

HSBC GOLD TOKEN SALE AND PURCHASE AGREEMENT

Important Notice

Before you make an investment decision to purchase any Gold represented by HSBC Gold Token, please make sure you have received and read the latest version of the HSBC Gold Token Principal Brochure and the terms and conditions referred therein.

This Agreement supplements the Integrated Account Terms and Conditions and governs the relationship between you and us, and applies when you:

- Purchase Gold represented by HSBC Gold Token; or
- Sell Gold represented by HSBC Gold Token.

1. Application of the Integrated Account Terms and Conditions

- 1.1 Any purchase or sale of Gold represented by the HSBC Gold Token will be considered Investment Services under the Integrated Account Terms and Conditions, and HSBC Gold Token is a Product for the purposes of the Integrated Account Terms and Conditions.
- 1.2 Your investments in the Gold represented by HSBC Gold Tokens shall be reflected in the Investment Services Account ("**Investment Services Account**") within the meaning of clause 5.1.2(b)(i)(1) of the Integrated Account Terms and Conditions.
- 1.3 All transactions involving Gold represented HSBC Gold Tokens will be effected through your Investment Services Account.
- 1.4 For the purpose of your investment in any Gold represented by the HSBC Gold Tokens, the provisions of this Agreement prevail over the provisions of the Integrated Account Terms and Conditions to the extent of any inconsistency between this Agreement and the Integrated Account Terms and Conditions.

2. Your Instructions

You should give instructions in such form and by such means acceptable to us from time to time and in accordance with the provisions of this Agreement.

3. Investment in Gold represented by the HSBC Gold Tokens

- 3.1 You may invest in Gold represented by the HSBC Gold Tokens in such currencies and with such minimum units as we may allow from time to time.
- 3.2 While this Agreement and the terms and conditions of the HSBC Gold Token refer to an investment in and/or purchase of an HSBC Gold Token, you understand and acknowledge that you are in fact acquiring a co-ownership

entitlement in respect of 0.001 troy ounces of Loco London gold ("**Gold**") as specified by the London Bullion Market Association, which is represented by such HSBC Gold Token.

- 3.3 The price at which you make each purchase of Gold represented by each HSBC Gold Token shall be the prevailing price that we (acting in good faith and a commercially reasonable manner) determine at the time we execute the relevant purchase Instruction. Such price is binding on you. Unless the price quoted is confirmed by us by responding to an Instruction, any price quoted by us at any other time is for reference only. We will effect the relevant Instruction to purchase Gold represented by HSBC Gold Tokens, if time permits, during the day of receipt of your purchase Instruction.
- 3.4 A purchase of Gold represented by HSBC Gold Tokens will be settled by (i) an immediate direct debit of your current account or savings account maintained by you with us or any other account designated by you and (ii) a credit of the relevant HSBC Gold Tokens to your Investment Services Account. You understand that the title to the Gold represented by the relevant HSBC Gold Tokens will only pass to you upon completion of the settlement process which is expected to complete on the second Business Day following our receipt of your purchase Instruction.
- 3.5 By giving an Instruction to purchase Gold represented by HSBC Gold Tokens, you confirm that you have full right, power and authority to purchase such Gold represented by HSBC Gold Tokens specified in that Instruction.
- 3.6 We reserve the right to cancel any Instruction from you to purchase any Gold represented by HSBC Gold Token. This may occur if, for example, we cannot find a seller in the market for the relevant Gold represented by HSBC Gold Tokens at the relevant purchase price. If this occurs, we will cancel your Instruction and will notify you of the cancellation. We will return the relevant purchase price (without any deduction) to you as soon as reasonably practicable.

4. Sale of Gold represented by HSBC Gold Tokens

- 4.1 While this Agreement and the terms and conditions of the HSBC Gold Token refer to a sale of an HSBC Gold Token, you understand and acknowledge that you are in fact selling a co-ownership entitlement in respect of 0.001 troy ounces of Gold, which is represented by such HSBC Gold Token.
- 4.2 You should give Instructions to sell Gold represented by HSBC Gold Tokens held in your Investment Services Account in accordance with the provisions of this Agreement. You should specify in each Instruction the amount of Gold represented by HSBC Gold Tokens to be sold.

- 4.3 Each Instruction from you to sell Gold represented by HSBC Gold Tokens may not be cancelled by you. The details specified in the form setting out an Instruction to sell Gold represented by HSBC Gold Tokens are conclusive evidence as to the amount of Gold represented by HSBC Gold Tokens to be sold in the absence of manifest error.
- 4.4 The price at which you make each sale of Gold represented by each HSBC Gold Token shall be the prevailing price that we (acting in good faith and a commercially reasonable manner) determine at the time we execute the relevant Instruction to sell the Gold represented by the relevant HSBC Gold Tokens to the market. Such price is binding on you. Any price quoted by us at any other time is for reference only.
- 4.5 Payment of the proceeds of a sale of Gold represented by HSBC Gold Tokens will be paid to you as soon as reasonably practicable. Payment will be made by direct credit to your current account or savings account maintained by you with us.
- 4.6 We reserve the right to cancel any Instruction from you to sell any Gold represented by HSBC Gold Token. If this occurs, we will cancel your Instruction and will notify you of the cancellation.

5. Risk and other disclosures relating to investment in Gold represented by HSBC Gold Tokens

5.1 You accept the following:

- (a) The gold market is volatile and that in particular:
- (i) the value of your investment in Gold represented by HSBC Gold Tokens may go down as well as up. There is the possibility that a loss will be incurred from an investment in Gold represented by HSBC Gold Tokens;
 - (ii) investment in Gold represented by HSBC Gold Tokens is subject to investment risk and is not insured by any governmental agency. The risk includes the possible loss of the principal invested; and
 - (iii) an Investment Services Account does not represent a deposit of money and provides no yield or interest, and an HSBC Gold Token is not a time deposit;
- (b) We do not make, and should not be considered as having made, any representation of any kind on the performance of the Gold represented by HSBC Gold Tokens. You should make each decision to purchase or sell Gold represented by HSBC Gold Tokens based on your own

judgment. You should not rely on any advice, view or information provided by us or any other member of the HSBC Group;

- (c) You acknowledge that, unless the terms and conditions of the HSBC Gold Token provide otherwise, you will not be able to request delivery of physical gold from us. You may only sell all of the Gold represented by HSBC Gold Tokens in the Investment Services Account and receiving the proceeds of sale if you wish to close your Investment Services Account.
 - (d) If we accept any means of giving Instructions not bearing an original signature (e.g. by HSBC Online Banking or HSBC HK App), you will be bound by each Instruction given by such means. You will be bound by the transaction executed by us at the price we notify you using such means (which may be as shown on the web page or mobile app screen). In the case of an Instruction to purchase Gold represented by HSBC Gold Tokens, you must make payment in accordance with Clause 3.4. In the case of an Instruction to sell Gold represented by HSBC Gold Tokens, the proceeds of sale will be paid to you in accordance with Clause 4.5.
 - (e) We may close your Investment Services Account and/or sell all of the Gold represented by HSBC Gold Tokens in such account in accordance with the Integrated Account Terms and Conditions. You could suffer a loss from such sale, depending on the price of relevant Gold represented by HSBC Gold Tokens at the time of such sale.
 - (f) If by virtue of or arising out of the purchase or sale of Gold represented by HSBC Gold Tokens in accordance with the provisions of this Agreement any profit, commission, fee, benefit or other advantage shall accrue to us or any member of the HSBC Group, we or such member are entitled to retain the same for our or its own benefit.
- 5.2 You accept this Clause 5 explains some principal risks but is not an exhaustive list of all possible risks associated with investment in Gold represented by HSBC Gold Tokens. You will refer to the Principal Brochure for further details. If you have any concerns about HSBC Gold Tokens, you should consult your professional advisers.

6. Use of Gold represented by HSBC Gold Tokens for discharging your liability

- 6.1 You authorise us to appropriate from your Investment Services Account such Gold represented by HSBC Gold Tokens as may be required to discharge your liability to us from time to time. We have a lien over the Gold represented by HSBC Gold Tokens in your Investment Services Account. The lien stands as a continuing security for the payment by you of any liability whether actual or

contingent, present or future (including any fees, expenses or interest) owing by you to us.

- 6.2 If you fail to pay any amount due to us within five (5) Business Days after we demand payment, without prejudice to any other means available to us to enforce any debt owed to us as provided in our Integrated Account Terms and Conditions, we have the right to sell all or any Gold represented by HSBC Gold Token in your Investment Services Account at any time and in any way which we consider appropriate as if we have received an Instruction to sell the relevant Gold represented by HSBC Gold Tokens under Clause 4 above. We may apply the proceeds of sale in or towards settlement of any amount owing by you to us after deducting the costs and expenses of reasonable amounts and reasonably incurred by us in relation to the sale.

7. **Communications**

Clause 1.11 (*Communications*) of the Integrated Account Terms and Conditions shall apply.

8. **Variation of this Agreement**

We have the right to vary, modify or supplement the provisions of this Agreement at our discretion from time to time. A variation, modification or supplement made to reflect a change of Applicable Regulations may take effect immediately or otherwise as we may specify. You will be bound by such variation, modification or supplement if we do not receive instructions from you to close the Investment Services Account with effect before the date on which that variation, modification or supplement takes effect.

9. **Recording**

We may record Instructions or communications with you in connection with this Agreement. You consent to such recording and accept that such recording may be used to resolve any question relating to such Instructions or communications.

10. **Entire agreement**

This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement. Each of the parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.

11. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this agreement under the Contracts (Rights of Third Parties) Act 1999.

12. **Governing law and version**

12.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by, and construed in accordance with, English law.

12.2 The English version of this Agreement prevails to the extent of any inconsistency between the English and the Chinese versions. Any Chinese version of this Agreement is for reference only.

13. **Jurisdiction**

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

13.2 The Hong Kong courts have non-exclusive jurisdiction to settle any dispute, including any dispute as to the existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations, arising out of or in connection with this Agreement.

Interpretation and Definitions

A. Interpretation

(a) Unless the context requires otherwise, in this Agreement:

- (i) any term used but not defined has the meaning given to it under the Integrated Account Terms and Conditions;
- (ii) any reference to a "Clause" is a reference to a clause to this Agreement;
- (iii) any reference to a statutory provision is a reference to the same as amended, re-enacted or in effect from time to time;
- (iv) any reference to a clause in another agreement is a reference to the same as amended, modified or supplemented from time to time; and
- (v) a singular expression includes the plural and vice versa, and reference to a gender includes any gender.

B. Definitions

Unless we specify or the context requires otherwise, the following terms in this Agreement have the meanings set out below.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London and Hong Kong.

"Gold" has the meaning given to it under the terms and conditions of the HSBC Gold Token.

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

"HSBC Gold Token" has the meaning given to it under the terms and conditions of the HSBC Gold Token.

"HSBC Group" means HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices (together or individually), and **"member of the HSBC Group"** has the same meaning.

"Instruction" means any instruction in relation to the Investment Services Account given in any form or by any means accepted by us from time to time.

"Integrated Account Terms and Conditions" means the integrated account terms and conditions between you and us under which we provide Investment Services to you.

"Investment Services Account" has the meaning given to it in Clause 1.2 of this Agreement.

"Investment Services" has the meaning given in the Integrated Account Terms and Conditions.

"troy ounce" means the unit weight of gold for the purpose of determining the price of HSBC Gold Token with respect to transactions under this Agreement.

"we", "us", "our" has the meaning given in the Integrated Account Terms and Conditions.

"you" or "your" has the meaning given in the Integrated Account Terms and Conditions.