

HSBC Wealth Goal Insurance Plan II

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A. General Provisions

1. Meanings and Definitions

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

“**Age**” means, at any date, the age of the Life Insured or Policyholder where applicable at his or your next birthday.

“**Aggregate Cash Value**” means at any time, an amount equal to Net Cash Value plus Policy Value Management Balance, if any.

“**Application**” means your application for this Policy and includes any medical information received by us in respect of the Life Insured and any statements or representations made by you or the Life Insured as evidence of insurability.

“**Automatic Premium Loan**” means a loan advanced in the event that provision F2 takes effect.

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

“**Beneficiary(ies)**” means the beneficiary(ies) designated under provision A12.

“**Benefit Cessation Date**” means the date specified as Benefit Cessation Date in Policy Schedule 1.

“**Beyond Control Events**” means any event (including but not limited to epidemics, pandemic and restrictions) that is beyond the reasonable control of the Company.

“**Change of Life Insured**” means a change in the Life Insured of this Policy from the existing Life Insured to the new Life Insured as set out in provision E.

“**Contingent Policyholder**” means the person named by the Policyholder as “Contingent Policyholder” in the Company’s prescribed form, who may become the Policyholder pursuant to the provision A10. It is only applicable for Policy with Life Insured Aged under nineteen (19) years old.

“**Death Benefit**” means at any time subject to provisions A2(c) and A4, an amount calculated on the date of death of the Life Insured according to provision A13.

“**Grace Period**” means, in respect of a premium payable under this Policy, the period referred to in provision A7.

“**Guaranteed Cash Value**” means the amount derived from the tabular cash value shown in Policy Schedule 2 and is calculated based on the relevant Policy Amount at any time.

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

“**Indebtedness**” means the sum of all outstanding Policy Loans and any interest accrued on such Policy Loans, plus any outstanding premiums or payments, if applicable, under this Policy.

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

“Life Insured” means the person named as Life Insured in Policy Schedule 1 and also referred to “he” or “his” in this Policy.

“Net Cash Value” means at any time, an amount equal to Guaranteed Cash Value plus Special Bonus, if any, less any Indebtedness.

“Non-forfeiture Value” means for the purposes of provision F, the Guaranteed Cash Value less any Indebtedness calculated as at the date immediately preceding the due date of the relevant unpaid premium.

“Payment Cessation Date” means the date specified as the Payment Cessation Date in Policy Schedule 1.

“Policy” means the Application and the provisions set out in this Policy document including the Policy Schedules (if any) and the Supplementary Benefits (if any) and in any Policy Endorsements issued by us from time to time.

“Policy Amount” means the amount for the Basic Plan at any time specified as such under Policy Schedule 1 or in any Policy Endorsement, subject to any adjustments that has taken place under provisions A16(c) or D5. It is used to determine the Guaranteed Cash Value and Special Bonus, if any, under the Basic Plan and accordingly the premium amounts required under the Policy.

“Policy Anniversary” means each anniversary of the Policy Date.

“Policy Date” means the date designated as such in Policy Schedule 1.

“Policy Endorsement” means any document issued by us which sets out amendments to the provisions of this Policy.

“Policy Loan” means any loan extended by us to you under provision B of this Policy including any Automatic Premium Loans.

“Policy Schedule” means the initial schedule(s) attached to this Policy and any amendments thereto, any schedule substituted for an existing Schedule and any new schedule expressly adopted by us, in each case as notified in writing to the Policyholder.

“Policy Value Management Balance” means, the amount of the accumulation of the proceeds by the exercise of the Policy Value Management Option pursuant to provision D which is allocated to the Policy to accumulate at such interest rate(s) which are at our absolute discretion from time to time, and less any previously withdrawn amounts in accordance with provision D7.

“Policy Value Management Option” means an option to allocate a portion of Net Cash Value in accordance with Provision D.

“Policy Year” means from and including a Policy Anniversary up to but excluding the next subsequent Policy Anniversary. The period from and including the Policy Date up to but excluding the first Policy Anniversary is deemed to be the first Policy Year.

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

“Protection Amount” means the amount for the Supplementary Benefits, if any, at any time specified as such under Policy Schedule 1 or in any Policy Endorsement.

“Sum Insured” means the amount for the Basic Plan at any time specified as such under Policy Schedule 1 or in any Policy Endorsement, subject to any adjustments that has taken place under provisions A16(c) or D5.

“Supplementary Benefits” means any benefit payable under any supplementary benefit provisions as attached to and formed part of this Policy.

“Special Bonus” means a non-guaranteed amount to be declared by us at our absolute discretion pursuant to provision C.

“Total Basic Plan Premium Paid” means, for the purpose of computing the Death Benefit in provision A13, the total amount of premiums due for the Basic Plan (whether or not actually paid) as of the date of death of the Life Insured (the load of the loaded premium and premiums of Supplementary Benefits, if applicable, are excluded), subject to any adjustments that has taken place under provisions A16(c) or D5.

Terms defined above and any other terms defined in this Policy and the Supplementary Benefits (if any) shall have the same meaning wherever used in this Policy unless the context otherwise requires.

All personal pronouns used in this Policy, whether used in masculine, feminine or neutral gender, shall include all other genders, and the singular shall include the plural and vice versa, where the context requires

2. Entire Contract

- (a) The entire contract between you and us is constituted by this Policy, your Application for this Policy, any medical evidence received by us in respect of the Life Insured and any written statements and answers given to us as evidence of insurability.
- (b) Subject to provision A2(c), no amendment to this Policy will take effect unless it is written in a Policy Endorsement or revised Policy Schedule to be issued by us and you agree to such amendment in writing.
- (c) We may amend this Policy without your agreement if,
 - (i) any particulars contained in Policy Schedule 1 or in any written statement(s) or answer(s) given as evidence of insurability (in particular relating to age or sex) is found to be incorrect; or
 - (ii) we discover that you have or the Life Insured has misrepresented or omitted any fact(s) which you or he knew or a reasonable person in your or his circumstances ought to have known, was material to our assessment of the risk of insuring the Life Insured.

Any such amendment will be contained in a Policy Endorsement to this Policy or revised Policy Schedule and will retrospectively adjust its terms and conditions to reflect the basis on which we in our absolute discretion consider we would have issued and operated this Policy taking into account the full and correct information.

3. Incontestability

Subject to provision A2(c), we will not be in the absence of fraud contest this Policy during the lifetime of the Life Insured after it has been in force for two years from the Issue Date, or effective date of reinstatement pursuant to provision A9, or the effective date of the Change of Life Insured pursuant to provision E, whichever is the latest. This provision will not apply to any Supplementary Benefits.

4. Suicide

If the Life Insured dies by suicide, whether sane or insane, within one year of the Issue Date or from effective date of reinstatement pursuant to provision A9, whichever is later, our liability will be limited to the amount paid to us less any amount paid by us since the Policy Date.

5. In Force

This Policy comes into force on the Policy Date and will remain in force until the earliest of (a) to (f) as follows:

- (a) the Benefit Cessation Date of the Basic Plan as stated in Policy Schedule 1;
- (b) the date of death of the Life Insured;
- (c) the date this Policy is surrendered under provision F1 or terminated under provision A17;
- (d) the date this Policy lapses in accordance with provision A8 or B3;
- (e) the date this Policy is cancelled or becomes void; and
- (f) the date this Policy terminates pursuant to the terms of any Supplementary Benefits.

6. Payment of Premiums

- (a) Premiums are payable to us while the Life Insured is living, on or before the premium due dates until the Payment Cessation Date(s) as stated in Policy Schedule 1.
- (b) Premiums are payable (i) as a lump sum single premium; or (ii) as regular premiums payable monthly or annually by any method as stated in the Application or Policy Schedule (where applicable) which we make available.
- (c) If this is not a single premium policy, you may, subject to our consent, change the frequency of premium payment at any Policy Anniversary by giving us at least one month's written notice. If accepted by us, we will then inform you of the adjusted premium due.
- (d) Premiums paid in currencies other than the policy currency will be converted to the policy currency at the prevailing exchange rate (as determined by us) on the date that the payment is processed.

7. Grace Period

We allow a Grace Period of 30 days for payment of any premiums when due. A premium will not be regarded as paid unless it is received by us within the Grace Period or applied to this Policy as premium from the proceeds of an Automatic Premium Loan pursuant to provision F2.

If death of the Life Insured occurs within the Grace Period, we will pay the Death Benefit pursuant to provision A13.

8. Non-Payment of Premiums

If a premium is not paid by the end of the Grace Period, this Policy will immediately lapse with effect as at the due date of the first unpaid premium, unless an Automatic Premium Loan will be operated in accordance with provision F2 where the Non-forfeiture Value is greater than the amount of relevant unpaid premium.

After the Policy lapses, any Net Cash Value as at the first unpaid premium due date will be paid to the Policyholder.

9. Reinstatement

(a) If the Policy has lapsed due to non-payment of premiums or according to provision B3, you may apply to reinstate this Policy within one year from the date of lapse pursuant to provision A8 if the Life Insured is living. To reinstate this Policy, we require:

- (i) a written application for reinstatement in a form prescribed by us;
- (ii) production at your expense, of evidence of insurability of the Life Insured satisfactory to us;
- (iii) payment of all overdue premiums with interest;
- (iv) repayment of any remaining Indebtedness outstanding, with interest;
- (v) repayment of any Non-Forfeiture Value paid by us after Policy lapses; and
- (vi) repayment of any Special Bonus paid by us after Policy lapses, with interest.

(b) Interest on premiums and Indebtedness will be calculated at a rate determined by us from time to time.

(c) It will be at our sole discretion whether to accept any application for reinstatement of this Policy.

10. Ownership

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

- (b) Subject to the rights and prior written consent of any irrevocable beneficiary on our records, our prevailing rules and all applicable laws and regulations, if this Policy is without any assignment and the Policyholder is an individual, you may also submit a written request in our prescribed form to designate a Contingent Policyholder for this Policy. To avoid any uncertainty, there should be no assignment in respect of this Policy prior to your submission and the acceptance of the form for designation of Contingent Policyholder for this Policy.
 - (i) You may designate only one (1) Contingent Policyholder at a time. We may require satisfactory document proof as required by us from the newly designated Contingent Policyholder before determining whether to accept such designation of Contingent Policyholder. If you designate a Contingent Policyholder while there is an existing Contingent Policyholder on our records, the existing Contingent Policyholder will automatically be revoked. A change of ownership pursuant to provision A10(a), assignment pursuant to provision A11 or Change of Life Insured pursuant to provision E made will automatically revoke the existing Contingent Policyholder.

 - (ii) If a request for a designation of Contingent Policyholder is acknowledged by us, the designation of Contingent Policyholder will only be effective as of the date you signed the relevant request whether or not the Policyholder is living when we approve that request, subject to the terms of this Policy.

 - (iii) Subject to all the terms of this Policy, the Company's prevailing rules and any applicable laws and regulations, where the Policyholder dies while this Policy is in force and the Life Insured is still alive at the death of the Policyholder, the new Policyholder shall be determined, subject to satisfactory proof as requested by us, according to the following:
 - 1. if the Life Insured is under the Age of nineteen (19) at the date of death of the Policyholder and there is a Contingent Policyholder named by the Policyholder, the Contingent Policyholder shall become the new Policyholder; or

 - 2. if the Life Insured is under the Age of nineteen (19) at the date of death of the Policyholder and no Contingent Policyholder is named by the Policyholder, the ownership of this Policy shall vest in the Policyholder's estate; or

 - 3. if the Life Insured is at the Age of nineteen (19) or above at the date of death of the Policyholder, the Life Insured shall become the new Policyholder irrespective of whether a Contingent Policyholder has been named by the Policyholder, and the Contingent Policyholder shall have no right and no interest in respect of the Policy.

- (c) If, pursuant to the above, we determine that the Contingent Policyholder shall become the Policyholder and if we determine that either one (1) of the following events occurs:
- (i) the Contingent Policyholder informs us that himself/herself is unable or unwilling to take the ownership of this Policy after we receive the notification about the Policyholder is dead in any way; or
 - (ii) the Contingent Policyholder is unable to provide with satisfactory documentary proof as requested by us and any other laws and regulations applicable to the Company within 90 days immediately after we receive the notification about the Policyholder is dead in any way; or
 - (iii) the Company determines that the Contingent Policyholder cannot fully comply with the requirements of any laws and regulations applicable to us;

then the ownership of this Policy shall vest in the Policyholder's estate. Notwithstanding anything stated herein, if we arrange for vesting of ownership of this Policy to the Policyholder's estate, the Contingent Policyholder shall cease to have any right or interest in respect of the Policy under any circumstances.

If a Contingent Policyholder becomes the new Policyholder, the Contingent Policyholder shall assume all the obligations and be entitled to exercise all the rights belonging to the Policyholder under this Policy.

- (d) Any change of ownership of the Policy will not be effective until it is accepted and recorded by us. Once the Company accepts and records the change of ownership, the change will take effect as of the date you sign the request, subject to any payment we make or action we take before recording the change.
- (e) Without prejudice to any rights of the Company under the terms of this Policy, the Company shall have the right to perform due diligence relating to the Contingent Policyholder in pursuance to provision A10(b)(iii), as the Company deems appropriate, from time to time, for meeting the requirements of: (i) relevant laws, regulations and regulatory guidelines and (ii) the Company's internal policy and procedures and the terms of the Policy (collectively referred as "Relevant Requirements").
- (f) In the event that the Company determines (at the Company's sole discretion) that Contingent Policyholder cannot fully meet the Relevant Requirements at any time, the Company shall have the absolute right (without any liability on the part of the Company) to: (i) terminate all the rights and interests (if any) of the Contingent Policyholder; and/or (ii) transfer all the interests of the Policy to the estate of the Policyholder, if the Company determines as appropriate.
- (g) The Policyholder shall inform the Contingent Policyholder of the following obligations of the Contingent Policyholder upon the death of the Policyholder: to promptly provide the satisfactory evidence of proof (including but not limited to the Contingent Policyholder's most up-to-date contact details and residential address) requested by us, for the purposes of meeting Relevant Requirements, and those mentioned in the Company's Personal Information Collection Statement.
- (h) If the Life Insured is alive and under Age of nineteen (19) at the time of the death of the Policyholder, the Company will determine (at the Company's absolute discretion) whether the Contingent Policyholder is eligible for any right or benefit under this Policy, in accordance with the terms of this Policy and Relevant Requirements. If the Company determines (at the Company's absolute discretion) that all the rights of the designated Contingent Policyholder shall become invalid, and terminated, the Contingent Policyholder shall not make any claim respect of this Policy.

- (i) If the Company is unable to perform any of our obligations (as a result of any Beyond Control Events (directly or indirectly) to the Contingent Policyholder under this Policy, the Company may suspend the performance of our obligations to the Contingent Policyholder under this Policy until any disruption resulting from the Beyond Control Events has been resolved. To the greatest extent allowed by law, if the Company, due to the occurrence of Beyond Control Events, fails to perform any obligations under this Policy in full or in part, the Company shall be exempted from our responsibilities to the Contingent Policyholder under this Policy, to the extent affected by the Beyond Control Events.
- (j) The Company may exercise its discretion in accordance with the terms of this Policy and Relevant Requirements, and in respect of such exercise of discretion by the Company, the Company shall not have any liability to any party (including but not limited to the Policyholder, Contingent Policyholder or any other persons) in respect of any and all of the following:
 - (i) any of the Company's delay or refusal to take any action in response to any request by the Contingent Policyholder or the Policyholder's estate;
 - (ii) any of the Company's decision to terminate any and all rights of any Contingent Policyholder under this Policy, and/or to refuse to make any payment to the Contingent Policyholder;
 - (iii) any of the Company's decision to transfer (or not to transfer) the interests and rights under this Policy to the estate of the Policyholder; and
 - (iv) any payment of claims and/or transfer of benefits of this Policy to the estate of the Policyholder (if applicable).

11. Assignment

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

12. Beneficiary

- (a) When a Beneficiary(ies) is/are designated either in this Policy or by a declaration in writing provided to us by the Policyholder, such Beneficiary(ies) as per our latest record will, subject to any applicable laws or regulations to the contrary, be deemed to be beneficially entitled to the Death Benefit of this Policy at the time of the death of the Life Insured.
- (b) While this Policy is in force, you may change the Beneficiary by giving us a written request which we may require to be in a specified form.
- (c) A change of Beneficiary(ies) shall be effective only if such change is accepted and recorded by us. A change of Beneficiary(ies) will be deemed effective as of the date the request is signed whether or not the Life Insured is living at the time of our approval and recording of such change.

13. Death Benefit

We will pay a Death Benefit on the death of the Life Insured provided that this Policy is in force at the date of death of the Life Insured, and we receive the documents as set out in provision A14. The Death Benefit which applies under this Policy will be equivalent to the higher of:

- (a) Guaranteed Cash Value; and
- (b) Total Basic Plan Premium Paid plus an amount of US\$2,500 / RMB15,000 (depending on the choice of policy currency at the time of policy application)

at the date of death of Life Insured, plus Special Bonus (if any) and Policy Value Management Balance (if any) less any Indebtedness.

14. Death Benefit Claims

- (a) If the Life Insured dies while this Policy is in force, we will pay the Death Benefit as set out in provision A13 to the surviving Beneficiary(ies), or if none has been designated, to you or your estate. If the Life Insured and Beneficiary(ies) die in circumstances rendering it uncertain that anyone of them, or which of them, survived the other or others, the Life Insured shall be deemed to have survived the Beneficiary(ies).
- (b) Subject to provision A14(e) below, you may select the Death Benefit payable on the death of the Life Insured as set out in provision A13 above to be paid under one of the following settlement options for this Policy:
 - (i) Lump sum payment (Death Benefit will be paid in this option if the Policyholder does not select any settlement option); or
 - (ii) Regular instalments (only applicable for this Policy without any assignment)

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

- (c) If you select regular instalments as the settlement option and this Policy becomes assigned pursuant to provision A11, the existing settlement option will automatically be revoked.
- (d) If the Policy has designated Beneficiary(ies), while the Life Insured is alive, you may request to change the Death Benefit settlement option in writing provided that such instruction has been accepted and endorsed by us. Notwithstanding anything stated herein, the Company shall have absolute discretion (at any time) not to offer the option specified in the above-mentioned provision A14(b)(ii).

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

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

- (e) Notwithstanding any other provisions of this Policy, if the benefits under provision A14(b)(ii) above are determined by the court(s) or otherwise to constitute a trust, we shall nonetheless have absolute, unfettered discretion to choose the investments underlying the benefits to be so paid. We shall also have absolute discretion not to offer the election set out under provision A14(b)(ii) above.
- (f) Any amount payable on the death of the Life Insured will be paid after we have received written proof of the validity of claim satisfactory to us. Proof of the validity of claim shall include:
 - (i) evidence of the death of the Life Insured and the cause of death;
 - (ii) evidence of the right of the claimant to be paid;
 - (iii) this Policy; and
 - (iv) any other information which we may reasonably require to establish the validity of the claim.
- (g) The receipt of the Death Benefit payable under this Policy, by the Beneficiary(ies), you or your estate will discharge us from any further liability under this Policy in respect of such benefit so paid.

15. Payment of Benefits

- (a) Any Indebtedness on this Policy outstanding at the time of any payment under the Policy shall be deducted from the amount otherwise payable under this Policy, unless to the extent it has already been deducted pursuant to this Policy of an amount that is being paid. Our claim for any Indebtedness shall be prior to any payment to the Policyholder or the Beneficiary or the assignee or other persons (as the case may be) under this Policy.
- (b) Any payment under the Policy which is settled in currencies other than the policy currency will be converted to the payment currency at the prevailing exchange rate (as determined by us) on the date that the payment is processed.

16. Reduction of Policy Amount

- (a) You may request to partially surrender this Policy by reducing the Policy Amount. Any reduction of Policy Amount request is subject to the following two requirements: (i) a minimum amount of reduction of Policy Amount per transaction; and (ii) a minimum amount of the Policy Amount after such transaction, both the minimum amount requirements are determined by us from time to time.
- (b) To apply for it, you have to submit to us a written request in a form prescribed by us. If the request is approved by us, the Net Cash Value attributable to the reduced portion of the Policy Amount, if any, will be payable to the Policyholder in accordance with provision A15.
- (c) Upon the reduction of Policy Amount, the Total Basic Plan Premium Paid under this Policy will be adjusted and reduced proportionally and consequential adjustments will be made in the calculations of Guaranteed Cash Value, Special Bonus (if any) and Death Benefit in accordance with the terms of this Policy. A Policy Endorsement with the revised Policy Schedule will be issued to the Policyholder upon the reduction of Policy Amount has taken effect.

17. Collection and Use of Customer Information, Financial Crime Risk Management Activity and Tax Compliance

(a) **Definitions**

Terms used in this Clause shall have the following meanings:

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

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

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

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

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

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

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

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

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

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

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

“Substantial owners” means any individuals entitled to more than 10% of the profits of or with an interest of 10% or more in an entity either directly or indirectly.

“Tax Authorities” means Hong Kong SAR or foreign tax, revenue, fiscal or monetary authorities.

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

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

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

(b) Collection, Use and Sharing of Customer Information

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

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

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

Collection

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

Use

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

Sharing

- (iii) We may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information to: (1) the recipients set out in the PICS (who may also use, transfer and disclose such Customer Information for the Purposes), and (2) Appendix (applicable to Customer Information other than Personal Data).

Your Obligations

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

we may:

- a. be unable to provide new, or continue to provide all or part of the Services to you;
- b. take actions necessary for us or a member of the HSBC Group to meet the Compliance Obligations; and/or
- c. terminate this Policy if we reasonably consider that by continuing the Policy or the relationship with you we may break any Laws or we, or a member of the HSBC Group, may be exposed to action or censure from any Authority. Any termination will take effect as a surrender or rescission of the Policy.

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

(c) Financial Crime Risk Management Activity

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

(d) Tax Compliance

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

(e) Survival Upon Termination

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

(f) Miscellaneous

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

18. Rights of Third Parties

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

19. Applicable Law

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

20. Policy Servicing

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

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

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

B. Loan Provisions

1. Policy Loan

You may apply a loan from us. Except where provision B2 applies, the maximum loan amount available as at any date of loan application is determined as follows:

$$(\text{Guaranteed Cash Value} \times 90\%) - (\text{Indebtedness})$$

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

2. Automatic Premium Loan Treated as Policy Loan

In the calculation of Indebtedness under this Policy, each Automatic Premium Loan as stipulated in provision F2 will be treated as a Policy Loan advance in accordance with provision B1 on the due date of the relevant premium.

3. Interest on Policy Loan

We will charge interest, at a rate determined by us from time to time, on the principal of all loans made under this Policy. Interest will be accrued daily and, if not paid by the end of the Policy Year, will be added to the principal of the Policy Loan for the purposes of calculating interest charges for the next Policy Year.

When the Policy Loan with accrued interest exceed the Guaranteed Cash Value, we have the right to lapse this Policy at any time by giving you written notice.

4. Loan Repayment

All or any part of Policy Loan, together with accrued interest, may be repaid to us at any time by a method acceptable to us from time to time, which shall be determined by us at our discretion.

C. Special Bonus Provisions

1. Special Bonus is a non-guaranteed amount to be declared by us at our absolute discretion. Subject to provisions C2 and C3 below, Special Bonus is payable upon happening of any of the below triggering events (whichever is the earliest):
 - (a) this Policy lapses in accordance with provision A8 or B3;
 - (b) the death of the Life Insured under provision A13;
 - (c) this Policy is surrendered under provision F1 or terminated under provision A17;
 - (d) this Policy terminates pursuant to the terms of any Supplementary Benefits; and
 - (e) the maturity of this Policy under provision G.
2. Upon the exercise of the Policy Value Management Option pursuant to provision D, a portion of the Special Bonus (if any) relevant to the portion of the Net Cash Value to be allocated to the Policy Value Management Balance will be declared and such amount, if any, will be allocated to the Policy Value Management Balance to accumulate with interest in accordance with provision D4 below.
3. Upon the partial surrender of this Policy pursuant to provision A16, a portion of the Special Bonus (if any) attributable to the reduced portion of the Policy Amount will be declared and such amount, if any, will be payable as part of the partial surrender payment under provision A16.

D. Policy Value Management Option Provisions

1. You may apply to exercise this Policy Value Management Option to allocate a portion of the Net Cash Value as of the date such request is processed, to the Policy Value Management Balance provided that:
 - (a) this Policy has been in force for twenty (20) Policy Years or more;
 - (b) all premiums have been paid when due; and
 - (c) there is no Indebtedness under this Policy.
2. To apply for the exercise of this Policy Value Management Option, you must submit to us a written request in a form as prescribed by us.
3. The exercise of this Policy Value Management Option is subject to the minimum amount requirements on (i) the Net Cash Value to be allocated per transaction; and (ii) the Policy Amount after the exercise of this Option. Such minimum amount requirements are determined by us from time to time without prior notice to Policyholder.
4. If the request is approved by us, the Policy Value Management Balance will be accumulated at such interest rate(s) as may be determined by us at our absolute discretion from time to time.
5. Upon the exercise of the Policy Value Management Option, the Policy Amount and Total Basic Plan Premium Paid under this Policy will be adjusted and reduced proportionally and consequential adjustments will be made in the calculations of Guaranteed Cash Value, Special Bonus (if any) and Death Benefit in accordance with the terms of this Policy. A Policy Endorsement with the revised Policy Schedule will be issued to the Policyholder.
6. For the avoidance of doubt, no Policy Value Management Option can be cancelled/terminated/reversed once this Option is exercised.
7. Any Policy Value Management Balance under this Policy can be withdrawn in cash by the Policyholder anytime before the Policy matures by submitting to us a written request in a form as prescribed by us. Any payment from this Policy is made in accordance with provision A15.

E. Change of Life Insured Provisions

1. Where the Policyholder is an individual, at anytime after the first (1st) Policy Anniversary or this Policy was fully paid after end of the premium payment period, whichever is later, while the Policy is in force, you may apply for a Change of Life Insured during the policy term without any administrative charge subject to the terms under this provision E.
2. Where the Policyholder is a non-individual, at anytime after the three (3rd) Policy Anniversary or this Policy was fully paid after end of the premium payment period, whichever is later, while the Policy is in force, you may apply for a Change of Life Insured for three (3) times during the policy term without any administrative charge subject to the terms under this provision E.
3. Our acceptance of any Change of Life Insured request will be entirely at our discretion and includes requirements regarding the insurability of such Life Insured at that time, the establishment to our satisfaction that this Policyholder has adequate insurable interest in such replacement Life Insured and such other terms and conditions as we shall determine from time to time.
4. A Policy Endorsement with the revised Policy Schedule showing the new Life Insured and Benefit Cessation Date based on the new Life Insured will be issued to the Policyholder upon any Change of Life Insured has taken effect.
5. If because of applicable law or regulations or other practical constraints it is not possible to substitute a different Life Insured under this Policy, then at our discretion a replacement Policy may be issued under a new policy number and in such event all benefits, privileges and value under this Policy will be terminated and transferred fully to such replacement Policy.

F. Non-forfeiture Provisions

1. Surrender

You may surrender this Policy at any time for its Aggregate Cash Value as at the date such request is processed, by filing a written request with us in a form specified by us. Upon full surrender, the Company's liability under this Policy shall be fully discharged.

The receipt of the above amount by the Policyholder will discharge us from any further liability under this Policy.

2. Automatic Premium Loan

If any premium under this Policy remains outstanding at the end of the day on which it was due, then provided that the Non-forfeiture Value is greater than the amount of the relevant unpaid premium, you will automatically be deemed to have requested and obtained a Policy Loan equal to the amount of the unpaid premium in accordance with provision B1 on the due date of such premium, and to have applied the Policy Loan to pay such premium.

G. Maturity Provisions

If the Life Insured is alive and this Policy is in force on the Benefit Cessation Date of the Basic Plan, we will pay as of that date to the Policyholder the Aggregate Cash Value.

The receipt of the above amount by the Policyholder will discharge us from any further liability under this Policy.

Appendix

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

Use Of Customer Information Other Than Personal Data

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

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

Sharing And Transfer of Customer Information Other Than Personal Data

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

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