person carrying on the business of that partnership from time to time and, where the context permits, includes any individual authorised by you to give instructions relating to the Deposit Plus investment.