

TERMS AND CONDITIONS FOR MARGIN FX TRADING SERVICES

Risk of trading in leveraged foreign exchange contracts:

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

Quick Facts of Margin FX Trading Services*		
Product Features		For more information
Features/Benefits	<ul style="list-style-type: none"> Leverage ratio up to 20 times to qualifying customers who <i>seek to include</i> directional currency investments in their asset portfolio. Wide range of order types including market order and limit order, (with or without take profit, stop loss or trailing stop options) Professional user interface and trading tools to assist you in monitoring and managing your currency positions, in real-time. 24-hour[^] online trading via internet banking or mobile banking No minimum trading amount requirement. <p>[^] Trading hour – 5 am Monday HKT to 5 am Saturday HKT during summer time (US daylight saving), and 5 am Monday HKT to 6 am Saturday HKT during winter time (non-US daylight saving).</p>	HSBC Website, Product Factsheet of Margin FX Trading Services
Trading Accounts	<ul style="list-style-type: none"> A Margin FX Trading Account must be set up together with a Margin FX Collateral Account in HKD. A sub-account in USD can be set up at customer's election. A minimum deposit of USD10,000 or equivalent is required for the opening of a Trading Account. 	
Currencies	<ul style="list-style-type: none"> 10 currencies: AUD, CAD, CHF, EUR, GBP, HKD, JPY, NZD, SGD and USD 45 currency pairs in total 	
Channel Availability	<ul style="list-style-type: none"> Personal Internet Banking, Mobile Apps (iOS and Android) 	
Financials		
Fees and Expenses	<ul style="list-style-type: none"> Using the Margin FX Trading Services is currently free of charge, but we reserve the right to impose a fee, which we will notify you by prior notice. 	Terms & Conditions for Margin FX Trading Services (Clause 3.3)
Rollover Interest	<ul style="list-style-type: none"> Rollover interest will be incurred when there are open positions. Depending on the currency pair and the long or short position involved, net interest will be paid or charged to your trading account. 	Product Factsheet of Margin FX Trading Services

Key Terms		
Leverage Ratio	<ul style="list-style-type: none"> The ratio used to derive the margin requirement based on the trade amount. Leverage ratio and the Net Asset Value of a Margin FX Sub-Account can be used to determine the positions which you can open and maintain. You can request your own leverage ratio but the final ratio is determined by us in our absolute discretion. 	Product Factsheet of Margin FX Trading Services and Terms & Conditions for Margin FX Trading Services
Margin Requirement	<ul style="list-style-type: none"> Any cash amount we may require you to deposit as Collateral in a Margin FX Collateral Account in order to open or maintain positions under a Margin FX Sub-Account. 	
Collateral	<ul style="list-style-type: none"> All moneys and interest and benefits credited (excluding interest or benefits accrued but not credited) in a Margin FX Collateral Account. 	
Open Position	<ul style="list-style-type: none"> In respect of each outstanding Margin FX Trade, the notional amount of currency bought or sold by you under that Margin FX Trade. 	
Net Asset Value (“NAV”)	<ul style="list-style-type: none"> For each Margin FX Sub Account, NAV is the balance of the relevant Margin FX Collateral Account, plus or minus (as applicable) the Unrealised Profit or Loss as a result of the open position(s) in that Margin FX Sub Account. 	
Margin call	<ul style="list-style-type: none"> A notification sent to inform you that the NAV of your Margin FX Sub Account is at or below 60% of its Margin Requirement (that is, within 20% above the Automatic Closeout Level). Such notification may be sent in the form of an on screen pop up via personal internet banking or mobile banking or an SMS. You need to take action to relieve the margin shortfall in order to avoid us from exercising our Automatic Closeout right. 	
Automatic Closeout	<ul style="list-style-type: none"> Our right to automatically close out any open position that is below automatic closeout level in a Margin FX Sub Account with or without prior notice to you. 	
Unrealised Profit / Loss	<ul style="list-style-type: none"> At any given point in time, the gain or loss calculated for an Open Position based on the Exchange Rate at such point in time. It is also termed the mark to market value of an Open Position. 	

* Terms and Conditions for Margin FX Trading Service apply to Margin FX Trading Service. This table contains a summary of the key product features and it is provided for reference only. It is not intended to replace Terms and Conditions for Margin FX Trading Service. Terms and Conditions for Margin FX Trading Services will prevail in the event of inconsistency.

Your voice

We welcome your voice. Should you have any comment, please contact any of our Hong Kong branches call (852) 2233 3322 for HSBC Premier customers, (852) 2748 8333 for HSBC Advance customers or (852) 2233 3000 for other personal customers, or write to the customer Relations Department at P.O. box No. 71169 Kowloon Central Post Office, or send an email to feedback@hsbc.com.hk.

TERMS AND CONDITIONS FOR MARGIN FX TRADING SERVICES

IMPORTANT! Before you use the Margin FX Trading Services, please read these Terms and Conditions carefully. We draw your particular attention to the risk disclosures set out in Appendix 2 to these Terms and Conditions.

By using the Margin FX Trading Services (which includes setting up an Account), you will be considered to have accepted these Terms and Conditions and will be bound by them.

Section 1: Definitions and Interpretation

Terms used in this document (including the Appendices) are defined in Appendix 1. The rules for interpreting the provisions of this document are also set out in Appendix 1.

Section 2: Provision of Margin FX Trading Services

2.1 Available Margin FX Trading Services

2.1.1 We may provide Margin FX Trading Services on these Terms and Conditions and such other terms and conditions as we may specify. We have the right to do the following (or any of them) from time to time without prior notice:

- (a) introduce new (or new types of) services;
- (b) vary, suspend or withdraw any existing (or existing type of) services; and
- (c) specify or vary the scope and extent of the services.

2.1.2 The Margin FX Trading Services that we may provide include the following services (or any of them):

- (a) functionality to input Platform Instructions or Phone Banking Instructions. These Instructions may include Instructions to execute Margin FX Trades with us;
- (b) opening and maintaining one or more Accounts;
- (c) eAlerts Service for displaying messages and communications relating to the Margin FX Trading Services;
- (d) eStatement and eAdvice Service for sending electronic statements and advice relating to the Margin FX Trading Services; and
- (e) any other services as we may agree with you from time to time.

2.2 General conditions applicable to Margin FX Trading Services

2.2.1 Applicable Regulations prevail

Provision and use of the Margin FX Trading Services are subject to Applicable Regulations. In this connection:

- (a) In the event of any conflict or inconsistency between these Terms and Conditions and any Applicable Regulation, that Applicable Regulation shall prevail.
- (b) You are bound by the Applicable Regulations and any action or step taken by us to prevent or remedy a breach of the Applicable Regulations, as if the Applicable Regulations are expressly set out in these Terms and Conditions.

2.2.2 Our role, obligations and rights

- (a) We have no fiduciary, trustee or other similar obligations to you in relation to the Margin FX Trading Services or these Terms and Conditions.
- (b) **You understand and agree that, in providing you with the Margin FX Trading Services, we do not provide any recommendation to you or advise you on the merits of any transaction. You understand that you use the Platform or the Phone Banking Service as a channel for executing Margin FX Trades with us, each party acting as principal. Before entering into a Margin FX Trade, you should assess it having regard to your investment objectives, financial conditions and other relevant circumstances and the risks associated with that Margin FX Trade. You are solely responsible for making your own independent investment decisions.**
- (c) **You understand that any information, proposal or other communication from us, including market research and commentary, is merely for your reference and does not constitute investment advice. You should not rely on such information, proposals or communication as investment advice or for Margin FX Trading purpose. You should rely on your own judgment in entering into Margin FX Trades and in giving Instructions. You are also advised to seek independent legal and tax advice in relation to your obligations for conducting Margin FX Trading and using the Margin FX Trading Services.**
- (d) We have the right (but have no obligation), without prior notice to you or prior consent from you, to take such steps from time to time as we consider appropriate or useful to enable us to provide the Margin FX Trading Services and to exercise our authority or powers under these Terms and Conditions. Such steps may include taking action or not to take action in order to comply with any Applicable Regulations. They may require us to provide identity details and other information relating to you and the Margin FX Trading Services provided to you.

2.2.3 Other terms and conditions

All Margin FX Trades executed by us with you as a result of Instructions are subject to these Terms and Conditions, the Terms and Conditions for HSBC Internet Banking and the General Terms and Conditions. **These Terms and Conditions prevail over the other terms and conditions referred to in this paragraph if there is any inconsistency between them concerning the Margin FX Trades or the Margin FX Trading Services, except where specified otherwise.**

Section 3: Accounts

3.1 Account setup and operation

- 3.1.1 In order to use the Margin FX Trading Services, you must at a minimum:
- (a) open and maintain with us a Margin FX Trading Account with a Margin FX Sub-Account in a Base Currency of Hong Kong Dollar and a Margin FX Collateral Account in a Base Currency of Hong Kong Dollar; and
 - (b) subscribe for and use the eAlerts Service in accordance with Clause 12.2.
- 3.1.2 You may open and maintain one or more additional Margin FX Sub-Accounts each in a Base Currency other than Hong Kong Dollar if the following conditions are satisfied:
- (a) for each additional Margin FX Sub-Account, you also open a Margin FX Collateral Account in the same Base Currency as that additional Margin FX Sub-Account; and
 - (b) we approve your opening and maintenance of the additional Margin FX Sub-Account and the corresponding Margin FX Collateral Account.
- 3.1.3 For clarity, you are not allowed to maintain more than one Margin FX Trading Account. You are required to open and maintain all Margin FX Sub-Accounts as sub-accounts of the same Margin FX Trading Account. Without limiting or reducing any of our other rights, if you are in breach of this provision, we have the right to close all of your Accounts and liquidate all Open Positions immediately with or without prior notice to you and without prior consent from you
- 3.1.4 We have the right to set and vary the minimum deposit amount for opening and maintaining any Account, including any Margin FX Collateral Account.
- 3.1.5 Unless specify otherwise in these Terms and Conditions, the Margin FX Trading Account and the Margin FX Collateral Accounts are governed by the General Terms and Conditions and the Margin FX Collateral Accounts are also governed by the applicable Statement Savings Account Rules. These Terms and Conditions prevail over the other terms and conditions referred to in this provision if there is any inconsistency between them concerning the Margin FX Trading Account or the Margin FX Collateral Accounts.
- 3.1.6 We hold the money in any Account as your banker and not as trustee. The client money rules under the SFO do not apply. Accordingly, unless specified otherwise under any applicable depositor protection legislation, you bear our full credit risk in respect of the moneys deposited with us.
- 3.1.7 You are not allowed to set up any direct debit authorisation, auto-pay or standing instruction to transfer moneys to or from any Margin FX Collateral Account. We will not issue any ATM card for a Margin FX Collateral Account.

3.2 Statements of account

- 3.2.1 We will provide you with statements of account relating to the Margin FX Trading Services in accordance with any Applicable Regulations. We will provide statements of account at regular intervals showing the entries relating to your Accounts on our records as at the end of the day on which we prepare the relevant statement.
- 3.2.2 We may provide the statements of account by placing them in your Personal Internet Banking profile, or by email or post. We may charge reasonable fees for providing statements by post at your request. Where the applicable regulatory requirements do not require us to provide statements for the Margin FX Trading Account or any Margin FX Collateral Account, we may provide statements at our discretion if we consider appropriate whether or not you have opted not to receive statement.
- 3.2.3 You should examine each statement of account provided by us to check its accuracy. You should see if there is any error, omission, discrepancy, unauthorised transaction or irregularity shown in it, whether caused by forged signature, other forgery, fraud, lack of authority or negligence of any person, or any other reason. You should notify us of any alleged error, omission, discrepancy, unauthorised transaction or irregularity in a statement within 90 days after we provide it by any means specified in Clause 3.2.2. If we do not receive any such notice from you within the specified period, (1) the statement will be considered as correct, conclusive and binding on you, and (2) you will be considered to have waived any right to raise objection or pursue any remedies against us in relation to that statement. Our records shall in all other respect be conclusive. We will process any notification of error or irregularity or any complaint received from you in accordance with our complaint procedures.
- 3.2.4 You consent that we may send statements of accounts, confirmations or similar documents relating to the Margin FX Trading Services electronically in the form of eStatements or eAdvices and do not have to send hard copies afterwards unless you request. Our separate Terms and Conditions for eStatements and eAdvices will apply. If there is any inconsistency between those terms and conditions and this Clause 3.2.4 in relation to an eStatement or an eAdvice, the former prevail. The indemnity provisions set out in those terms and conditions do not and should not be interpreted to limit or reduce the effect of any indemnity provisions set out in these Terms and Conditions.
- 3.2.5 After executing an Instruction, we will make available the information on the executed Instruction on the Platform. You should check the information yourself through the Platform. You accept that we have no obligation to confirm with you the information on an executed Instruction in any other manner.

3.3 Fees and Charges

- 3.3.1 We have the right to charge fees and charges with respect to the Margin FX Trading Services provided on the Platform or through the Phone Banking Service. We have the right to vary such fees and charges from time to time. We will give you notice by way of display at our premises or in any other manner we consider appropriate. You will be bound by a variation unless we have received notice from you to close the Margin FX Trading

Account or terminate the Margin FX Trading Services with effect before the date on which that variation takes effect. For further information, please consult our website.

- 3.3.2 You are required to pay all applicable government taxes and levies and other costs and expenses relating to the Margin FX Trading Services that may be imposed by third parties. These may include wire transfer charges, internet access fees, and telephone and postage costs.
- 3.3.3 Paid fees and charges are non-refundable even if the Margin FX Trading Services or an Account are suspended or terminated or even if Automatic Closeout occurs.
- 3.3.4 You are required to pay all legal and other expenses of reasonable amounts and reasonably incurred by us in connection with the Margin FX Trading Services or the Accounts from time to time. These may include the expenses for preserving or enforcing our rights under these Terms and Conditions (including fees of any collection agent employed by us and legal fees in demanding, collecting, suing or recovering any outstanding or overdue amount).
- 3.3.5 Without limiting or reducing the effect of Clause 6 or 15, if any fees, charges and expenses specified in this Clause 3.3 remain outstanding, we have an Automatic Closeout right. In that case, we have the right to close out any of your Open Positions based on the prevailing Exchange Rate as we consider appropriate at the time of the Automatic Closeout.

3.4 Interest

3.4.1 Interest on Open Positions

- (a) We will calculate the interest on the Open Positions under a Margin FX Trade on a daily basis at such rates as we may set from time to time. Such interest includes the interest payable by you on the Open Position for the Currency you sell and the interest payable by us on the Open Position for the Currency you buy.
- (b) If any amount specified in Clause 3.4.1(a) is not denominated in the Base Currency of the Margin FX Sub-Account and the Margin FX Collateral Account relating to the Margin FX Trade, such amount will be converted into that Base Currency at the Exchange Rate.
- (c) The amount of interest payable by you and the amount of interest payable by us will be netted off against each other. The netted amount of interest will be credited to or debited from the Margin FX Collateral Account relating to the Margin FX Trade in the following manner:
 - (i) on a daily basis, following the end of Trading Hours for that day, if the Open Positions are held at the end of the Trading Hours for that day; or
 - (ii) shortly after the time the Open Positions are closed out, if the Open Positions are closed out before the end of the Trading Hours for that day.

3.4.2 Interest on Margin FX Collateral Accounts

- (a) We may offer to pay interest on a Margin FX Collateral Account at our discretion. If we pay interest, such interest will accrue on the Margin FX Collateral Account on a daily basis at the interest rate set by us. We will credit any accrued interest to that Margin FX Collateral Account at the end of each calendar month or at such other intervals as we may determine from time to time.
- (b) For clarity, any interest credited to a Margin FX Collateral Account will form part of the Collateral.

3.4.3 Interest on overdue amount

- (a) If you do not pay any amount under these Terms and Conditions when it is due, you are required to pay interest charges on demand (whether before or after judgment) at the interest rate we reasonably set and calculated on a daily basis.
- (b) Interest on any outstanding amount owing by you will be calculated and payable in the following manner:
 - (i) such interest will accrue on a daily basis;
 - (ii) such interest will be payable in the same Currency as the outstanding amount; and
 - (iii) such interest will be payable for the period beginning on the day from which the outstanding amount becomes due up to and including the day on which we receive payment in full.
- (c) If you fail to pay any interest on demand, we have the right to charge interest on the unpaid amount of interest on a simple or compound basis at our discretion from time to time.
- (d) You are required to pay all interest payable by you without any deduction or withholding. If any deduction or withholding from an interest payment is required, you should pay an additional amount equal to the necessary deduction or withholding amount to ensure that we receive the full amount of interest payable by you.

3.4.4 Interest rates

- (a) We will notify you of the rate of any interest payable by you under this Clause 3.4 via statements of account, the Platform, your Personal Internet Banking profile or such other means if required by Applicable Regulations.

- (b) We have the right to vary any interest rate from time to time. We will give you notice by way of display at our premises or in any other manner we consider appropriate.

3.4.5 Your responsibility for paying interest on time

You are responsible for paying interest on time having regard to the time necessary to clear payment. If we do not receive any interest payable by you on its due date for any reason (including due to any time taken to clear your payment), we have the right to charge interest on any outstanding amount of the accrued interest.

3.5 Overdraft

3.5.1 We do not offer overdraft facilities on any Account.

3.5.2 If an overdraft occurs on any Account for any reason, you are required to take necessary action to eliminate the overdraft. Such action may include transferring funds to that Account or reducing your Open Positions in that Account. Overdraft amount will incur interest charges under Clause 3.4 and may incur fees under Clause 3.3.

3.6 Payments and Withdrawals

3.6.1 Close-out of Open Position

- (a) An Open Position may be closed out, in whole or in part, due to an Instruction, an Automatic Closeout, our exercising a termination right under these Terms and Conditions or any other reason. In closing out an Open Position, we will determine the Unrealised Profit/Loss associated with that Open Position in the following manner:
 - (i) we will determine the Unrealised Profit/Loss based on the prevailing Exchange Rate as we consider appropriate at the time of the close-out;
 - (ii) the Unrealised Profit/Loss will be denominated in the Base Currency of the Margin FX Sub-Account relating to that Open Position; and
 - (iii) the amount of Unrealised Profit/Loss will take account of any interest, fees and other charges payable by you and any other amount owing by you to us.
- (b) If a net amount is payable by us to you, we will credit such amount to the Margin FX Collateral Account denominated in the same Base Currency.
- (c) If a net amount is payable by you to us, you authorise us to debit such amount from the Margin FX Collateral Account denominated in the same Base Currency. If there are insufficient funds in that Margin FX Collateral Account to pay such net amount in full, any shortfall amount will remain your Indebtedness and you are liable to pay interest in accordance with Clause 3.4.

3.6.2 Deposits to Account

- (a) You may deposit funds in your Margin FX Collateral Accounts via HSBC Internet Banking, Phone Banking Service, automated teller machine, telegraphic transfer or interbank funds transfer. Only funds denominated in the Base Currency of the Margin FX Collateral Account may be deposited in that Margin FX Collateral Account.
- (b) Any payment or deposit to any Margin FX Collateral Account will not be treated as received until it is in immediately available funds. We are not liable for the time it may take to clear payment. You are not entitled to use or withdraw the funds until they have been cleared.

3.6.3 Withdrawals from Account

- (a) Even if there may be any other terms or agreements between you and us, you are not allowed to withdraw funds from a Margin FX Collateral Account except as set out in these Terms and Conditions. **Only where the NAV for a Margin FX Sub-Account exceeds the applicable Margin Requirement, may you request to withdraw funds from the corresponding Margin FX Collateral Account up to the lesser of (i) the balance of the Margin FX Collateral Account and (ii) an amount equal to the NAV for the corresponding Margin FX Sub-Account minus the Margin Requirement for that Margin FX Sub-Account and minus such fees, charges and interest already incurred but not yet reflected in the Margin FX Collateral Account.** We will determine the NAV and the amount that you may withdraw which will be conclusive in the absence of manifest error. We have the right to deduct any reasonable costs or charges from the amount to be withdrawn in connection with the withdrawal or the Margin FX Trading Services (or both) before paying it to you.
- (b) You may request to withdraw from a Margin FX Collateral Account in accordance with Clause 3.6.3(a) via HSBC Internet Banking or any of our branches. If you request for a cash withdrawal at our branch, you may withdraw only notes and not coins. You are not allowed to make withdrawals from your Margin FX Collateral Account via Phone Banking Service or automated teller machine.

3.7 Erroneous Credits

If we credit an amount to an Account by mistake or if any payment made by you for a Margin FX Trade fails to clear and consequently we do not receive the funds, we have the right to reverse that credit or cancel that Margin FX Trade (or both).

3.8 Inactive Trading Account

If you do not effect any Margin FX Trade for a period of at least two years, we have the right to designate your Margin FX Trading Account as "inactive" and block your access to the Platform and your ability to give Phone Banking Instructions. If you request to reactivate the Margin FX Trading Account, you have to supply and execute necessary information and documents as we may reasonably require. We have discretion whether to reactivate the Margin FX Trading Account.

3.9 Limitation on Open Position

3.9.1 Open Position Limit

- (a) We have the right to set or vary at any time the limits (“**Open Position Limit**”) on the value or number (or both) of the Open Positions you may maintain at any time in a Margin FX Trading Account or in a Margin FX Sub-Account (or both). The Open Position Limits applicable to you will be set out on the Statements of Account.
- (b) **You have to ensure that:**
 - (i) **in respect of your Margin FX Trading Account, your Open Position shall at no time exceed the lower of (1) the total of the product of the Leverage Ratio and the Collateral for all the Margin FX Sub-Accounts under the Margin FX Trading Account and (2) the Open Position Limit (if any) applicable to the Margin FX Trading Account;**
 - (ii) **in respect of a Margin FX Sub-Account, your Open Position shall at no time exceed the lowest of (1) the product of the Leverage Ratio and the Collateral for that Margin FX Sub-Account, (2) the Open Position Limit (if any) applicable to that Margin FX Sub-Account and (3) the Open Position Limit (if any) applicable to your Margin FX Trading Account; and**
 - (iii) **in respect of your Margin FX Trading Account, the number of Open Positions shall at no time exceed the limit (if any) set by us.**
- (c) **The other provisions in Clause 3.9 does not affect or reduce our discretion to allow any Margin FX Trade in excess of any Open Position Limit.**

3.9.2 Breach of Open Position Limit

- (a) If you breach any Open Position Limit set by us on a Margin FX Trading Account or a Margin FX Sub-Account, we have the right to effect Automatic Closeout of any Open Position in the Margin FX Trading Account or the Margin FX Sub-Account (as applicable) in excess of the applicable Open Position Limit, even if you have complied with the Margin Requirements.
- (b) You are responsible for monitoring your Open Positions and ensure that they do not exceed any applicable Open Position Limit. We may (but have no obligation to) give you notice before exercising our Automatic Closeout right.
- (c) If we exercise our Automatic Closeout right, we may close out any Open Positions in excess of the applicable Open Position Limit as we consider appropriate to reduce the value or number (or both) of your Open Positions to below that Open Position Limit. We may close out any Open Position based on the prevailing Exchange Rate at the time of the Automatic Closeout. If we determine that an

amount is payable by you following the Automatic Closeout, that amount will become immediately due and payable.

- (d) We have discretion to decide which and what quantity of and when the Open Positions should be closed out. You are responsible for monitoring your Open Positions and ensure that your Open Positions will not exceed the Open Position Limit. In no circumstance will we be liable for any loss or damage you may incur or suffer in connection with your Margin FX Trading exceeding any applicable Open Position Limit or any Automatic Closeout of any Open Position in excess of that Open Position Limit.

3.10 Collateral Limit

3.10.1 Collateral Limit

- (a) We have the right to set or vary at any time the limits (“**Collateral Limit**”) on the balance that you may maintain at any time in any Margin FX Collateral Account. We will inform you of the Collateral Limits applicable to you on account opening or in writing or by email.
- (b) You have to ensure that the balance maintained in each of your Margin FX Collateral Accounts does not exceed the applicable Collateral Limit (if any) at any time. We have discretion to allow for any deposit of Collateral exceeding any Collateral Limit, but we would still have the overriding right to close out any Open Position in accordance with Clause 3.10.2.

3.10.2 Breach of Collateral Limit

- (a) If you breach a Collateral Limit, we have the right to effect Automatic Closeout on any or all Open Positions in the Margin FX Trading Account or the Margin FX Sub-Account (as applicable) associated with the Collateral above the applicable Collateral Limit, even if you have complied with the Margin Requirements. We may (but have no obligation to) give you notice before exercising our Automatic Closeout right.
- (b) If we exercise our Automatic Closeout right, we may close out any Open Position as we consider appropriate and we have discretion to transfer any Collateral above the applicable Collateral Limit from the relevant Margin FX Collateral Account to any other account maintained by you with us, in order to reduce the Collateral to below the applicable Collateral Limit. We may close out any Open Position based on the prevailing Exchange Rate as we consider appropriate at the time of the Automatic Closeout. If we determine that an amount is payable by you following the exercise of such Automatic Closeout right, such amount will become immediately due and payable. We have discretion to determine which, what quantity of and when any such Open Position should be closed out. Under no circumstance shall we be liable for any loss or damage you may incur or suffer as a result of any Margin FX Trade made in breach of the Collateral Limit and any Automatic Closeout of any Open Position as a result of the breach of the Collateral Limit.

- (c) When there is a Margin Call, you may not be able to deposit more Collateral into your Margin FX Collateral Account due to the Collateral Limit. In that case, we have the right to effect Automatic Closeout if you do not reduce your Open Position(s). Under no circumstance will we be liable for any loss or damage you may incur or suffer in connection with our Automatic Closeout in that case.

Section 4: Instructions

4.1 Channels for giving Instructions and accessing Margin FX Trading Services

You understand and accept that:

- (a) you may give Instructions via the Platform or via manned Phone Banking Service only. You may not give Instructions via our branch or via the interactive voice response system of the Phone Banking Service;
- (b) the Platform (accessed via computer) is the primary channel for your use of the Margin FX Trading Services, even if other channels of access or giving Instructions are available. If you access the Platform via your smartphone, mobile computing device, or the manned Phone Banking Service, you may not be able to use all the functions of the Margin FX Trading Services; and
- (c) giving Instructions via the manned Phone Banking Service is only available during the Trading Hours.

4.2 Platform Instructions

4.2.1 Accessing the Platform

- (a) To access the Platform, you must log-in to HSBC Internet Banking using your Internet Credentials. If you cannot log-in to HSBC Internet Banking, you will be unable to give Platform Instructions.
- (b) You have to access HSBC Internet Banking and the Platform using a web browser running on a computer, smartphone or mobile computing device with an internet connection. We may impose minimum requirements as we consider appropriate on hardware or software used to access HSBC Internet Banking and the Platform. These may include minimum requirements on operating systems, web browsers, handset models, or other installed hardware or software.

4.2.2 Unavailability of the Platform

- (a) We have the right to block access to HSBC Internet Banking or the Platform (or both):
 - (i) for certain scheduled periods outside Trading Hours for operational maintenance. We do not publish or give notice of these maintenance periods in advance but you may enquire about them; and

- (ii) during Trading Hours for maintenance requirements or other reasons in the case of emergency, or upon governmental or judicial intervention or in any other case where required by Applicable Regulations. Where practicable, we will give reasonable prior notice on HSBC Internet Banking or the Platform.
- (b) You understand and accept that:
 - (i) HSBC Internet Banking or the Platform (or both) may suffer unforeseen interruptions and be unavailable for indeterminate periods of time during which no alternative access facilities may be available.
 - (ii) we are not responsible for and cannot control the functioning or configuration of your equipment or the availability or reliability of the internet connection to HSBC Internet Banking and the Platform.

4.3 Phone Banking Instructions

4.3.1 Giving Phone Banking Instructions

- (a) You may give Instructions in relation to the Margin FX Trading Services via the manned Phone Banking Service (but not the interactive voice response system). We have the right to charge an additional fee for handling Phone Banking Instructions. Your use of the Phone Banking Service to give Instructions is subject to our separate General Terms and Conditions. Those provisions prevail over this Clause 4.3 if there is any inconsistency between them relating to the Phone Banking Service.
- (b) Phone Banking Instructions, to be effective, must be:
 - (i) given by using and quoting the Phone Banking PIN and such other details as we may require from time to time; and
 - (ii) accepted by us by such means specified by us.
- (c) We are entitled to set from time to time the telephone number through which Phone Banking Instructions can be given.

4.3.2 Unavailability of Phone Banking Services

- (a) We have the right to block access to the Phone Banking Service:
 - (i) for certain scheduled periods outside Trading Hours for operational maintenance; and
 - (ii) during Trading Hours for maintenance requirements or other reasons in the case of emergency, or upon governmental or judicial intervention or in any other case where required by Applicable Regulations.

- (b) You understand and accept that:
 - (i) the Phone Banking Service may suffer unforeseen interruptions and be unavailable for indeterminate periods of time during which no alternative access facilities may be available; and
 - (ii) we are not responsible for and cannot control the functioning or configuration of your telecommunication equipment or the availability or reliability of the connection to the Phone Banking Service.

4.4 Access Security

- (a) You agree that you will access HSBC Internet Banking, the Platform and the Phone Banking Service (as applicable) by only using the Internet Credentials or Phone Banking PIN that are assigned to or by you. You also agree that you will not, and will not attempt to, circumvent, evade, disable, disrupt or override any security measures of HSBC Internet Banking, the Platform or the Phone Banking Service.
- (b) You agree that your Internet Credentials and Phone Banking PIN are for your exclusive use to access HSBC Internet Banking, the Platform and the Phone Banking Service. You should not share or reveal your Internet Credentials or Phone Banking PIN with any other person and should not allow any other person (i) to access HSBC Internet Banking and the Platform using your Internet Credentials or (ii) to give Phone Banking Instructions using your Phone Banking PIN.
- (c) **You agree that you are solely responsible for safeguarding your Internet Credentials and Phone Banking PIN. You should not allow any other person to use your Internet Credentials and Phone Banking PIN. You agree to take all reasonable care and appropriate security measures to ensure that your Internet Credentials and Phone Banking PIN do not become known to any other person, and to prevent unauthorised access to HSBC Internet Banking and the Platform. These measures include not leaving HSBC Internet Banking or the Platform running unattended, and logging out of HSBC Internet Banking and the Platform when you finish using them.**
- (d) **If you discover or suspect that your Internet Credentials or Phone Banking PIN are disclosed to an unauthorised person, or that an unauthorised access to HSBC Internet Banking or the Platform has taken place, you must notify us and change your Internet Credentials or Phone Banking PIN without undue delay. We may ask you to confirm in writing any details given. Any change of your Internet Credentials or Phone Banking PIN shall only be effective if it is accepted by us.**
- (e) You are liable for and will be bound by all Instructions or transactions effected via HSBC Internet Banking, the Platform or the manned Phone Banking Service by any person whether authorised by you or not before we actually receive the notice mentioned in Clause 4.4(d).

- (f) You agree that we have the right to invalidate your Internet Credentials or Phone Banking PIN or otherwise block your access to HSBC Internet Banking, the Platform or the Phone Banking Service (or all of them) if we detect unauthorised use of your Internet Credentials or Phone Banking PIN, repeated input of incorrect Internet Credentials or Phone Banking PIN, or for any other reason that we consider prudent. In that case, you will be unable to access HSBC Internet Banking, the Platform or the Phone Banking Service.
- (g) **You agree that you are liable for any and all losses, including losses incurred by us or other third parties, that may arise due to:**
 - (i) **your fraudulent use of HSBC Internet Banking, the Platform or the Phone Banking Service;**
 - (ii) **your gross negligence in using or accessing HSBC Internet Banking, the Platform or the Phone Banking Service, including your failure to take reasonable care and appropriate security precautions as described in Clause 4.4(c);**
 - (iii) **your failure to adhere to the security requirements implemented by us for HSBC Internet Banking, the Platform or the Phone Banking Service, including your failure to ensure the proper use and safekeeping of your Internet Credentials and Phone Banking PIN, and any accidental or unauthorised disclosure of your Internet Credentials or Phone Banking PIN to any person.**

SECTION 5: Margin and Automatic Closeout

5.1 Margin Requirement

5.1.1 Our right to set or vary Margin Requirement

- (a) We have the right to set or vary Margin Requirements from time to time. Our right to vary the Margin Requirement at any time is not limited by any Margin Requirement set by us previously. Changes in the Margin Requirement will apply to all Open Positions (i) that are existing on the effective date of the changes, and (ii) that are opened after the effective date of the changes.
- (b) You are required to deposit and maintain with us such funds as Collateral or additional Collateral within such time as we may require from time to time. Without limiting the effect of any other provision of these Terms and Conditions, we are entitled to refuse to execute any Instruction unless we have actually received sufficient funds as Collateral.

5.1.2 Your responsibility to check Margin Requirement

- (a) You are responsible for regularly logging on to the Platform to update yourself of your Open Positions and the applicable Margin Requirement. We may vary the Margin Requirement at any time without giving reason or prior or further notice. We have no obligation to remind you of your Open Positions, Margin Requirement or the timing or amount of Collateral or additional Collateral required to be deposited with us.
- (b) You understand and accept that the primary channel of communication in relation to the Margin FX Trading Services between you and us is HSBC Internet Banking or the Platform (accessed via a computer), even if we may provide other channels of communication for your convenience (including the eAlerts Service). Under no circumstance will we be liable for any loss or damage you may incur or suffer as a result of any failure to deliver any notification (including any notification in relation to a Margin Call or an Automatic Closeout), or the frequency, accuracy or timeliness of information provided in such notification via any channel.

5.2 Margin Policy

5.2.1 Before we execute a Margin FX Trade, you are required to have sufficient funds in the Margin FX Collateral Account relating to that Margin FX Trade, in excess of the applicable Margin Requirement following the execution of that Margin FX Trade.

5.2.2 The Margin Requirement for each Margin FX Sub-Account is calculated by reference to your Open Positions for that Margin FX Sub-Account and the Leverage Ratio. You understand and accept that:

- (a) We have discretion to set a cap on the Leverage Ratio which is applicable to your Account(s) or any Margin FX Trades (or both). Subject to your risk profile, you may request us to change the cap on the applicable Leverage Ratio. We have discretion to decide whether or not to change the cap and we will notify you of our decision via the Platform or such other method as we consider appropriate.
- (b) If we offer a feature to enable you to set or vary the Leverage Ratio for a Margin FX Sub-Account, you may set or vary the Leverage Ratio subject to any applicable cap on the Leverage Ratio set by us from time to time.

5.3 NAV for Margin FX Sub-Account

5.3.1 **Margin Requirements and NAV will be calculated for each Margin FX Sub-Account. We only take into account the funds in a Margin FX Collateral Account denominated in the same currency as the related Margin FX Sub-Account when determining the NAV for that Margin FX Sub-Account. This is because the funds in a Margin FX Collateral Account will only support the Margin FX Sub-Account denominated in the same Base Currency (but not any other Base Currency).**

5.3.2 If the NAV for a Margin FX Sub-Account is:

- (a) less than the Margin Requirement for that Margin FX Sub-Account, you will not be able to give Instructions to enter into new Margin FX Trades for that Margin FX Sub-Account, and we may (but have no obligation to) send you any reminder via the eAlerts Service or any other means;
- (b) 60% or less of the Margin Requirement (that is, 20% (or less) above the Automatic Closeout Level) for that Margin FX Sub-Account, we may (but have no obligation to) issue to you a Margin Call via the Platform or the eAlerts Service;
- (c) 55% or less of the Margin Requirement (that is, 10% (or less) above the Automatic Closeout Level) for that Margin FX Sub-Account, we may (but have no obligation to) display a warning message on the Platform; and
- (d) 50% or less of the Margin Requirement (that is, the Automatic Closeout Level) for that Margin FX Sub-Account, that Margin FX Sub-Account is subject to Automatic Closeout and we have the right to close out all Open Positions in that Margin FX Sub-Account without any prior or further notice to you.

5.3.3 You are solely responsible for ensuring that the Margin Requirement applicable to a Margin FX Sub-Account are met at all times by depositing additional funds required as Collateral or by reducing or closing out the Open Position in that Margin FX Sub-Account. If the Margin Requirement is not met, the Open Positions in that Margin FX Sub-Account will be subject to our Automatic Closeout right. We have no obligation to send you any Margin Call, reminder or warning message via the Platform, the Phone Banking Service or any other means.

5.3.4 We may (but have no obligation to) notify you of the events in Clause 5.3.2 via the Platform, the eAlerts Service or any other means. You are solely responsible for monitoring your Accounts and maintaining sufficient funds in your Margin FX Collateral Accounts to meet the Margin Requirements from time to time. If we make available information relating to the events in Clause 5.3.2 on the Platform, you will be regarded as notified of the events (including the Margin Call as applicable) from the time such information is made available on the Platform, even if you do not log onto the Platform or even if you do not receive or read a message through the Platform or the eAlerts Service or other means.

5.3.5 If you fail to satisfy a Margin Call or if at any time the NAV for a Margin FX Sub-Account drops to 50% of the applicable Margin Requirement or below, we have the right to effect Automatic Closeout of any or all Open Positions associated with that Margin FX Sub-Account. We have no obligation to give you notice or warning before exercising our Automatic Closeout right. If we exercise our Automatic Closeout right with respect to a Margin FX Sub-Account, we are entitled to close out any Open Positions associated with that Margin FX Sub-Account in the relevant Base Currency based on the prevailing Exchange Rate as we consider appropriate at the time of the Automatic Closeout. If, following the exercise of our Automatic Closeout right and after taking into account the funds available in the corresponding Margin FX Collateral Account, we determine in our discretion that an amount is payable by you to us, that amount will become immediately due and payable by you. The amount determined by us is conclusive and binding on you. If any amount is not denominated in the Base Currency of the Margin FX Trading Account, such amount may be converted into such Base Currency at the Exchange Rate.

- 5.3.6 We have the right (but have no obligation) to apply or set off the amount payable and owing by you to us as determined pursuant to Clause 5.3.5 against any amounts owing by us to you, whether under any other Margin FX Collateral Account or any other account you maintain with us.
- 5.3.7 The value of any Margin Requirement determined by us at any time is final, conclusive and binding on you.
- 5.3.8 You understand and accept that HSBC Internet Banking, the Platform and the Phone Banking Service may be unavailable from time to time, which may delay or affect your ability to deposit additional Collateral or give Instructions. You are responsible for taking prudent measures and maintain sufficient Collateral to meet the Margin Requirements from time to time, including additional Collateral required where the NAV of any Margin FX Sub-Account drops due to changes in Exchange Rates. **We are not liable for any loss or damage you may incur or suffer due to your inability to access HSBC Internet Banking, the Platform or Phone Banking Service or to timely place an Instruction or make a transfer or deposit to a Margin FX Collateral Account for any reason, including due to the unavailability of HSBC Internet Banking, the Platform or the Phone Banking Service. This clause does not reduce our rights as set out in these Terms and Conditions, including our Automatic Closeout right.**

SECTION 6: Charge

- 6.1 In consideration of our providing or continuing to provide the Margin FX Trading Services to you, you as beneficial owner hereby charge and agree to charge in our favour, with the intent that it takes effect by way of first fixed charge, any and all moneys in any Base Currency now or at any time and from time to time standing to your credit or for your benefit on all Margin FX Collateral Accounts together with all rights and benefits attaching or accruing to such moneys, as a continuing security for the punctual repayment of any Indebtedness arising from or in connection with these Terms and Conditions. A certificate of balance signed by an officer duly authorised by us is conclusive evidence of the amount of Indebtedness owing by you at any time in the absence of manifest error.
- 6.2 You confirm and agree that:
- 6.2.1 The Collateral is and should remain in your sole beneficial ownership, free from encumbrances, claims and any third party interest except this charge;
- 6.2.2 You are not entitled to and will not withdraw or attempt to encumber, transfer, assign or otherwise deal with or dispose of the Collateral except as permitted under these Terms and Conditions or as directed by us or with our consent;
- 6.2.3 You will not create or permit to arise any encumbrance or third party rights over any Margin FX Collateral Account or Collateral (or any rights and benefits attaching or accruing to any Margin FX Collateral Account or Collateral). You will not take any action which might prejudice the effectiveness and enforceability of this charge; and
- 6.2.4 You will obtain and maintain in full force and effect all governmental and other approvals, authorities, licenses and consents required in connection with this charge.

- 6.3 You agree that we have no obligation to use the Margin FX Collateral Account denominated in one Base Currency as security for the Indebtedness arising from or in connection with a Margin FX Sub-Account denominated in another Base Currency.
- 6.4 This charge is a continuing security and is in addition to, shall not be affected by and may be enforced by us even if we hold any other security. Any restriction on the right of consolidating security shall not apply to this security. If an Event of Default occurs, we will be entitled to enforce this security and take the following action (or any of them) without demand, notice, legal process or any other action with respect to you:
- (a) retain or apply the whole or any part of the Collateral and any credit balance in any Currency on any other account maintained by you with us, whether in your sole name or in the joint names of you and any other person; and
 - (b) combine or consolidate the Margin FX Collateral Accounts and any other account maintained by you with us, whether in your sole name or in the joint names of you and any other person, in or towards satisfaction of the Indebtedness.

We are not liable for any loss arising from or in connection with such retention, application, combination or consolidation. For this purpose, you irrevocably authorise us to purchase with money standing to the credit of your accounts such other Currencies as may be necessary to apply such money in or towards satisfaction of the Indebtedness at the Exchange Rate.

- 6.5 You irrevocably authorise us in your name, on your behalf and as your act, and appoint us as your lawful attorney, without reference to or consent from you, to execute all documents and to do all things as we may consider necessary or useful for the full exercise of all or any of the powers conferred on us and our rights under these Terms and Conditions. You will, at our request, execute such documents and perform such acts as we may consider necessary or useful in connection with the provision of the Margin FX Trading Services or the exercise of our powers and rights under these Terms and Conditions.

SECTION 7: Trading

7.1 Nature of Trades

- 7.1.1 You act as principal and effect Margin FX Trades with us. The Margin FX Trades are not between you and our other customers.
- 7.1.2 A Margin FX Trade does not entitle you or us to any ownership or other rights to the underlying Currency. In particular, neither you nor us are entitled to the delivery of any underlying Currency in respect of a Margin FX Trade.
- 7.1.3 You confirm and agree that you will act as principal in giving Instructions or Phone Banking Instructions and that you will enter into each Margin FX Trade on your own behalf.
- 7.1.4 You understand that you have to give Instructions via the Platform or the manned Phone Banking Service and that we and our employees or representatives will not place Instructions as your agent.

7.2 Margin FX Trades

- 7.2.1 You may initiate a Margin FX Trade with us by giving Platform Instruction or Phone Banking Instruction in accordance with these Terms and Conditions, other applicable terms and conditions and any guidelines provided by us on the Platform or the Phone Banking Service. You are responsible for confirming the accuracy and completeness of the details of any Instruction before giving it to us.
- 7.2.2 We are entitled to rely on any Instruction received by us via the Platform or the manned Phone Banking Service. You agree to bear the risk of any misunderstanding or error of any Instruction, or the risk of any unauthorised instructions. We are entitled to act in accordance with our regular business practice and procedure and will only accept Instructions as long as it is (in our reasonable opinion) practicable and reasonable to do so..
- 7.2.3 We have no obligation to verify the identity, capacity or authority of the person giving Instructions using your Internet Credentials or Phone Banking PIN, unless we have been notified by you that your Internet Credentials or Phone Banking PIN have been compromised. Instructions given using your Internet Credentials or Phone Banking PIN which we reasonably believe in good faith to have been given or authorised by you are binding on you even if such Instructions were not given or authorised by you.
- 7.2.4 No Instruction will give rise to a Margin FX Trade unless received and executed by our Trading System. We have the right to accept or refuse any Instruction or to prescribe any condition for accepting an Instruction without giving any reason. We will acknowledge receipt of an Instruction. **An Instruction once executed cannot be cancelled or changed by you.**
- 7.2.5 We may be unable to perform an Instruction relating to a Margin FX Trade at any specific time, price or price range set out in the Instruction. We have no obligation to notify you immediately if any Instruction is not performed or is only partially performed. We have no liability if any Instruction is not performed or is only partially performed due to market conditions or any other reason beyond our reasonable control.
- 7.2.6 An Instruction may take the form of a Market Order or Limit Order. A Market Order is executed when it is received by our Trading System at the Exchange Rate in effect and as we consider appropriate at the time of execution. A Limit Order is executed only upon the satisfaction of the criteria specified in the Instruction. We may (but have no obligation to) notify you (by SMS or other means) of the execution, expiry or cancellation of a Limit Order.
- 7.2.7 When you give an Instruction, you can elect to specify Price Bounds, Take Profit, Stop Loss and/or Trailing Stop applicable to such Instruction. **However, you should not give any Instruction or specify any Price Bounds, Take Profit, Stop Loss or Trailing Stop unless you have read the Product Factsheet and understand and are willing to accept the associated risks. You will be regarded as having agreed to the Product Factsheet and accepted the associated risks if you give an Instruction or specify any Price Bounds, Take Profit, Stop Loss or Trailing Stop.** In particular, you confirm that:

- (a) If you specify a Price Bound for an Instruction (whether given by way of a Market Order or a Limit Order), and the bid or offer price (as applicable) is beyond the Price Bound at the time the Instruction is received by our Trading System, the Instruction will be automatically cancelled and will not be executed. This is the case even if the prices subsequently move within the Price Bound again. You will therefore need to give a new Instruction in our Trading System if you wish to execute a Margin FX Trade within the same Price Bound or another Price Bound. For a Limit Order, when the criteria specified in the Instruction are satisfied and before execution, the Price Bound will be checked. If the bid or offer price (as applicable) in our Trading System at the moment of execution is beyond the Price Bound, the Limit Order will not be executed. In no circumstance are we liable for any loss or damage you may incur or suffer as a result of any Instruction not being executed because of the cancellation of any Price Bound specified for that Instruction.
 - (b) Any Take Profit, Stop Loss or Trailing Stop specified for an Instruction (whether given by way of a Market Order or a Limit Order) will only apply if and after such Instruction is executed.
 - (c) If you specify Take Profit, Stop Loss or Trailing Stop for an Instruction (whether given by way of a Market Order or a Limit Order), when the Take Profit, Stop Loss or Trailing Stop is triggered, we will place the relevant order but the order may not be executed or may be executed at a price less favourable than the price you specify.
 - (d) Any Stop Loss or Trailing Stop may act to your disadvantage due to market fluctuations. You should specify a Stop Loss or Trailing Stop with caution and only after taking into account the market conditions and fluctuations and the risk you are prepared to accept.
- 7.2.8 A Margin FX Trade executed pursuant to an Instruction will be shown on the Platform. We may also (but have no obligation to) send you a confirmation message through the eAlerts Service. However, an Instruction, its execution and the resulting Margin FX Trade will not be affected or invalidated even if the Margin FX Trade is not shown on the Platform or if we do not provide a confirmation.
- 7.2.9 When reporting Margin FX Trades executed pursuant to Instructions, we may combine the details of a number of Instructions into one transaction record or split the details of one Instruction across a number of transaction records where the Instruction closes out all or a portion of the existing Open Positions.

7.3 Price Quotation

- 7.3.1 We may provide the Quotation Price via the Platform or the manned Phone Banking Service. The Quotation Price is a bid or offer price at which we are willing, in principle, to enter into a Margin FX Trade for a relevant Currency or Currency pair. Any Quotation Price provided by us is intended for this purpose only. You should not use it for any other purpose and, in particular, any purpose not relating to the Margin FX Trading Services.

- 7.3.2 Quotation Prices represent our prices only. We give no express or implied confirmation that any Quotation Price provided by us represents prices available in the market for the relevant Currency pair.
- 7.3.3 We have discretion to determine and revise from time to time the spread between the bid and offer price for a Currency pair.
- 7.3.4 Any price quoted by us on the Platform or the manned Phone Banking Service is valid only at the exact time that it is quoted on the Platform or manned Phone Banking Service. You accept that in a rapidly changing market, the price quoted on the Platform or the manned Phone Banking Service may no longer be valid at the time an Instruction is received by our Trading System.
- 7.3.5 **You agree that, if an Instruction is executed by our Trading System (whether the Instruction is received via the Platform or the manned Phone Banking Service), the Instruction will be executed at the Exchange Rate at the time of execution, subject to the Price Bound (if any) specified for that Instruction. You understand and accept that Instructions are not executed instantaneously as they are received by our Trading System. There may be a delay between the time when you give an Instruction via the Platform or the manned Phone Banking Service and when the Instruction is executed by our Trading System. You agree that we are not liable for any loss or damage you may incur or suffer due to changes in Exchange Rates in the interim before execution of an Instruction.**
- 7.3.6 **You agree that we are not liable for any loss or damage you may incur or suffer in the event of any misquotation of prices by us to the extent that it is attributable to any cause or circumstance that is beyond our reasonable control.**
- 7.3.7 We have the right to cancel, rescind or modify the price of any Margin FX Trade executed pursuant to an Instruction if, within a reasonable time following execution, we determine that the price at which the Margin FX Trade was executed was erroneous due to circumstances beyond our reasonable control, including illiquid market or other market circumstances, system malfunctions or errors in information provided by information providers.

7.4 Trading Hours

- 7.4.1 Margin FX Trades may only be effected during the Trading Hours set by us from time to time. We have the right to set or vary the Trading Hours without prior notice. For clarity, you may have access to the Platform and the Phone Banking Service outside of the Trading Hours but you will not be able to give Instructions.
- 7.4.2 Publishing the Trading Hours does not affect our right to vary the actual period on any Business Day during which we receive Instructions (whether through the Platform or the Phone Banking Service) as we consider appropriate.

7.5 Rectifying Invalid Margin FX Trades

- 7.5.1 You have to notify us promptly if you become aware of any Invalid Margin FX Trade. We have discretion to decide whether to correct the entries in the Margin FX Trading Account

in relation to an Invalid Margin FX Trade. We have the right to take such corrective action as we consider appropriate without giving you prior notice. Such action includes reversing or (with your consent) amending:

- (a) an Invalid Margin FX Trade; and
- (b) any subsequent Margin FX Trade executed prior to our corrective action which are affected by that Invalid Margin FX Trade.

7.5.2 If we reverse or amend any Invalid Margin FX Trade, we will use commercially reasonable efforts to restore the Margin FX Trading Account to the status it would have been if that Invalid Margin FX Trade had not been executed or had been correctly executed (as applicable). The fact that we have confirmed any Margin FX Trade does not preclude us from taking corrective action to reverse or amend any Invalid Margin FX Trade.

7.5.3 For clarify, an Invalid Margin FX Trade does not include a Margin FX Trade executed (i) by you by mistake, (ii) by someone other than yourself using your Internet Credentials and Phone Banking PIN, (iii) as a result of failure of your computing device or internet connection, or (iv) as a result of your failure to give the correct Instruction through the Platform or the manned Phone Banking Service.

7.6 Market or System Disruption

7.6.1 If we become aware of a Market Disruption Event or a System Failure Event, we may suspend the Margin FX Trading Services (whether on the Platform or on the Phone Banking Service) or our Trading System (or both). Clause 7.5 may also apply if any Margin FX Trade has been entered into before the suspension but after the occurrence of the Market Disruption Event or System Failure Event. Upon suspension of the Margin FX Trading Services, you will not be able to give Instructions.

7.6.2 Prices quoted by us on the Platform or the Phone Banking Service following resumption of the Margin FX Trading Services or our Trading System after a suspension may significantly differ from the prices quoted by us before or at the time of the suspension (or at the start of the relevant Market Disruption Event or System Failure Event preceding the suspension).

7.6.3 If a Market Disruption Event or a System Failure Event occurs, we have the right to close out your Open Positions at any time, if at that time we reasonably expect the Market Disruption Event or System Failure Event to continue for a period longer than 24 hours. For closing out your Open Positions, we will use the prices determined by us taking into account the Market Disruption Event or System Failure Event, the prevailing market conditions at the time of the close out and other factors we reasonably consider relevant.

7.7 Available Currencies

7.7.1 We have discretion to set or vary from time to time which Currencies (including pairs of Currencies) may be available for Margin FX Trades under these Terms and Conditions.

7.7.2 We have discretion to decide that any Currency or Currency pair will no longer be available on the Margin FX Trading Services taking into account relevant circumstances including where the Currency or Currency pair ceases or is likely to cease to be freely tradable on a foreign exchange market. If we decide that any Currency or Currency pair is not available, we have the right to take or require you to take such action as we consider appropriate. Our right includes taking action to close out or re-denominating (or both) your Open Positions in or relating to the Currency or Currency pair that ceases to be available, whether by way of novation or amendment (in each case, at such time and on such terms as we consider appropriate).

SECTION 8: Recording of Instructions

- 8.1 You expressly authorise us to record all Instructions and any interaction (including telephone conversations) between you and us (or our representatives) from time to time. If a dispute arises in relation to the nature and content of any communication between you and us (including the nature and content of any Instruction given via the Platform or Phone Banking Service), our recording or a copy or transcript of it, certified as a true copy or transcript by our officer, may be used in such dispute and is conclusive evidence as to the nature and content of such communication (unless the contrary is established).
- 8.2 All transaction data relating to the Margin FX Trading Services will automatically be stored in our system for the minimum period required by Applicable Regulations. We may delete such data afterwards without giving notice.

SECTION 9: Margin FX Trial Account

- 9.1 We make available an online trial account on our website (“**Margin FX Trial Account**”). We strongly recommend you to use the Margin FX Trial Account to get an understanding of how the Platform works before effecting any actual trade. In order to use the Margin FX Trial Account, you have to open a trial account via our website and you will be subject to the end-user terms and conditions applicable to the Margin FX Trial Account.
- 9.2 If you hold both a Margin FX Trading Account and a Margin FX Trial Account at the same time, you are solely responsible for ensuring that you give Instructions through your Margin FX Trading Account and not your Margin FX Trial Account. For clarity, we are entitled (i) to regard any Platform Instruction or Phone Banking Instruction as a valid Instruction, even if you intended it to be in relation to your Margin FX Trial Account; and (ii) not to act on any instruction given through your Margin FX Trial Account.

SECTION 10: Provision of Information

- 10.1 We are required by Applicable Regulations and our internal anti-money laundering policies to obtain information about you and the source of funds and (as applicable) about the beneficial owner of the Margin FX Trading Account and each Margin FX Collateral Account and other persons in connection with provision and use of the Margin FX Trading Services. You agree to provide such information as we may reasonably require from time to time in such manner accepted by us. Such information may include information concerning your or such other person's identity, capacity and authority, and information requested by a judicial, regulatory or self-

regulatory body. If you fail to provide such information, we are entitled to terminate or suspend the Margin FX Trading Services. We have no liability for such termination or suspension or any loss or damage you may incur or suffer in connection with it.

- 10.2 We and you undertake to notify each other in the event of any material change to the information provided in or pursuant to these Terms and Conditions in accordance with the Applicable Regulations.

SECTION 11: Termination and Suspension

11.1 Termination or Suspension by Us

11.1.1 We have the right to terminate or suspend any or all of the Margin FX Trading Services at any time without giving you notice or reason and do the following (or any of them):

- (a) cancel any or all uncompleted Instructions or Margin FX Trades; and
- (b) close out any or all Open Positions.

We have the right to close any or all Accounts at any time with or without giving you notice or reason.

11.1.2 Without limiting or reducing the effect of Clause 11.1.1, we have the right to terminate all Margin FX Trading Services at any time by giving you not less than 30 days' notice in writing. You are required to ensure that there are no uncompleted Instructions or Open Positions at the end of the notice period.

11.1.3 However, we are not obliged to give the 30-day notice or any notice at all if (i) continuing to provide the Margin FX Trading Services will or is likely to subject us to further financial risk or contravene any Applicable Regulations, or there are other reasonable grounds (including suspicion of illegal or improper use of the Margin FX Trading Services) or (ii) any Event of Default occurs.

11.2 Events of Default

11.2.1 Each of the following is an Event of Default:

- (a) you fail to make a payment in accordance with these Terms and Conditions (including any payment of money as Collateral or in settlement of any Indebtedness when due) for any reason;
- (b) you fail to perform or comply with any of your obligations or undertakings to us in accordance with these Terms and Conditions (including failure to comply with any limit or restriction, whether imposed by yourself or by us, in respect of the use of the Margin FX Trading Services or effecting Margin FX Trades);
- (c) your death or legal incapacity;

- (d) you become bankrupt, insolvent or otherwise unable to pay your debts as they fall due, or we reasonably believe that you may not be able to meet your obligations to us (whether in connection with the Margin FX Trading Services or in other cases), or your repayment capacity or credit record has materially deteriorated;
- (e) you breach these Terms and Conditions (including any breach of the representations and warranties you provide under these Terms and Conditions) or any other agreement or terms you have entered into with us;
- (f) if you have supplied false or misleading information to us (including omissions of material facts) in relation to your application for and use of the Margin FX Trading Services, including information regarding your financial status or investment experience and knowledge;
- (g) your failure to accurately provide evidence of your identity, capacity and/or authority as per Clause 10.1;
- (h) your being or becoming a Restricted Person;
- (i) your Margin FX Trading Account being declared by us as “inactive” under Clause 3.8;
- (j) any of your representations or warranties not being true and complete;
- (k) any change of law which prohibits or renders illegal the provision, maintenance or operation of HSBC Internet Banking, the Platform, Phone Banking Service, Trading System or the Margin FX Trading Services;
- (l) an encumbrancer taking possession of, or a distress, execution, attachment or other process is levied by any enforcement agency or other third party against the Margin FX Trading Account or any Margin FX Collateral Account, any moneys owed by us to you, any assets held by us on your behalf or any of your assets; and
- (m) any misuse of the Margin FX Trading Services by you, including any use of the Margin FX Trading Services for fraudulent, illegal or, in our reasonable determination, improper purposes.

11.3 Termination by You

11.3.1 You may at any time terminate the arrangement with us in relation to the Margin FX Trading Services by giving us not less than 30 days’ notice in writing as long as you have no Open Positions in any of your Margin FX Sub-Accounts. We have the right to close all of your Margin FX Trading Accounts, Margin FX Sub-Accounts and Margin FX Collateral Accounts with effect from the termination date. For clarity, your request to close one or some (but not all) of your Accounts will not be regarded as a request or notice of termination under this Clause 11.3.1.

11.3.2 Upon giving notice to terminate, you may be restricted from giving any new Instructions other than Instructions to close out existing Open Positions.

11.4 Consequences of Termination

11.4.1 Upon the termination of the Margin FX Trading Services pursuant to Clause 11.1 or Clause 11.3, all amounts due or owing by you to us under these Terms and Conditions will become immediately due and payable. We are entitled to without giving you notice do the following (or any of them):

- (a) close your Accounts in such manner as we may consider appropriate;
- (b) cancel any incomplete or pending Instruction or Margin FX Trade and close out any of your Open Positions;
- (c) calculate a net amount payable by us to you or by you to us in the following manner:
 - (i) closing out any or all of your Open Positions and calculating the net amount payable by us to you or by you to us in respect of those positions on such terms and at such time by reference to the Exchange Rate;
 - (ii) applying the Collateral in any or all of the Margin FX Collateral Accounts and any other amount due and owing by us to you towards settlement of any amount payable by you to us as a result of the close-out above and any other amount payable by you to us under these Terms and Conditions; and
 - (iii) reducing any amount due and owing to you by setting off against it any amount due and owing by you to us under these Terms and Conditions or under any other terms and conditions. Any currency conversion will be effected at the Exchange Rate.

11.4.2 We have the right to convert any amount due and owing by you to us under Clause 11.4.1 into a single Currency using the Exchange Rates. Any net amount payable by you to us under Clause 11.4.1 is immediately due and payable.

11.4.3 Any exercise of our rights under Clause 11.4.1 will not limit or reduce any other rights or remedies available to us under these Terms and Conditions or in other cases.

11.4.4 Even if any or all of the Margin FX Trading Services is terminated or suspended, you are continue to be bound by these Terms and Conditions to the extent that they relate to any of your obligations and liabilities which remain to be performed or discharged.

SECTION 12: Communications

12.1 General Notices

12.1.1 Unless expressly stated otherwise in these Terms and Conditions, and where practicable and permissible under Applicable Regulations, you consent to receiving any communication in connection with your Accounts and the Margin FX Trading Services

via HSBC Internet Banking, our website, the Platform or such other means as specified by us from time to time.

- 12.1.2 You confirm that we may issue confirmations, receipts, advices, and statements of account in electronic form and you agree to receive them by electronic means. If you have subscribed for our eStatement and eAdvice Service, we have no obligation to provide any communication sent to you in accordance with this Clause 12. in paper form.
- 12.1.3 All communications from you to us (other than Instructions) have to be given in such manner and means specified by us from time to time.
- 12.1.4 You confirm that your contact details given to us are accurate. You agree to notify us promptly (in such manner specified by us from time to time) of any change of your contact details (including address, telephone number, mobile phone number and e-mail address) or other material particulars recorded with us. You agree to provide any document or evidence relating to the change of information as we may reasonably require.
- 12.1.5 You agree to monitor the Platform website, any information available on HSBC Internet Banking, your e-mail account and mobile phone short message or other communications through the eAlerts Service on a regular and frequent basis. You are required to notify us of possible discrepancies and irregularities concerning communications received from us from time to time (including any confirmation message and statement of account), without undue delay and within 90 calendar days after you have received or are considered as having received such communications. You will be considered as having received any communication given by us:
- (a) at the time of personal delivery or leaving it at the address last notified in writing by you (if delivered personally);
 - (b) 48 hours after posting it to the above address if that address is in Hong Kong or seven days after posting if that address is outside Hong Kong (if sent by post);
 - (c) within such reasonable time on the date of dispatch (if sent by telephone, pager, internet, e-mail, facsimile, or other electronic means of communication);
 - (d) immediately after transmission (if sent by SMS or eAlerts); or
 - (e) immediately after placing it in the Personal Internet Banking profile maintained by you with us (if made available there).
- 12.1.6 Items sent to you or delivered to your authorised representative are sent or delivered at your own risk.

12.2 eAlerts Service

- 12.2.1 If we offer you the eAlerts Service, you may be notified of certain events on HSBC Internet Banking or the Platform (or both) via mobile short message or other means under the eAlerts Service. You agree that even if we offer you the eAlerts Service, the principal channel of providing any information in relation to the Margin FX Trading Services including information about Margin Call and Automatic Closeout is the Platform

(accessed via a computer). **You further agree that we are not liable if any of the said information is not communicated to you through the eAlerts Service. Under no circumstance are we liable for any loss or damage you may incur or suffer as a result of any failure to deliver any notification (including any notification in relation to a Margin Call or an Automatic Closeout), or the frequency, accuracy or timeliness of information provided in such notification via any channel.** You are considered to have received any of the said information if such information is made available on the Platform.

12.2.2 To receive the Margin FX Trading Services, you must subscribe for and maintain the eAlerts Service. To access the eAlerts Service, you must establish and maintain at all times a subscription to the eAlerts Service and will be subject to our terms and conditions for eAlerts Service. eAlerts Service is accessible at our website and you must use compatible telecommunications equipment accepted by us for receiving eAlerts. You have to nominate a valid mobile phone number accepted by us from time to time for receiving mobile short messages sent by us. The mobile phone number you nominate to receive eAlerts for the Margin FX Trading Services must be the same as the number you nominate to receive eAlerts in relation to other services provided by us. For more information on subscribing to the eAlerts Service, please visit our website.

12.2.3 Without limiting the effect of Clauses 5.1.4 and 7.2.8, we may (but have no obligation to) give notice of any Margin Call, any Automatic Closeout or other information relating to the Margin FX Trading Services to you through the eAlerts Service. You are considered to be notified of any Margin Call, any Automatic Closeout or any information relating to the Margin FX Trading Services if such information is made available on HSBC Internet Banking or the Platform. We have no obligation to give notice of any Margin Call, any Automatic Closeout or other information relating to the Margin FX Trading Services to you through the eAlerts Service if you fail to maintain subscription of the eAlerts Service or a valid mobile phone number.

12.2.4 This Clause 12 does not limit or reduce our right to give notice of any Margin Call, any Automatic Closeout or other information relating to the Margin FX Trading Services to you by any other means as we consider appropriate in the circumstances.

12.2.5 We have the right to set or vary the number, frequency or type of eAlerts in respect of the Margin FX Trading Services from time to time without notice. You are not permitted to change the number, frequency or type of eAlerts you receive in respect of the Margin FX Trading Services.

12.3 Online Screen

You accept that individual hardware or software configurations may result in any print-outs of data from our website, HSBC Internet Banking or the Platform differing from the screen display. We have no liability for any such difference. We do not warrant that print-outs of any portion of our website, HSBC Internet Banking or the Platform will be recognised or accepted by any fiscal, regulatory or any other authorities.

12.4 Customer Service

For customer questions, requests and complaints, we provide a customer service hotline during such hours of operation as specified by us from time to time.

SECTION 13: Your Confirmations

13.1 You confirm to us that:

- (a) you have read the risk disclosure statement set out in Appendix 2 to these Terms and Conditions;
- (b) you have the power to accept, execute, deliver and perform these Terms and Conditions;
- (c) acceptance, execution, delivery and performance of these Terms and Conditions have been properly authorised by you, and do not contravene any contractual or other restriction binding on you, and your obligations under these Terms and Conditions constitute your valid and legally binding obligations enforceable in accordance with the provisions;
- (d) you have obtained and made all authorisations of, exemptions by and filings with any government or other authority that are required by you in connection with these Terms and Conditions and the use of the Margin FX Trading Services and they are in full force and effect;
- (e) all information you have provided to us in connection with the Margin FX Trading Services, including your responses in the Account Application Form, is true and accurate in all material respects;
- (f) you are and will remain the sole beneficial owner of the funds in the Margin FX Trading Account and each Margin FX Collateral Account;
- (g) the charge given under Clause 6 constitutes and will remain your valid and legally binding obligations enforceable in accordance with its terms;
- (h) you will do or cause to be done all acts and things necessary or useful for the performance of your obligations under these Terms and Conditions, and will ratify or confirm any act or thing done by us as your lawful attorney pursuant to Clause 6.5; and
- (i) you are not a Restricted Person.

13.2 These confirmations are considered for all purposes to be repeated for each Margin FX Trade effected pursuant to these Terms and Conditions. You agree to notify us promptly if any of these confirmations becomes untrue or incorrect or if you have reason to believe any of them will become untrue or incorrect.

SECTION 14: Retention of Benefits

We and any of our affiliates may from time to time, whether or not amongst themselves or to, from or with any third party, pay, provide, receive or share certain fees, compensation, rebates,

profits, commissions, discounts and other benefits or advantages (a “**Benefit**”) arising out of or in connection with the provision of the Margin FX Trading Services. We are not required to disclose or account to you any Benefit except where required by the Applicable Regulations. You forgo any entitlement and claim with respect to any Benefit.

SECTION 15: Liability and Indemnification

15.1 Limitation of our liability

15.1.1 Except as set out in Clause 15.1.2, we are not liable for the consequences from or in connection with the following cases (or any of them):

- (a) any interruption, suspension, delay, loss, mutilation or other failure in transmission or receipt of orders, information or communication whether via any of our systems (including HSBC Internet Banking, the Platform, Phone Banking Service, eAlerts Service and the Trading System) or any system of any other person engaged by us to provide or support the Margin FX Trading Services. Such failure may be caused by system or human error or any other reason;
- (b) our failure or delay to receive or execute an Instruction or enter into a Margin Trade with you;
- (c) the unavailability or suspension of HSBC Internet Banking, the Platform, the Phone Banking Service or the Trading System for any reason;
- (d) any mechanical failure, power failure, system failure, malfunction, breakdown, interruption or inadequacy of equipment or installation in connection with HSBC Internet Banking, the Platform or Phone Banking Service, the Trading System or any other person engaged by us to provide or support the Margin FX Trading Services;
- (e) Currencies are not available, including where we determine that any Currency or Currency pair is no longer available through the Margin FX Trading Services; and
- (f) any change in the Leverage Ratio or the Margin Requirement as specified by us from time to time which may trigger our exercise of any rights under these Terms and Conditions.

15.1.2 If it is proved in a case set out in Clause 15.1.1 that there was gross 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, then we will be liable for any loss and damage you incur or suffer that is direct and reasonably foreseeable arising directly and solely from such gross negligence or wilful default.

15.1.3 We are not liable for any loss, cost or damage of any kind incurred or suffered by you as a result of any interruption, delay or failure (whether total or partial) in providing the Margin FX Trading Services, HSBC Internet Banking, the Platform or Phone Banking Service to you or performing our duties and obligations in respect of them to the extent that it is attributable to any cause or circumstance that is beyond our reasonable control or

the reasonable control of our agents or nominees. These causes or circumstances may include the following (or any of them):

- (a) the imposition or change of any Applicable Regulations or any procedures, restrictions or suspensions of trading imposed by any government, regulatory or self-regulatory body;
- (b) any Market Disruption Event or System Failure Event;
- (c) exchange controls or other government restrictions or regulations, exchange or market rulings or suspension of trading, strikes or similar industrial action; and
- (d) the bankruptcy, liquidation, insolvency or failure of any government, exchange, clearing house, financial institution or any other person that is required to perform its obligations in relation to any transaction contemplated by these Terms and Conditions.

15.2 Indemnification

15.2.1 Except as set out in 15.2.2, you will promptly indemnify and reimburse (i) us, (ii) our agents and nominees, and (iii) our officers and employees and that of our agents or nominees for all actions, proceedings and claims which may be brought by or against us or them, and for all losses, damages and reasonable costs and expenses which we or they may incur or suffer as a result of or in connection with the following (or any of them):

- (a) your use of the Margin FX Trading Services, HSBC Internet Banking, the Platform, and Phone Banking Service or our providing them to you (including effecting any transaction pursuant to your Instructions);
- (b) any Instruction entered or transaction effected for or carried in any of your Accounts (whether or not authorised by you, and whether via the Platform or Phone Banking Service);
- (c) any default by you in performing your payment and other obligations under these Terms and Conditions, including your failure to meet any Margin Requirement or to comply with any limit or restriction imposed by yourself or by us in respect of any trading or use of the Margin FX Trading Services;
- (d) any false or misleading statement or representation made by you;
- (e) your failure to timely update or notify us of any material change in information provided to us pursuant to these Terms and Conditions;
- (f) any representation or confirmation made by you being or becoming untrue or incorrect;
- (g) you are or you become a Restricted Person;
- (h) any act or omission by you with respect to any of your Accounts;

- (i) any failure by you to comply with any Applicable Regulations or our policies; or
- (j) the preservation or enforcement of our rights or exercise of our powers in connection with the Margin FX Trading Services and the Accounts.

This indemnity shall continue after the termination of the Margin FX Trading Services, the Accounts or these Terms and Conditions.

15.2.2 If it is proved that any actions, proceedings, claims, losses, damages or amounts set out in Clause 15.2.1 was caused by gross negligence or wilful default of (i) ours, (ii) our agents or nominees, or (iii) our officers or employees or that of our agents or nominees, then you are not liable under Clause 15.2.1 to the extent that it is direct and reasonably foreseeable arising directly and solely from such gross negligence or wilful default.

15.2.3 We are entitled to withhold, retain or deduct such portion from your Accounts as we reasonably determine to be sufficient to cover any amount which may be owed by you under this Clause 15.2.

SECTION 16: Set-off right of the Bank

16.1 Without limiting or reducing our rights under any other provisions of these Terms and Conditions, we have the right without prior notice to you to withhold, transfer, use and apply any of your funds or assets in our possession in such manner and on such terms as we consider appropriate to pay and set-off any amount or to discharge obligations owing by you to us. If the funds held by us and the liabilities to be set-off are in different Currencies, we have the right to convert the funds or the liabilities at the prevailing Exchange Rate as we consider appropriate for the purpose of the set-off. Our other set-off rights remain unaffected. For clarity, our exercise of set-off rights under this Clause 16 will not (i) limit or reduce any other rights we may have under any other agreement with you; or (ii) preclude us from exercising our rights of recourse in respect of any amounts owing by you to us after exercising our set off right.

16.2 Our right under this Clause 16 is not affected by your death or legal incapacity.

16.3 This Clause 16 shall continue after the termination of the Margin FX Trading Services, the Accounts or these Terms and Conditions.

SECTION 17: Miscellaneous General Provisions

17.1 Variation of Terms and Conditions

We have the right to vary these Terms and Conditions (including fees and charges) and any other terms and conditions governing the Margin FX Trading Services or Accounts from time to time by notice. We will give you notice by way of display at our premises or in any other manner we consider appropriate. You will be bound by a variation unless we have received notice from you to close the Margin FX Trading Account and all Margin FX Collateral Account or terminate the Margin FX Trading Services with effect before the date on which that variation takes effect.

17.2 Waiver and Remedies

No failure or delay by us in exercising any right, power or remedy will operate as a waiver of that right, power or remedy. Nor will any single or partial exercise preclude any other or further exercise of a right, power or remedy. Any right, power or remedy under these Terms and Conditions is intended to be cumulative and in addition to any other right, power or remedy we have in law.

17.3 Assignment by Us or by You

- (a) We may at any time assign or transfer any or all of our rights and obligations to any person without your agreement.
- (b) You are not allowed to assign or transfer any of your rights or obligations to any person unless with our prior written agreement.

17.4 Appointment of Agent or Nominee

17.4.1 We may appoint any other person as our agent or nominee to perform any of the Margin FX Trading Services for us. Such person includes any service provider or sub-contractor acting in its capacity as our agent or nominee and excludes any independent service provider or sub-contractor. For that purpose, (i) we may delegate any of our powers to that person, and (ii) you authorise us to disclose or transfer any information relating to you, the Margin FX Trading Services or any of the Accounts to that person. Subject to Clause 15.1, we remain liable to you for the negligence or wilful default of any person appointed by us under this clause as if we performed the relevant Margin FX Trading Services ourselves.

17.4.2 You are required to pay all costs and expenses of reasonable amounts and reasonably incurred by us in connection with the Margin FX Trading Services or the Accounts from time to time. These may include all applicable taxes, duties and levies payable in respect of your assets and any expenses for preserving or enforcing our rights in connection with the Margin FX Trading Services and the Accounts (including fees of any collection agent employed by us and legal fees in demanding, collecting, suing or recovering any outstanding or overdue amount).

17.5 Your Personal Data

You understand and agree that all your personal data may be used and disclosed by us for such purposes and to such persons as may be in accordance with the our general policies on use and disclosure of personal data as set out in statements, circulars, notices or terms and conditions we have made available to you from time to time.

17.6 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 Terms and Conditions.

17.7 Entire Agreement

These Terms and Conditions (including the Schedules and Appendix and other terms and conditions expressly referred in these Terms and Conditions) together with the Account Application Form and the Product Factsheet embody the entire agreement between you and us, which superseding all prior written and oral agreements in relation to the Margin FX Trading Services.

17.8 Severability

Each provision of these Terms and Conditions is severable. To the extent that any provision is or becomes invalid, unenforceable or contrary to any Applicable Regulations, then it will be given no effect and will be considered excluded from these Terms and Conditions without invalidating any of the remaining provisions of these Terms and Conditions.

17.9 Governing Law and Version

- (a) These Terms and Conditions are governed by and will be construed according to Hong Kong laws.
- (b) The English version of these Terms and Conditions prevails to the extent of any inconsistency between the English and the Chinese versions. Any Chinese version of these Terms and Conditions is for reference only.

17.10 Jurisdiction

- (a) You submit to the non-exclusive jurisdiction of the Hong Kong courts.
- (b) These Terms and Conditions may be enforced in the courts of any competent jurisdiction.

Appendix 1 Definitions and Interpretation

1. Interpretation

- (a) Unless the context requires otherwise, in these Terms and Conditions:
- (i) any reference to “Section” “Clause” or “Appendix” is a reference to a section, clause or appendix of these Terms and Conditions;
 - (ii) any reference to an Applicable Regulation is a reference to the same as amended, re-enacted or in effect from time to time;
 - (iii) a singular expression includes the plural and vice versa, and reference to a gender includes any gender; and
 - (iv) any reference to time is a reference to Hong Kong time.
- (b) All Appendices form part of these Terms and Conditions.
- (c) Headings in these Terms and Conditions are for ease of reference only and do not affect the interpretation of these Terms and Conditions.

2. Definitions

Unless we specify or the context requires otherwise, the following terms in these Terms and Conditions have the meanings set out below.

Account means any Margin FX Collateral Account, Margin FX Trading Account and Margin FX Sub-Account.

Account Application Form means the application form signed by you to request the opening of the Accounts and any other accounts for the purpose of these Terms and Conditions.

Applicable Regulations 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..

Authority means any regulatory authority, governmental agency (including tax authority), clearing or settlement bank of exchange.

Automatic Closeout means our right automatically and without notice to you to close out Open Positions in a Margin FX Sub-Account.

Automatic Closeout Level in respect of a Margin FX Sub-Account means 50% of the Margin Requirement applicable to that Margin FX Sub-Account.

Base Currency means the currency in which a Margin FX Sub-Account or a Margin FX Collateral Account is denominated.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Hong Kong and, where the context requires, also means the business hours set by us from time to time when Instructions may be given to and accepted by us.

Collateral means all moneys in a Margin FX Collateral Account which you have from time to time deposited with, charged and assigned to us for your obligations under these Terms and Conditions. This includes all interest and benefits credited to such moneys from time to time but excludes any interest or benefits accrued but not credited.

Collateral Limit has the meaning given it in Clause 3.10.1(a).

Currency means the lawful currency of any country, territory, region or jurisdiction.

eAlerts means a message or other form of notification provided by us pursuant to the eAlerts Service.

eAlerts Service means the service as described in Clause 12.2 which is provided by us subject to our Terms and Conditions for eAlerts Service, as may be amended from time to time.

eCorrespondence has the meaning as defined in our Terms and Conditions for eStatement and eAdvice Service, as may be amended from time to time.

Event of Default has the meaning given it in Clause 11.2.1.

Exchange Rate means the rate for converting one Currency into another Currency which we determine to be prevailing in the relevant foreign exchange market at the relevant time, and the rate determined by us will be conclusive and binding on you.

General Terms and Conditions means our General Terms and Conditions, as may be amended from time to time.

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

HSBC Internet Banking means the Personal Internet Banking service provided by us subject to the Terms and Conditions for HSBC Internet Banking, as may be amended from time to time.

Indebtedness means all moneys, in any Currency, which are due or owing by you to us at any time and from time to time in any place, capacity or manner (in each case whether alone or jointly with any other person, and whether as principal or guarantor), together with interest accruing up to the date of payment and all fees, charges and expenses at such rates and on such terms as may be payable by you from time to time.

Instruction means an instruction relating to a Margin FX Trade under the Margin FX Trading Services, given to us in such form and by such means specified or accepted by us, and includes a Platform Instruction or a Phone Banking Instruction.

Internet Credentials means any of your login user name, password, security code or any other code or security device or credentials which is required for you to access HSBC Internet Banking or the Platform.

Invalid Margin FX Trade means any Instruction which:

- (i) was executed while a Market Disruption Event or System Failure Event continues; or
- (ii) was executed at a price which we reasonably believe was an erroneous price whether due to a malfunction in the Platform or due to disrupted or incorrect market price data received by us; or
- (iii) was executed as a result of your fraudulent or unlawful act; or
- (iv) is void by reason of law.

Leverage Ratio means such ratio as we determine in our discretion from time to time, which will be used to determine the positions which you can open and maintain in terms of the NAV of a Margin FX Sub-Account based on a given Collateral.

Limit Order has the meaning given to it in Clause 7.2.6.

Margin Call means a notification by us to you that the NAV of a Margin FX Sub-Account is at or below 60% of its Margin Requirement (that is, 20% (or less) above the Automatic Closeout Level), and that you have to take action to relieve the margin shortfall in order to avoid us exercising our Automatic Closeout right.

Margin FX Collateral Account means, in respect of a Margin FX Sub-Account in a given Currency, a statement savings account in that Currency opened by us in your name and designated as a Margin FX Collateral Account for the purpose of that Margin FX Sub-Account.

Margin FX Sub-Account means a sub-account of a Margin FX Trading Account denominated in a given Currency.

Margin FX Trade means a contract for differences between you and us, each acting as principal, under which you notionally buy or sell a quantity of a Currency and gain an economic exposure to the performance of that Currency without actually acquiring or disposing of the Currency, and Margin FX Trading is construed accordingly.

Margin FX Trading Account means an account opened by us in your name and designated as the Margin FX Trading Account for the purpose of settling Margin FX Trades, and includes any Margin FX Sub-Account.

Margin FX Trading Services means the services referred to in Clause 2.1 which may be provided by us to you from time to time.

Margin Requirement means any cash amount that we may require you to deposit as Collateral in a Margin FX Collateral Account in order to open or maintain positions under a Margin FX Trade.

Market Disruption Event means any market disruption as determined conclusively by us in good faith as materially affecting the determination of the Quotation Prices.

Market Order has the meaning given to it in Clause 7.2.6.

NAV or **Net Asset Value** means, in respect of a Margin FX Sub-Account, the balance of the relevant Margin FX Collateral Account denominated in the same Base Currency, plus or minus (as applicable) the Unrealised Profit/Loss for Open Positions in that Margin FX Sub-Account.

Open Position means, in respect of each outstanding Margin FX Trade, the notional amount of Currency bought or sold by you under that Margin FX Trade.

Open Position Limit has the meaning set out in Clause 3.9.1.

Phone Banking Instruction means an Instruction given to us via our manned Phone Banking Service.

Phone Banking PIN personal identification number or any code or number or your voice print or other biometric credential that is used by us to identify you when you access information, give Instructions or make a transaction using Phone Banking Service. A Phone Banking PIN may be designated by us or you or generated by a security device designated or approved by us or generated by our collecting and analysing your voice or other biometric credential.

Phone Banking Service has the meaning given to it in the General Terms and Conditions.

Platform means the interactive trading interface (including its internet-based interface and related infrastructure), accessible via a computer, smartphone or mobile computing device with an internet connection, offered by us to you for the purpose of providing the Margin FX Trading Services.

Platform Instruction means an Instruction given to us via the Platform.

Price Bounds means a range of upper and lower price limits within which an Instruction is to be executed, and a reference to a price being within the Price Bounds means that that price is either within the range or at the level of the upper or lower price limit.

Product Factsheet means the explanatory material describing the features and operation of the Margin FX Trading Services and available on our website.

Quotation Price has the meaning given to it in Clause 7.3.1.

Restricted Person means a U.S. Person and any other category of persons that are ineligible for the Margin FX Trading Services, as we may determine from time to time.

SFO means the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Stop Loss means an Instruction to close an Open Position when a Quotation Price reaches or crosses a specified level for the purpose of limiting a loss (and as more fully explained in the Product Factsheet).

System Failure Event means any failure or malfunction of a technical system or a computer facility (other than your systems or facilities) or any other event beyond our reasonable control which result in HSBC Internet Banking, the Platform, the Phone Banking Service or the Trading System ceases to be available or causing us difficulty in providing the Quotation Prices.

Take Profit means an Instruction to close an Open Position when a Quotation Price reaches or crosses a specified level for the purpose of locking in a profit (and as more fully explained in the Product Factsheet).

Trading Hours mean the time set by us from time to time during which the Platform or Phone Banking Service is available for taking and giving Instructions.

Trading System means our systems for accepting, validating and executing Margin FX Trades submitted via Platform Instructions or Phone Banking Instructions, and does not include HSBC Internet Banking, the Platform or the Phone Banking Service.

Trailing Stop means a Stop Loss instruction where the price at which an Open Position is to be closed changes dynamically based on a specified spread from the relevant Quotation Price if the relevant Quotation Price for an Open Position moves in a favourable direction but stays unchanged if the relevant Quotation Price for an Open Position moves in an unfavourable direction (and as more fully explained in the Product Factsheet).

Unrealised Profit/Loss means, at any given point in time, the gain or loss calculated for a hypothetical closing of an Open Position based on the Exchange Rate at that point in time.

U.S. Person means a resident, citizen, green card holder or taxpayer of the United States of America or a person whose address on our record is in the United States of America, and includes any agent of that person.

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

you or your means each person in whose name an Account is maintained or to whom the Margin FX Trading Services are provided and, where the context permits, includes any individual authorised by you to give Instructions relating to the Accounts or the Margin FX Trading Services.

Appendix 2 Risk Disclosures for Margin FX Trading

Your attention is drawn to the following risks associated with the Margin FX Trading Services and Margin FX Trading. You should carefully consider whether Margin FX Trading is suitable for you in light of your financial condition, experience and investment objectives. The following is a summary of some of the risks involving the Margin FX Trading Services and Margin FX Trading. It is not an exhaustive list, and you are recommended to obtain independent professional advice before effect any Margin FX Trading or accept these Terms and Conditions.

- 1 The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with us. If the market moves against your positions, you may have limited time to deposit an amount (which may be substantial) of additional funds in order to maintain your positions. If the required collateral or interest payments are not deposited or made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.
- 2 Margin FX Trading can involve a high degree of risk. Price changes in the underlying Currency can result in substantial losses to you that may in some instances exceed the amount of Collateral you have placed with us. You should not participate in Margin FX Trading unless you understand and are willing to assume the risks associated with such trading and are financially able to absorb losses in excess of the Collateral you deposit with us from time to time.
- 3 Under certain market conditions, you may find it difficult or impossible to liquidate a position. Placing Price Bounds, Stop Loss or Trailing Stop will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders at the designated price.
- 4 The high degree of leverage which is often obtained in connection with Margin FX Trading can work against you as well as for you. The use of leverage can lead to large losses instead of or as well as gains.
- 5 Trading on the Platform or via Phone Banking Service is subject to risks associated with trading on electronic trading systems or manned service, such as hardware or software or human failures, connectivity problems, computer viruses and system or power failures. As a result of any such failure or interruption, you may not be able to transfer funds into or out of your Margin FX Collateral Account, give Instructions, view or cancel pending transactions, or take other actions in relation your Accounts, which may cause you to incur a loss or may result in an Automatic Closeout.
- 6 We may trade as a principal in Currencies and related instruments in various markets and may take an opposing position to a Margin FX Trade effected or to be effected by you. We may permit our employees to use the Margin FX Trading Services, and our employees who do so are subject to our internal policies and procedures applicable to executing transactions for their own accounts. We and our employees who trade Currencies may have interests different from or adverse to your interests. In providing you with the Margin FX Trading Services and entering into transactions

with you, we and our employees do not have any obligation to provide you with market or other information we or they may possess or to alter or refrain from our or their own trading.

- 7 You may be affected by any curtailment of or restriction on our capacity to trade in respect of open positions as a result of action taken by the Authority or other governmental or regulatory bodies under Applicable Regulations or for any other reason. In such circumstances, you may be required to reduce or close your Open Positions with us.
- 8 Any transaction involving foreign Currencies, including Margin FX Trades, involves additional risks not common to transactions denominated entirely in your domestic currency. Exchange rates of foreign Currencies can be highly volatile and can be affected by factors such as changes in political and economic policy (both domestic and overseas), political instability, wars, natural disasters and global market movements.
- 9 **You understand and agree that, in providing you with the Margin FX Trading Services, we do not provide any recommendation to you or advise you on the merits of any transaction. You understand that you use the Platform or the Phone Banking Service as a channel for executing Margin FX Trades with us, each party acting as principal. Before entering into a Margin FX Trade, you should assess it having regard to your investment objectives, financial conditions and other relevant circumstances and the risks associated with that Margin FX Trade. You may suffer substantial losses under the Margin FX Trading Services.**
- 10 **You understand that any information, proposal or other communication from us, including market research and commentary, is merely for your reference and does not constitute investment advice. You should not rely on such information, proposals or communication as investment advice or for Margin FX Trading purpose or other purposes. They may be provided by us or other persons or compiled by us from information and materials provided by other persons. We do not represent or guarantee the accuracy, truth, reliability, adequacy, timeliness or completeness of any information, proposal or communication or whether it is fit for any purpose. We are not liable (whether in tort or contract or otherwise) for any use or reliance of any such information, proposal or communication by you or any other person.**
- 11 **You understand and agree that you are solely responsible for making your own independent investment decisions, even if you may have informed us of your investment objectives. We do not advise you, and our employees and agents do not have authority to advise you, on whether or not you should enter into any Margin FX Trade or to any action or matter relating to any Margin FX Trade. You should seek independent legal and tax advice in relation to your obligations for conducting Margin FX Trading . We are not liable for any taxes or duties payable by you in relation to the Margin FX Trading Services or any Margin FX Trade.**

This brief summary cannot disclose all the risks and other significant aspects of the Margin FX Trading Services and Margin FX Trading. You should carefully study these Terms and Conditions and the information available on the Platform before you trade.