



Notice of Change on Integrated Account Terms and Conditions effective 1 October, 2016 ("Effective Date")

HSBC is committed to promoting changes and improvements in our provision of banking services to protect your interests and to enhance your understanding of what you can reasonably expect of the services provided by us. With these objectives in mind, we have updated our existing Integrated Account Terms and Conditions ("**Existing Document**") in plain language ("**Plain Language Document**"). A separate set of Chinese version is also available. If there is any discrepancy between the English and Chinese versions, the English version shall prevail.

A summary of the key features of the Plain Language Document is set out under **Part A**, and the main provisions which are new or have been amended in the Plain Language Document are set out under **Part B**.

Provisions of the Plain Language Document and the Existing Document are materially the same in substance and save for the matters set out in Part B, your rights and obligations with respect to us will not be adversely affected.

Please carefully read the information below to ensure you understand the changes made and how they may affect you.

A. Summary of the key features of the Plain Language Document

1. Provisions in the Plain Language Document are re-written in a way and re-arranged in an order intended to make them easier to read and understand by you. More descriptive section or clause headings are used in some cases.
2. Provisions addressing the same or related matters are consolidated and simplified to remove overlaps.
3. Revisions are made to enhance clarity of the meaning of the provisions.
4. There are certain practices or requirements currently implemented by us with respect to our provision of services, accounts or products which may be applicable to you but are not expressly specified in the Existing Document, or are specified in another document which may have been given to you separately (e.g. the FundMax Account Terms and Conditions). Provisions reflecting these practices or requirements are consolidated in the Plain Language Document to make them easier to read and understand by you.

B. New or amended provisions in the Plain Language Document

The new or amended provisions in the Plain Language Document include:

General

1. a revised provision in Clause 1.2.1(b) clarifying that we may vary, suspend or withdraw any existing (or existing type of) accounts, services (including not accepting a deposit) or features from time to time without prior notice;
2. a revised provision in Clause 1.6.1 clarifying that where the applicable regulatory requirements do not require us to provide statements for the Master Account, the Services, or any Savings Account, Current Account, Time Deposit Account, Investment Services Account or any other account under the Master Account, we may provide Consolidated Statement at our discretion if we consider appropriate whether or not you have opted not to receive Consolidated Statement;
3. a new provision in Clause 1.7.1(j) authorising us to disclose, without further consent, to any joint accountholder of a Master Account (i) information about the Master Account relating to any period before or after the Master Account is maintained in joint names and (ii) any personal data or other information relating to any of the joint accountholders;
4. a revised termination provision in Clause 1.8.1(b) clarifying that we may terminate with or without giving you notice or reason (i) all or any part of the Services, or (ii) the Master Account or any one or more Accounts;
5. a revised provision in 1.9.1 (a) clarifying that we are entitled to debit any amount payable by you to us (including any fees, expenses or interest) from any account you maintain with us, irrespective of whether there are sufficient available funds, overdraft or other facilities in such account;
6. a new provision in Clause 1.11.3 clarifying that unless any relevant part of the postal service is affected by industrial action, we will be considered as having posted any notice, demand or other communication if we have posted it via pre-paid envelope and, if the address of the recipient is outside Hong Kong, by airmail;
7. a revised indemnity provisions in each of Clauses 1.14, 3.3.3, 3.4.3, 5.1.8(b), 5.2.3(b)(vi)-(vii), 5.2.9(h)(ii), 6.1.8 and 6.4.5(c) clarifying that (A) the indemnity covers (i)us, (ii)our agents and nominees, and (iii)our officers and employees and the officers and employees of our agents or nominees, (B) our liability for negligence (or gross negligence, as applicable) or wilful default is restricted to direct and reasonably foreseeable losses arising solely and directly from it, and (C) the indemnity will remain in effect after termination of the services, accounts or the Integrated Account Terms and Conditions ;

8. a revised limitation of liability provision in each of Clauses 1.13.3, 5.1.8(a)(xi), 5.2.9(h)(i)(3), 6.1.8(b), 6.2.2(e), 6.4.5(a) and 6.5.3(a), clarifying that our liability is restricted to direct and foreseeable losses arising solely and directly from our negligence (or gross negligence, as applicable) or wilful default;
9. a revised provision in Clause 1.15.1 allowing us to impose a fee at our discretion if an account is closed within such period after the account opening date as specified by us from time to time or the credit balance of such account falls below the minimum deposit amount set by us from time to time;
10. a revised provision in Clause 1.15.2 to the effect that (i) our right to collect fees from you in such manner and at such intervals as we may specify; and (ii) paid fees are not refundable, are applicable generally in the Integrated Account Terms and Conditions;
11. a revised provision in Clause 1.15.3 to the effect that you are required to pay all costs and expenses of reasonable amounts and reasonably incurred by us in connection with the Services or the Accounts;
12. a revised provision in Clause 1.15.5 to the effect that (i) we may accept from any manager, stockbroker, underwriter or any other person (whether or not a member of the HSBC Group) engaged in a transaction involving the purchase or sale of any securities or other assets for you any rebate or payment of brokerage, commission or discount payable in respect of that transaction; and (ii) you agree that we are entitled to retain for our own account and benefit absolutely such amounts and any interest generated on any payment made by or to you pending transfer to the Cash Account (or any other account maintained by you with us) or to the manager, stockbroker, underwriter or any other person to effect an Instruction;
13. a new provision in Clause 1.15.6 to the effect that (i) we may impose negative interest on credit balances on any Savings Account, Current Account, Time Deposit Account, Investment Services Account and any other account under the Master Account that are denominated in a currency to which negative interest rate applies, and to debit any account for the purpose of settling such negative interest, irrespective of whether there are sufficient available funds, overdraft or other facilities in such accounts; and (ii) if any debit causes the relevant account to be overdrawn, you are liable to repay the outstanding amount to us on demand together with any fees, expenses and interest accruing on the outstanding amount at such rate as we may specify;
14. a new provision in Clause 1.16.1(c) to the effect that (i) before carrying out a currency conversion transaction, we may require you to provide information or documentation to prove that such transaction is in compliance with all Applicable Regulations, and (ii) we have the right to refuse to carry out a currency conversion transaction if we are not satisfied with the information or documentation provided by you;
15. a new provision in Clause 1.16.3 allowing us to collect, store and analyse recordings of your voice to generate "voice print" that is unique to you. We may use this voice print to identify you when you call us;
16. a revised provision in Clause 1.16.6 clarifying that a waiver by us of any provision of the Plain Language Document will be effective only if given by us in writing and any such provision is waived only to the extent that is expressly stated in our written notice;
17. a new provision in Clause 1.16.9(b) to the effect that you are prohibited from assigning or transferring your rights or obligations unless with our prior written agreement;
18. a new provision in Clause 1.16.11 to the effect that you accept that the remuneration for sales staff is determined based on the staff's overall performance with reference to a wide range of factors and is not determined solely on financial performance of the staff;

Account Terms and Conditions

19. a new provision in Clause 2.1.4 to the effect that if you give us instruction to pay or withdraw from your Savings Account (i) where there are insufficient funds in your Savings Account and (ii) which, if executed by us, would cause your Savings Account to go overdrawn or over an existing overdraft limit, we will treat this as your informal request for an unauthorised overdraft and may (i) refuse your request and that Instruction and impose a service charge for considering and refusing your request, or (ii) agree to your request and provide you with an overdraft or an increase to your existing overdraft. The amount of the overdraft or increase will be subject to our prevailing interest rate calculated on a daily basis and we may charge an arrangement fee for the overdraft or the increase;
20. a revised provision in Clause 2.2.3 to the effect that if you issue a cheque (i) where there are insufficient funds in your Current Account and (ii) which, if honoured by us, would cause your Current Account to go overdrawn or over an existing overdraft limit, we will treat this as your informal request for an unauthorised overdraft and may (i) refuse your request, return that cheque and impose a service charge for considering and refusing your request, or (ii) agree to your request and provide you with an overdraft or an increase to your existing overdraft. The amount of the overdraft or increase will be subject to our prevailing interest rate calculated on a daily basis and we may charge an arrangement fee for the overdraft or the increase;
21. a new provision in Clause 2.2.5 to the effect that if you give us Instruction to pay or withdraw from your Current Account (i) where there are insufficient funds in your Current Account and (ii) which, if executed by us, would cause your Current Account to go overdrawn or over an existing overdraft limit, we will treat this as your informal request for an unauthorised overdraft and may (i) refuse your request and that Instruction and impose a service charge for considering and refusing your request, or (ii) agree to your request and provide you with an overdraft or an increase to your existing overdraft. The amount of the overdraft or increase will be subject to our prevailing interest rate calculated on a daily basis and we may charge an arrangement fee for the overdraft or the increase;

22. a revised provision in Clause 2.3.1(b)(i) to the effect that time deposit interest at a rate below zero is payable by you to us and will be deducted from the principal amount of the time deposit or debited from any other accounts maintained by you with us on a Business Day;
23. a revised provision in Clause 2.3.3(b) allowing us the right to unilaterally cease to act on an automatic renewal Instruction at any time after having accepted the Instruction without giving reason;
24. a revised provision in Clauses 2.4.3(a) and 2.5.1(b) requiring you to return a Cash Card for Junior Pack Account or ATM Card (as the case may be) to us upon our request;
25. a revised provision in Clause 2.5.1(c) to the effect that you will be bound by a variation of the terms and conditions governing the use of ATM Cards unless your ATM Card is returned to us for cancellation before the date on which that variation takes effect;
26. a new provision in Clause 2.5.1(d) allowing us to set daily transaction limits or specify the scope of any Service relating to the ATM Card available in or outside Hong Kong. If you want to use your ATM Card at an ATM outside Hong Kong for cash withdrawals and transfers, you are required to set your ATM daily withdrawal and transfer limits and corresponding activation periods in advance. You have to set the limits and periods through one of the channels designated by us from time to time;
27. a revised provision in Clause 2.7.1(n) to the effect that where we process a stop payment Instruction, we will notify you whether we have successfully executed the stop payment Instruction as soon as reasonably practicable;
28. a new provision in Clause 2.7.1(p) to the effect that whilst we will endeavour to communicate to the beneficiary bank any payment condition you specify in a TT or RTGS Instruction, we have no obligation to check or verify the satisfaction of such condition before effecting payment. You irrevocably authorise us to effect payment at your own risk;
29. a new provision in Clause 2.7.1(q) to the effect that we are unable to verify beneficiary account information and the verification procedures adopted by the beneficiary bank may vary in different countries. You should ensure that the beneficiary account information provided to us is correct and complete;
30. a new provision in Clause 2.7.1(r) to the effect that whilst we will endeavour to communicate to the correspondent or beneficiary bank any message to the beneficiary or beneficiary bank you specify in a TT or RTGS Instruction, whether the correspondent or beneficiary bank will communicate or act on such message is beyond our control. We are not liable for any loss arising from or in connection with the correspondent or beneficiary bank's failure to communicate or act on such message;
31. a revised provision in Clause 2.9.5(c) to the effect that if a cheque accepted for deposit is dishonoured or if a cheque collected by us is subsequently required to be refunded by Applicable Regulations, we will debit your account with the value of the cheque as calculated using our prevailing selling rate or the original buying rate (whichever is higher) plus any charges;
32. a revised provision in Clause 2.12 allowing us to close an account if it has a zero balance for a period as set by us from time to time or remains inactive for a period as set by us from time to time;

Phone Banking Services Terms and Conditions

33. new provisions in Clauses 3.3.1(b) and 3.3.2(a) providing that in relation to the Phone Banking Service, you have to confirm that each Debit Account holder (i) has authorised you to debit the Debit Account and accepted the provisions of Clause 3.3 and (ii) has agreed to be bound by the Telephone Instructions;

Credit Facilities Terms and Conditions

34. revised provisions in Clauses 4.1.3(b) and (c) clarifying that we will debit the accrued interest or fees from the account to which a credit facility or financial accommodation is attached, irrespective of whether there are sufficient available funds, overdraft or other facilities in such account;
35. the definition of "Secured Assets" in Clause 4.3.1(a)(ii) has been revised by removing the cap on the value of the charged assets by reference to the outstanding indebtedness amount, thereby allowing the security to cover all funds and assets in the Master Account from time to time;

Investment Services Terms and Conditions

36. a revised provision in Clause 5.1.5(a)(ii) clarifying that where the applicable regulatory requirements do not require us to provide statements for an Investment Services Account, we may provide statements at our discretion if we consider appropriate whether or not you have opted not to receive statement;
37. a revised provision in Clause 5.1.9(a)(vi) to the effect that you understand and confirm that you are not restricted by any law from giving confirmations or performing your obligations in Clause 5.1.9 and in other provisions of the Integrated Account Terms and Conditions;
38. a revised provision in Clause 5.1.9(a)(vii) and new provisions in Clauses 5.1.9(a)(viii) and 5.1.9(a)(ix) to the effect that you understand and confirm that:
 - (i) we may distribute unit trusts or other Products that are managed by other members of the HSBC Group;
 - (ii) in respect of a unit trust or Product distributed by us, we act as principal or agent in the Transaction as we may

specify and will benefit from the Transaction or distribution of that unit trust or Product. As a distributor, we are entitled to receive and retain commissions and other fees from the fund manager or product provider of that unit trust or Product, which may include full rebate of the initial charge (subject to any cap specified in the offering document of that unit trust or Product) and sharing in the management fee and the marketing sponsorship fee. For a unit trust or Product issued or managed by any other member of the HSBC Group, we (as distributor) and the issuer or fund manager of that unit trust or Product are members of the HSBC Group. We or our associates (or both) will benefit from the origination and distribution of that unit trust or Product; and

- (iii) we do not act for the fund manager or product provider of any unit trust or Product. We have no authority to accept your application for a unit trust or Product on behalf of the fund manager or product provider. Receipt by us of your application does not amount to acceptance of that application by the fund manager or product provider;
39. new provisions in Clauses 5.1.9(b)(ii), 5.1.9(b)(iii) and 5.1.9(b)(iv)(3) to the effect that you agree (i) the offering documents of any securities or Product are not intended to provide tax, legal, accounting, investment or financial advice; (ii) you should not rely on them for such advice or for credit or other evaluation of that securities or Product, nor should you rely on them as assurance or guarantee as to the expected return (if any) of that securities or Product; (iii) you should consult your own tax, legal, accounting, investment, financial or other advisors; (iv) you should consider diversifying your investment and allocating your funds across different products; (v) you have received and read all offering documents of the relevant securities or Product; (vi) you should ensure that you fully understand and accept the terms of the Transaction which may include (A) the product structure, investment tenor and obligations and consequences of early redemption; (B) the risks and returns associated with that securities or Product; and (C) the fees, charges, expenses and commissions relating to that Transaction;
40. a revised provision in Clause 5.3.1 to the effect that you are required to read the provisions of Clause 5.3 in conjunction with Wayfoong Statement Gold product key facts statement and product factsheet; and
41. a revised provision in Clause 5.3.6(a) to clarify the nature of our legal right to retain the Wayfoong Statement Gold in your Wayfoong Statement Gold Account as a lien which will stand as a continuing security for the payment of any liability whether actual or contingent, present or future (including any fees, expenses or interest) owing by you to us; and
42. a new provision in Clause 5.3.10 to the effect that the English version and Chinese version of Section 5.3 of the Plain Language Document shall have equal weight.

Please note that:

- (i) with respect to the amendments that give us the right to impose negative interest (set out in paragraphs 13 and 22 of Part B above), we are currently not exercising this right. In the event we decide to impose negative interest, we will issue a separate prior notice;
- (ii) the amendments set out in this Notice shall be binding on you if you continue to use or retain your Integrated Account(s) on or after the Effective Date (1 October, 2016). If you decline to accept the amendments, you have the right to terminate your Integrated Account(s) in accordance with the relevant provisions under the Existing Document before the Effective Date. Should you have any queries, please contact us at our branches or call our customer service hotlines during the service hours stated below:
HSBC Premier customers: (852) 2233 3322 (24 hours)
HSBC Advance customers: (852) 2748 8333 (24 hours)
Other customers: (852) 2233 3000 (Monday to Saturday, 9:00 a.m. – 5:30 p.m., except Sunday and public holidays)
- (iii) with effect from the Effective Date, any material or information (including information contained in forms, factsheets, product information, customer communications, marketing and promotional materials) made available to you in any manner or published by us which relate to your Integrated Account(s) should be read with reference to the Plain Language Document. If there are any inconsistencies between (i) such materials or information and (ii) the Plain Language Document, the latter will prevail.

You can obtain copies of the Plain Language Document by visiting HSBC website at www.hsbc.com.hk/personal/form-centre.html

If there is any discrepancy between the English and Chinese versions of this Notice, the English version shall prevail.

1 July 2016