CZBANK 浙商银行

CHINA ZHESHANG BANK CO., LTD. (HONG KONG BRANCH)

Integrated Account Terms and Conditions

The following terms and conditions apply to all accounts and related services, transactions and dealings provided by CHINA ZHESHANG BANK CO., LTD. (HONG KONG BRANCH) (the "**Bank**", which expression shall include its successors and assigns) to the Customer (as defined below).

The Customer agrees to be bound by the terms and conditions (in addition to any specific terms and conditions applicable to any particular banking service or facility provided by the Bank) in this document (the "**Terms and Conditions**").

1 Definitions and interpretations

1.1 Definitions: In these Terms and Conditions:

"**Account**" means any Current Account, Savings Account, Time Deposit and any other account under the Primary Account.

"**Applicable Regulation**" means any law (including FATCA and CRS), 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 the Bank or the Customer is subject or with which the Bank or the Customer is expected to comply from time to time.

"**Authority**" means any local or foreign legal, judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, clearing or settlement bank, 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 Zheshang Group.

"**Available Balance**" has the meaning set out in Clause 3.1.2(a)(i).

"**Balance Criteria**" has the meaning set out in Clause 3.1.2(b)(iv).

"**Cash Account**" means any account (including an Account) maintained by the Customer with the Bank and designated by the Customer for debiting and crediting funds.

"**Chosen Transfer Amount**" in Clause 3.1 in relation to the FX Service, has the meaning set out in Clause 3.1.2(b)(iv).

"**Compliance Obligations**" means obligations of the Zheshang Group to comply with (a) any Laws or international guidance and internal policies or procedures, (b) any demand from the Authorities or reporting, disclosure (any information reported to Tax Authorities may be exchanged with Tax Authorities of other countries and jurisdictions) or other obligations (including information collection and maintenance by Zheshang Group) under Laws, and (c) Laws requiring the Zheshang Group to verify the identity of its customers.

"**Connected Person**" means a person or entity (other than the Customer) whose information (including Personal Data or Tax Information) is provided by the Customer, or on the Customer's behalf, to any member of the Zheshang Group or which is otherwise received by any member of the Zheshang Group in connection with the provision of the Services. A Connected Person may include any guarantor, 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, account holder of a designated account, payee of a designated payment, the Customer's representative, agent or nominee, or any other persons or entities with whom the Customer has a relationship that is relevant to the Customer's relationship with Zheshang 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 anybody else who exercises ultimate effective control over the trust, and for entities other than a trust, these are persons

in equivalent or similar positions of control. In case of CRS, "**controlling person**" means a natural person that holds not less than 25% of the shares of an entity or otherwise exercises control over an entity.

"**Credit Support Document**" means a security, collateral, margin, guarantee, charge, assignment or other agreement or document that contains or constitutes an obligation on the Customer or on a Credit Support Provider in the Bank's favour in support of the Customer's obligations under these Terms and Conditions.

"**Credit Support Provider**" means a person who provides a Credit Support Document to the Bank.

"**CRS**" means:

(a) the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard;

(b) any legislation, regulations and guidance of any jurisdiction giving effect to, or otherwise relating to the Common Reporting Standard pursuant to paragraph (a) above; and

(c) any intergovernmental agreements, treaties, regulations, guidance, standards or any other arrangements between any government bodies in each relevant jurisdiction, entered into to facilitate, implement, comply with or supplement the Common Reporting Standard pursuant to paragraph (a) above;

"**Current Account**" means a current account maintained by the Customer with the Bank.

"**Custodian**" has the meaning set out in Clause 1.9.4(e)(iii).

the "**Customer**" or the "**Customer's**" means each person in whose name a Primary Account is maintained or to whom a Service is provided and, where the context permits, includes any individual authorised by the Customer to give Instructions relating to the Primary Account or Service.

The "**Customer's Information**" means all or any of the following items relating to the Customer or that of a Connected Person, where applicable: (a) Personal Data, (b) information about the Customer, the Customer's accounts, transactions, use of the Bank's credit facilities, products and services and the Customer's relationship with the Zheshang Group and (c) Tax Information.

"**Delegates**" means (a) the Bank's agents and nominees, and (b) the Bank's officers and employees and that of the Bank's agents or nominees.

"**Event of Default**" has the meaning set out in Clause 1.9.4.

"**Exchange Rate**" means the rate for converting one currency into another currency which the Bank determines to be prevailing in the relevant foreign exchange market at the relevant time, and the rate determined by the Bank will be conclusive and binding on the Customer.

"**Exchange Rate Criteria**" has the meaning set out in Clause 3.1.2(b)(v).

"**FATCA**" means:

(a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;

(b) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with (a) including as entered into by the government of Hong Kong;

(c) agreements between the Bank and the IRS or other regulator or government agency pursuant to or in connection with (a); and

(d) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

"**Financial Crime**" means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, or any acts 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 the Bank or members of the Zheshang Group may take.

"**FX Service**" means the Service which the Bank may provide pursuant to Clause 3.1.

"**HKD**" means Hong Kong dollars.

"**HKICL**" means Hong Kong Interbank Clearing Limited in Hong Kong.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC.

"**Instruction**" means any instruction in relation to the Primary Account, any Account or Service given in any form or by any means accepted by the Bank from time to time which may include fax and electronic means.

"**IRS**" means the U.S. Internal Revenue Services.

"**Item**" means any cheque or other monetary instrument which the Bank may accept for deposit.

"**Laws**" include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the Zheshang Group and an Authority, or agreement or treaty between Authorities and applicable to the Bank or a member of the Zheshang Group.

"**Market Requirement**" means the constitution, by-law, rule, regulation, custom, procedure, usage, ruling and interpretation of (a) any relevant exchange or market (whether in or outside Hong Kong) where Transactions are executed, or (b) any clearing house, custodian or depository of the relevant exchange or market, to which the Bank or the Customer is subject or with which the Bank or the Customer is expected to comply from time to time.

"**Monthly Statement**" means a consolidated monthly statement relating to the Primary Account, the Savings Accounts, Current Accounts and Time Deposits (or any of them).

"**OECD**" means The Organisation for Economic Co-operation and Development.

"**Personal Data**" means any information relating to an individual from which such individual can be identified.

"**PRC**" means the People's Republic of China (excluding Hong Kong, Macao Special Administrative Region and Taiwan).

"**Primary Account**" means each multicurrency account maintained by the Customer with the Bank under these Terms and Conditions including any Account.

"**RMB**" means Renminbi, the lawful currency of the PRC.

"**Savings Account**" means a savings account maintained by the Customer with the Bank.

"**Services**" includes (a) the opening, maintaining and closing of the Customer's accounts, (b) the provision of credit facilities, banking products and services (including any e-Cheques Deposit Services), processing applications, credit and eligibility assessment, and (c) maintaining the Bank's overall relationship with the Customer, including marketing services or products to the Customer, market research, insurance, audit and administrative purposes.

"**substantial owners**" means any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity, directly or indirectly.

"**Tax Authority**" means any Hong Kong or foreign tax, revenue or monetary authority.

"**Tax Information**" means documentation or information about the Customer's tax residency status or the tax residency status of a Connected Person.

"**Time Deposit**" means a time deposit maintained by the Customer with the Bank.

"**Transaction**" means any transaction effected by the Bank pursuant to or as a result of an Instruction.

"**U.S.**" means the United States of America.

"**Zheshang Group**" means CHINA ZHESHANG BANK CO., LTD. and its branches, holding company, representative offices, subsidiaries and affiliates (including branches or offices of such subsidiary or affiliate), and "member of the Zheshang Group" has the same meaning.

1.2 **General interpretation:** Unless contrary indication appears, any reference in these Terms and Conditions to:-

(a) a Clause is a reference to a clause of these Terms and Conditions;

(b) a person includes an individual, sole proprietorship, a company, partnership, trust or body unincorporate and its successors and assigns;

(c) words importing the singular include the plural and vice versa and words denoting any gender includes all genders;

(d) a banking day means a day (other than Saturday or Sunday) on which the banks are open for general business in Hong Kong and a time of a day is a reference to Hong Kong time and time is of essence of these Terms and Conditions;

(e) "**including**" or "**includes**" means including or includes without limitation;

(f) "**these Terms and Conditions**" or any other agreement, document or instrument is a reference to these Terms and Conditions or other agreement, document or instrument as amended, supplemented, novated and/or replaced from time to time;

(g) any reference to an Applicable Regulation or a Law is a reference to the same as amended, re-enacted or in effect from time to time; and

(h) headings in these Terms and Conditions are for ease of reference only and do not affect the interpretation of these Terms and Conditions.

1.3 **Accounts and Services**

1.3.1 The Bank may offer Accounts and Services and on such terms and conditions as the Bank may specify.

1.3.2 The Bank has the right to do any of the following from time to time without prior notice:

(a) introduce new (or new types of) Accounts or Services;

(b) vary, suspend or withdraw any existing (or existing type of) Accounts or Services (including not accepting a deposit); and

(c) specify or vary the scope and extent of the Accounts or Services.

1.3.3 Unless the Bank specifies otherwise, all Services are provided by the Bank and all Accounts are maintained with the Bank. <u>If the Bank arranges for the Customer any service or account provided by any other person, the Customer agrees to be bound by the terms and conditions and signs the documents specified by that person.</u>

1.4 Use of Accounts and Services and Instructions from the Customer

1.4.1 The Customer is required to comply with all Applicable Regulations and Market Requirements in using the Services and Accounts or conducting transactions or activities under these Terms and Conditions.

1.4.2 Instructions

(a) Before the Customer uses any Services or opens any Accounts, the Customer must give Instruction to the Bank. The Customer must also provide such information and documents, and complete such forms and procedures as the Bank may specify from time to time.

(b) The Bank is entitled to act in accordance with its regular business practice and procedures and will only accept Instructions insofar as it is (in its reasonable opinion) practicable and reasonable to do so.

(c) The Bank has the right to accept or refuse any Instruction or to prescribe any condition for accepting an Instruction without giving any reason and the Bank is not liable for any loss, cost or damage of any kind incurred or suffered by the Customer as a result.

(d) The Bank has the right to set or vary from time to time the manner in which a Service or an Account may be used. That includes when the Customer may operate an Account on a banking day, or the cut-off time for receiving Instructions on a banking day.

(e) If the Customer does not give the Bank sufficient time to process an Instruction given to the Bank or if the Instruction is received by the Bank after the cut-off time of the day, the Bank has no obligation to process such Instruction on the same day.

1.4.3 Authorisations

(a) The Customer authorises the Bank to act on any Instruction given or appears to be given by the Customer. The Bank has no obligation to verify the identity of the person giving an Instruction.

(b) The Bank may act on an Instruction if the Bank reasonably believes that it is given or authorised by the Customer without being liable in any circumstance. The Customer will be bound by that Instruction as understood and executed by the Bank in good faith even if (i) it is incorrect, false or unclear, or (ii) it was not given or authorised by the Customer.

1.4.4 If the Customer does not specify the Account to be credited or debited in order to effect a transaction, the Bank has the right to credit or debit the Customer's Savings Account with the same currency of the transaction.

1.4.5 Duties and rights in handling Instructions

(a) The Bank will act on an Instruction as soon as reasonably practicable after the Bank receives it.

(b) If the Services are suspended for any reason, the Bank has the right without giving the Customer notice either to cancel or act on an uncompleted Instruction on the first banking day on which the Services are resumed, unless the Bank specifies otherwise in these Terms and Conditions.

(c) In addition to any other rights conferred on the Bank under these Terms and Conditions, the Bank has the right to delay acting or not to act on an Instruction without prior notice in any of the following circumstances:

(i) if the Instruction is unclear in its reasonable opinion;

(ii) if the Instruction is not given in a form or by such means as acceptable to the Bank;

(iii) if the Bank is unable to act on the Instruction due to prevailing market conditions or any other reason beyond its reasonable control;

(iv) if, in its reasonable opinion, the Instruction is not consistent with any Applicable Regulations or Market Requirements or the provisions of these Terms and Conditions; or

(v) if the Instruction is not submitted by the Customer in person.

1.4.6 Cancellation of Instructions

(a) The Bank is not under an obligation to act on an Instruction to cancel or amend an earlier Instruction. The Bank may have fully executed that Instruction or the Bank may have insufficient time or the Bank may be unable to cancel or amend an unexecuted or partly executed Instruction for any other reason. In that case, the Bank is not liable for any loss or expense suffered or incurred by the Customer arising from or in connection with the Bank's acting on the earlier Instruction.

(b) An Instruction (or a part of it) may not be executed. The Bank may at its discretion cancel any Instruction (or any part of it) that has not yet been fully executed if, in its reasonable opinion, there are grounds for cancellation.

1.4.7 Valid mandate

The Bank shall be entitled to regard any mandate it holds as being suspended in the event of any dispute between Customers, authorised signatories or directors (where the Customer is a company). In addition, the Bank reserves the right to suspend the operation of all or any accounts of the Customer until such time as the Bank considers appropriate if the Bank is of the opinion or has reason to suspect that:

(a) it holds no valid account mandate; or

(b) Customer (other than acting in the capacity of a trustee) is not the true owner of the credit balances or other assets held in the account(s).

1.4.8 Bearer shares

If the Customer or a shareholder (whether direct or indirect, legal or beneficial) of the Customer is a company incorporated in a country that permits issuance of bearer shares, the Customer confirms and warrants that neither it nor such shareholder has issued any bearer shares and further undertakes that the Customer or such shareholder will notify the Bank promptly if it issues or converts any of its shares to bearer form.

1.4.9 Company search

Where the Customer is a company, the Bank reserves the right to conduct search at the Companies Registry (or any registry wherever situated) in respect of such company. Should there be any discrepancy between any search result and the information provided by such company, the Bank reserves the right (including but not limited) to decline account opening request from such company, or if such company has already opened an account(s) with the Bank, to require rectification of such discrepancy and/or limit the use of, suspend and/or terminate, such account(s).

1.5 Relationship – the Bank's relationship with the Customer

1.5.1 The Customer is the creditor of a deposit placed by the Customer with the Bank and the Bank is the debtor.

1.5.2 The Customer is the bailor of an item held by the Bank for the Customer in safe custody such as in a safety deposit box and the Bank is the bailee.

1.5.3 Other types of relationship may arise between the Customer and the Bank depending on the Services provided.

1.5.4 In relation to the Services and the Primary Account including all Accounts, the Customer confirms that the Customer:

(a) acts as principal and not as agent or nominee for any other person; and

(b) does not and will not hold any funds or assets (or any part of them) on behalf of any other person.

1.6 Monthly Statements

1.6.1 The Bank will send the Customer Monthly Statements monthly or at such other intervals as the Bank may determine, unless the Customer requests otherwise.

1.6.2 Where the applicable regulatory requirements do not require the Bank to provide statements for the Primary Account, the Accounts or the Services, the Bank may provide Monthly Statement at its discretion if the Bank considers appropriate.

1.6.3 A Monthly Statement may set out information about the services, accounts or products offered to the Customer by the Bank and the Bank's subsidiaries respectively.

1.6.4 A Monthly Statement may include information about a service, account or product of the Bank's subsidiary for which the Customer has applied using the same identification documents as that for the Primary Account, even if the Customer provided different correspondence addresses.

1.6.5 The Bank is authorised to, in its sole discretion, provide any one or more directors or partners of the Customer or such persons of whom the Bank is satisfied as being members of the governing body of the Customer as the case may be, any information on or relating to the Primary Account (including, without limitation, the Monthly Statements) whether or not those directors, partners or other persons are authorised signatories and if they are, irrespective of their signing authority under the Primary Account. The Bank reserves the right to charge an administrative fee for the provision of such account information.

1.6.6 The Customer will be considered as having received a Monthly Statement:

(a) on the day of personal delivery to the Customer;

(b) on the day the Bank posts it to the Customer; or

(c) on the day the Bank sends it to the Customer by electronic means.

1.6.7 Review of Monthly Statements

(a) The Customer agrees that it has a duty to examine and check the accuracy of each Monthly Statement provided by the Bank. The Customer should see if there is any error, omission, discrepancy, unauthorised debit or irregularity in the entries or transactions shown in each Monthly Statement, whether caused by forged signature or other forgery, fraud, lack of authority or negligence of any person.

(b) <u>The Customer irrevocably agrees to notify the Bank of any alleged error, omission, discrepancy, unauthorised debit or irregularity shown in a Monthly Statement within 90 days of the date of such statement.</u> If the Bank does not receive any such notice from the Customer within the specified period, (i) the Monthly Statement will be considered as correct, conclusive and binding on the Customer, and (ii) the Customer will be deemed to have waived any right to raise

any objection or pursue any remedies against the Bank in relation to that Monthly Statement.

1.7 Joint Accounts

1.7.1 If the Primary Account is maintained in the joint names of two or more persons, or if a Service is provided to two or more persons:

(a) The Customer is jointly and severally liable with each other for the obligations and liabilities in connection with the Primary Account, the Service or under these Terms and Conditions.

(b) The Bank is authorised to:

(i) comply with any Instruction or other directions given by any of the Customers for or in connection with the Primary Account (unless the Bank agrees or decides otherwise). This includes an Instruction to close the Primary Account or any Account;

(ii) make any advance by way of overdraft or in any other manner with or without security at the request of any of the Customers;

(iii) honour and comply with all cheques, promissory notes, orders, bills, directions or receipts which are signed, sealed or chopped by any of the Customers, whether the Primary Account or the applicable Account is in credit or overdrawn;

(iv) accept and act on any receipts given by any of the Customers for moneys deposited with the Bank or owing by the Bank on the Primary Account; and

(v) take the Instruction for a forward date transaction last received by the Bank before the Bank effects that transaction in its normal course of business as the final Instruction for that transaction.

(c) The authorisation in Clause 1.7.1(b) above may be revoked by:

(i) any of the Customers in writing; or

(ii) the Bank if the Bank receives notice that any of the Customers loses mental capacity.

(d) Upon any of the Customers accepting the terms and conditions governing the Primary Account or any Service, each of the Customers will be bound by such terms and conditions.

(e) Upon the death of any of the Customers, the Bank will transfer any credit balance on any applicable Account to the order of the survivor(s). However, this will not limit or reduce any right the Bank may have arising from any lien, mortgage, charge, pledge, set-off, counter-claim or in any other manner. Each of the Customers will indemnify the Bank for any claim which may be made by or against the Bank in connection with processing any request and authorisation of the survivor(s).

(f) Each of the Customers is bound by these Terms and Conditions even if any of the following deficiencies exists, whether or not the Bank knows or ought reasonably to have known about them:

(i) any of the Customers or any other person intended to be bound by these Terms and Conditions is not bound; and

(ii) any of these Terms and Conditions may be invalid or unenforceable against any one or more of the Customers or any other person due to fraud, forgery or any other reason.

(g) The Bank has the right to deal separately with any of the Customers on any matter without limiting or reducing the Bank's rights, powers and remedies against the others. This may include (i) varying or discharging any liability to any extent; or (ii) granting time or other indulgence or making other arrangements.

(h) Items payable to any of the Customers may be credited to the Primary Account.

(i) Any notice under these Terms and Conditions to any of the Customers will be considered as effective notification to all of the Customers.

(j) Without limiting or reducing the effect of Clause 1.11, the Bank is authorised, without further consent from any of the Customers, to disclose amongst all of the Customers:

(i) any information about the Primary Account which may relate to any period before or after the Primary Account is maintained in the Customer's joint names; and

(ii) any personal data and other information relating to or provided by any of the Customers.

1.8 Sole Proprietorship or Partnership Account

1.8.1 If the Customer is a sole proprietorship or a partnership:

(a) the Bank is authorised to honour and to comply with all cheques, promissory notes and other orders drawn, and all bills accepted on behalf and in the name of Customer in question, whether the Current Account be in credit or overdrawn, to comply with all directions given for or in connection with the Primary Account on behalf of the Customer, including, without limitation, a direction to close the Primary Account unless otherwise agreed with the Bank, for which all partners shall be jointly and severally liable if it is a partnership, and to accept and act upon all receipts for monies deposited with or owing by the Bank on the Primary Account, provided that such cheques, promissory notes, orders, bills, receipts or directions are given in such form or manner or by such means as shall be acceptable to the Bank at any time and from time to time by the sole proprietor or such partners or such authorised persons according to the signing arrangement as set out in the mandate as amended in accordance with (c) below;

(b) any property of or deposited in the name of the Customer may be withdrawn and any monies may be borrowed from the Bank in the name or on behalf of the Customer, and may be secured in any manner upon any monies or property of or deposited in the name of the Customer by the sole proprietor or all partners or by other authorised persons according to the signing arrangement as set out in the mandate as amended in accordance with (c) below and all partners will be jointly and severally responsible for the repayment of such monies with interest, costs, charges and expenses if it is a partnership;

(c) the person(s) authorised for the purpose of (a) or (b) above and/or the signing arrangement as set out in the mandate may be amended and changed from time to time upon notice in writing to the Bank (in such form as the Bank has prescribed for such purpose) duly signed by the sole proprietor or, as the case may be, all the partners and such changes shall not be binding on the Bank until written notice thereof is received by the Bank.

1.8.2 If the Customer is a partnership:

(a) the Bank shall be entitled to treat the partners or last partner, for the time being, of the Customer as having the full power to carry on the business of the Customer and to deal with its assets freely, and to treat the Customer as not dissolved, notwithstanding any change in the constitution or name of the Customer or the membership of the Customer by death, bankruptcy, retirement, admission or otherwise or the occurrence of any event which, but for this provision, would dissolve the Customer so that the authority contained in Clause 1.8.1 and this Clause 1.8.2 shall remain in force, notwithstanding the occurrence of any of the above events or any other circumstances, until such time as the authority shall be revoked in writing by any one of the partners or the legal personal representatives or trustees of any one of the partners;

(b) these Terms and Conditions shall prevail over any contrary agreement between all partners, whether or not known to the Bank.

1.9 Termination or suspension of Services or Accounts

1.9.1 The Customer may, by giving the Bank prior written notice of such period as the Bank may accept, terminate the Services, the Primary Account or any one or more Accounts.

1.9.2 The Bank may terminate with or without giving the Customer notice or reason (i) all or any part of the Services, or (ii) the Primary Account or any one or more Accounts.

1.9.3 This Clause 1.9.3 does not limit or reduce the Bank's termination right under Clauses 1.9.1 and 1.9.2. If the Bank is of the opinion that any of the Event of Defaults set out in Clause 1.9.4 below occurs, the Bank has the right to suspend or terminate all or any part of the Services, the Primary Account or any one or more Accounts with immediate effect.

1.9.4 Each of the following is an "**Event of Default**":

(a) The Customer breaches or fails to perform or observe these Terms and Conditions. This may include the Customer's failure to pay any amount due or perform any other obligations in relation to the Services, the Primary Account or any Account.

(b) Any confirmation given by the Customer under these Terms and Conditions proves to be false or misleading in any material respect at the time it was given.

(c) The Customer breaches or fails to observe any Applicable Regulation or Market Requirement or it is necessary or useful in the Bank's opinion to prevent violation of any Applicable Regulation, Market Requirement or good standard of market practice, including failing to provide information, documents and supporting materials as required by the Bank or closure or transfer of the account is otherwise necessary or convenient for the purpose of the Bank's compliance with any Applicable Regulation.

(d) The Primary Account is terminated for any reason.

(e) The Customer takes any action or procedure to the following effect:

(i) declares bankruptcy;

(ii) reschedules the Customer's debts or seeks a freeze, moratorium or other similar relief relating to the Customer's debts. This may include the Customer starting negotiations with one or more of the Customer's creditors for the general readjustment or rescheduling of the Customer's debts, or the Customer entering into any composition or other arrangement for the benefit of the Customer's creditors generally; or

(iii) appoints trustee, receiver, liquidator, administrator, custodian or other similar official (in this Clause 1.9.4, each a "**Custodian**") for a substantial part of the Customer's assets.

(f) Any action or procedure is commenced against the Customer or the Customer's assets (i) in the nature specified in Clause 1.9.4(e) above, or (ii) for execution, distress, attachment or garnishment against the Customer's assets or for an encumbrancer to take possession of the Customer's assets.

(g) A legal order or request is binding on or issued in relation to the Primary Account, any Account or any of the Customer's other accounts or assets maintained or deposited with the Bank.

(h) It is necessary or useful for the Bank's protection, or if any action is taken or event occurs which the Bank considers to have or may have a material adverse effect on the Customer's ability to perform the Customer's obligations under these Terms and Conditions.

(i) (Where any Services, the Primary Account or any Account is provided to two or more persons or where there is another person with authority on the Primary Account or any Account) there is any dispute or proceedings between the Customers with respect to the Services, the Primary Account or the Account.

(j) If the Customer or (where the Services, the Primary Account or any Account is provided to two or more persons) any of the Customers dies or becomes incapacitated.

(k) The Bank is of the opinion or has reason to suspect that (i) the Bank has not been given a valid mandate or (ii) the Customer is not the true owner of the Accounts or otherwise does not have the authority to operate the Accounts.

(l) Any other event which, in the Bank's opinion, renders suspension or termination of the Services, the Primary Account or any Account necessary or useful.

1.9.5 If any one or more Event of Default occurs or if the Customer or the Bank suspends or terminates for any reason all or any part of the Services, the Primary Account or any Account, the Bank has the right to do any of the following:

(a) complete any transaction that the Bank has effected on the Customer's behalf before the Services, the Primary Account or any Account are suspended or terminated, or before that Event of Default occurs;

(b) cancel or terminate any Instruction that the Bank has not executed at the time the Services, the Primary Account or any Account are suspended or terminated, or at the time that Event of Default occurs;

(c) not to accept or act on any Instruction given by the Customer or on the Customer's behalf even if the Bank has received contrary Instructions from the Customer; and

(d) exercise any of the Bank's rights under Clause 1.10.

1.9.6 Except where the Customer or by the Bank terminates the Primary Account, the Customer may retain any one or more Accounts with the Bank's agreement and will continue to be bound by these Terms and Conditions.

1.9.7 <u>Even after any Event of Default has occurred or after the Services, the Primary Account or any Account are suspended or terminated, the Customer remains responsible for performing and discharging the Customer's obligations and liabilities created or accrued before then.</u>

1.10 Debit and set-off

1.10.1 In addition to and without limiting or reducing any of the Banks' rights in law or under any agreement, the Bank is entitled without prior notice to the Customer to do any of the following:

(a) debit any amount payable by the Customer to the Bank (including any fees, expenses or interest) from the Customer's accounts maintained with the Bank, irrespective of whether there are sufficient available funds, overdraft or other facilities in the relevant account. If any debit causes the relevant account to be overdrawn, the Customer is liable to repay the outstanding amount to the Bank on demand together with fees, expenses and interest accruing on the outstanding amount at such rate as the Bank may specify;

(b) withhold, combine or consolidate the balance on the Customer's accounts maintained with the Bank and set off or transfer any moneys (in the form of credit balance or credit facility) standing to the credit of any account in or towards settlement of any amount owing by the Customer to the Bank in connection with the Services or under these Terms and Conditions. The amounts owing by the Customer (i) may be actual or contingent, present, future, or deferred, primary or collateral, (ii) may be owing by the Customer solely or jointly with any other person, and (iii) may include fees, expenses or interest; and

(c) refuse to repay the Customer any moneys in any currency standing to the credit of the Customer's accounts maintained with the Bank when due or on demand by the Customer if and to the extent that such moneys are equal to or less than the amount owing by the Customer to the Bank. If the Bank exercises this right with respect to any moneys, such moneys will remain outstanding from the Bank on substantially the terms and conditions in force immediately before the Bank exercises this right or on such other terms as the Bank may consider appropriate.

1.10.2 The Bank's rights under Clause 1.10.1 will not be limited or reduced by the Customer's death or legal incapacity.

1.11 Collection and disclosure of the Customer's information

1.11.1 Collection, Use and Sharing of The Customer's Information

This Clause 1.11.1 explains how the Bank will use information about the Customer and Connected Persons. The Data Policy Notice that applies to the Customer and other individuals (the "**Notice**") also contains important information about how the Bank and the Zheshang Group will use such information and the Customer should read this Clause 1.11 in conjunction with the Notice. The Bank and members of the Zheshang Group may use the Customer's Information in accordance with this Clause 1.11 and the Notice.

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

- the Bank is legally required to disclose;
- the Bank has a public duty to disclose;
- its legitimate business purposes require disclosure;
- the disclosure is made with the data subject's consent; or
- it is disclosed as set out in this Clause 1.11 or the Notice.

Collection

(a) The Bank and other members of the Zheshang Group may collect, use and share the Customer's Information. The Customer's Information may be requested by the Bank or on behalf of the Bank or the Zheshang Group, and may be collected from the Customer directly, from a person acting on the Customer's behalf, from other sources (including from publicly available information), and it may be generated or combined with other information available to the Bank or any member of the Zheshang Group. One of the purposes for collecting Customer's Information is to ensure the Bank's compliance with any Applicable Regulation.

Use

(b) The Bank and members of the Zheshang Group may use, transfer and disclose the Customer's Information:

(i) in connection with the purposes set out in this Clause 1.11;

(ii) to ensure the Bank's compliance with any Applicable Regulation;

(iii) as set out in the Notice (applicable to Personal Data); and

(iv) in connection with matching against any data held by the Bank or the Zheshang Group for whatever purpose (whether or not with a view to taking any adverse action against the Customer),

((i) to (iv) are collectively referred to as the "**Purposes**").

Sharing

(c) The Bank may (as necessary and appropriate for the Purposes) transfer and disclose any of the Customer's Information to the recipients set out in the Notice (who may also use, transfer and disclose such information for the Purposes).

The Customer's obligations

(d) The Customer agrees to inform the Bank promptly and in any event, within 30 days in writing if there are any changes to the Customer's Information supplied to the Bank or the relevant member of the Zheshang Group from time to time, to respond promptly to any request for the Customer's Information from the Bank or the relevant member of the Zheshang Group and to furnish the Bank a new and valid FATCA and/or CRS self-certification within 30 days if there are any changes to the Customer's Information which render the existing self-certification invalid.

(e) The Customer confirms that every Connected Person whose information (including Personal Data or Tax Information) has been or will be provided to the Bank or a member of the Zheshang Group has or will at the relevant time have been notified of and agreed to the processing, disclosure and transfer of his/its information as set out in this Clause 1.11 and the Notice (as may be amended or supplemented by the Bank from time to time). The Customer shall advise any such Connected Persons that they have rights of access to, and correction of, their Personal Data.

(f) The Customer consents 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 the Bank to use, store, disclose, process and transfer all of the Customer's Information in the manner described in these Terms and Conditions. The Customer agrees to inform the Bank promptly in writing if the Customer is not able or has failed to comply with the obligations set out in (e) and (f) in any respect.

(g) Where:

- the Customer or any Connected Person fails to provide promptly the Customer's Information reasonably requested by the Bank;

- the Customer or any Connected Person withholds or withdraws any consents that the Bank may need to process, transfer or disclose the Customer's Information for the Purposes (except for purposes connected with marketing or promoting products and services to the Customer); or

- the Bank has, or a member of the Zheshang Group has, suspicions regarding Financial Crime or an associated risk,

the Bank may:

(i) be unable to provide new, or continue to provide all or part of the Services to the Customer and reserve the right to terminate its relationship with the Customer;

(ii) take actions necessary for the Bank or a member of the Zheshang Group to meet the Compliance Obligations; and

(iii) block, transfer or close the Customer's account(s) where permitted under local Laws.

In addition, if the Customer fails to supply promptly the Customer's, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, the Bank may make its own judgment with respect to the Customer's status or that of the Connected Person, including whether the Customer or a Connected Person is reportable to a Tax Authority, and may require the Bank or other persons to withhold amounts as may be legally required by any Tax Authority and to pay such amounts to the appropriate Tax Authority.

1.11.2 Financial Crime Risk Management Activity

(a) Financial Crime Risk Management Activity may include:

(i) investigating the source of or intended recipient of funds;

(ii) screening, intercepting and investigating any instruction, communication, application for Services, or any payment sent to or by the Customer, or on the Customer's behalf;

(iii) combining the Customer's Information with other related information in the possession of the Zheshang Group; and

(iv) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming the Customer's identity and status or that of a Connected Person.

(b) The Bank and Zheshang Group's Financial Crime Risk Management Activity may lead to the delay, blocking or refusing the making or clearing of any payment, the processing of the Customer's instructions or application for Services or the provision of all or part of the Services.

(c) To the extent permissible by law, neither the Bank nor any member of the Zheshang Group shall be liable to the Customer or any third party in respect of any loss (howsoever it arose) that was suffered or incurred by the Customer or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

1.11.3 Tax Compliance

(a) <u>The Customer acknowledges that the Customer is solely responsible for understanding and complying with the Customer's tax obligations (including 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) or Services provided by the Bank or members of the Zheshang Group.</u>

(b) Each Connected Person acting in his/its capacity as a Connected Person also makes the same acknowledgement in his/its own regard. Certain countries may have tax legislation with extra-territorial effect (such as FATCA) regardless of a Connected Person's or the Customer's place of domicile, residence, citizenship or incorporation.

(c) Neither the Bank nor any member of the Zheshang Group provides tax advice. The Customer is advised to seek independent legal and tax advice.

(d) Neither the Bank nor any member of the Zheshang Group has responsibility in respect of the Customer's tax obligations in any jurisdiction which may arise including any that may relate specifically to the opening and use of accounts and Services provided by the Bank or members of the Zheshang Group.

1.11.4 Payments affected by tax legislations with extra-territorial effect ("**Extra-territorial Tax Legislations**")

(a) The Customer acknowledges and agrees that notwithstanding any other provision of these Terms and Conditions:

(i) any payments by the Bank under these Terms and Conditions, will be subject to withholding and deduction as required under Extra-territorial Tax Legislations;

(ii) any amount withheld under (i) may be held in whatever account or in whatever manner determined by the Bank; and

(iii) the Bank is not be liable for any gross up, loss or damage suffered as a result of the Bank's exercising its rights under this Clause 1.11.4.

(b) The Customer acknowledges and agrees that any transaction, payment or instruction under these Terms and Conditions may be delayed, blocked, transferred or terminated as required for the Bank to meet its obligations, including those under the Extra-territorial Tax Legislations as determined by the Bank.

1.11.5 Miscellaneous

(a) In the event of any inconsistency between any of the provisions of this Clause 1.11 and those in or governing any other service, product, business relationship, account or agreement between the Customer and the Bank, this Clause 1.11 shall prevail.

(b) If all or any part of the provisions of this Clause 1.11 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 this Clause 1.11 in that jurisdiction.

1.11.6 Survival Upon Termination

This Clause 1.11 shall continue to apply notwithstanding any termination by the Customer or the Bank or a member of the Zheshang Group of the provision of any Services to the Customer, or the closure of any of the Customer's accounts.

1.11.7 Accurate information

The Customer confirms that all the Customer's Information provided to the Bank is, to the best of the Customer's knowledge, complete, accurate and up-to-date.

1.12 Limitation on liability

1.12.1 The Bank has no trust or other obligations in respect of the Customer's moneys or assets other than those expressly specified in these Terms and Conditions.

1.12.2 Providing the Services to the Customer does not make the Bank the Customer's trustee or investment adviser. In providing the Services, the Bank will use the same degree of care as the Bank uses in respect of its own property.

1.12.3 Neither the Bank nor any of its Delegates are liable for any of the following:

(a) the management or performance of the Customer's assets (including any reduction in the value of the Customer's assets); and

(b) any taxes or duties payable in respect of the Customer's assets.

1.12.4 (a) Except as set out in Clause 1.12.4(b), the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the any of the following:

(i) the Customer's use of the Services;

(ii) any default by the Customer in performing the Customer's obligations under these Terms and Conditions, the Applicable Regulations, Market Requirements or relating to the Services or the Accounts;

(iii) the Bank's providing the Services to the Customer, maintaining the Accounts for the Customer, or effecting any transactions for or with the Customer;

(iv) the Bank's decision not to process any Instruction or its delay or failure to act on an Instruction in part or in full for any reason;

(v) any fluctuation in the price of the relevant asset between the time the Bank receives an Instruction and the time the Bank acts on it; and

(vi) the preservation or enforcement of the Bank's rights or exercise of its powers in connection with the Services and the Accounts.

(b) If it is proved in a case set out in Clause 1.12.4(a) that there was negligence or wilful default by the Bank or any of its Delegates, the Bank will be liable for any loss and damage the Customer incurs or suffers that is direct and reasonably foreseeable arising directly and solely from such negligence or wilful default.

(c) To the greatest extent permitted by the Applicable Regulation, the Bank is not liable to the Customer for any losses, costs, expenses, damages, liabilities the Customer may suffer or incur as a result of complying with the Applicable Regulation (including but without limitation to FATCA and CRS), or if the Bank makes an incorrect determination as to whether or not the Customer should be treated as being subject to tax, tax withholding, or tax reporting obligations where the incorrect determination results from the reliance on incorrect or incomplete information provided by the Customer or any third party, unless that loss is caused by the negligence or wilful misconduct of the Bank.

1.12.5 If the Customer uses any service (which may include any Service) provided by any other person (such as an independent service provider) who is not the Bank's agent or nominee, the Bank is not liable in any way for any of the following:

(a) the quality of the relevant service; and

(b) any action, claim, loss, damage or liability of any nature which the Customer may suffer or incur arising from or in connection with any act or omission of (i) that other person providing the service or (ii) any agent or independent service provider appointed by it.

1.12.6 The Bank is not liable for any loss, cost or damage of any kind incurred or suffered by the Customer or any other person as a result of any interruption, delay or failure (whether total

or partial) in providing any of the Services or the Bank's equipment or facilities to the Customer or performing the Bank's duties and obligations in respect of the Services to the extent that it is attributable to any cause or circumstance that is beyond the Bank's reasonable control or the reasonable control of the Bank's agents or nominees.

1.12.7 The Bank is not responsible to the Customer or any other person for any loss of profit or interest, indirect or consequential loss arising from or in connection with the Bank's providing, or failure or delay in providing, the Services in all circumstances.

1.13 Indemnity from the Customer

1.13.1 Except as set out in Clause 1.13.2, the Customer will indemnify and reimburse in full the Bank and/or its Delegates for all actions, proceedings and claims which may be brought by or against the Bank or them, and for all losses, damages, liabilities, payments and reasonable costs and expenses which the Bank or they may incur or suffer as a result of or in connection with any of the following:

(a) the Customer's use of the Services;

(b) any default by the Customer in performing the Customer's obligations under these Terms and Conditions, the Applicable Regulations, Market Requirements or relating to the Services or the Accounts;

(c) the Bank's providing the Services to the Customer, maintaining the Accounts for the Customer, or effecting any transactions for or with the Customer;

(d) the Bank's decision not to process any Instruction or the Bank's delay or failure to act on an Instruction in part or in full for any reason;

(e) any fluctuation in the price of the relevant asset as set between the time the Bank receives an Instruction and the time the Bank acts on it; and

(f) the preservation or enforcement of the Bank's rights or exercise of the Bank's powers in connection with the Services and the Accounts.

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

1.13.2 If it is proved that any actions, proceedings, claims, losses, damages or amounts set out in Clause 1.13.1 was caused by negligence or wilful default of the Bank or its Delegates, the Customer is not liable under Clause 1.13.1 to the extent that it is direct and reasonably foreseeable arising directly and solely from such negligence or wilful default.

1.14 Communications

1.14.1 The Customer warrants that all particulars given to the Bank (whether in an account opening form or otherwise) are, to the best of the Customer's knowledge, accurate.

1.14.2 The Customer agrees that the Bank may use any such particulars provided by the Customer and kept on the Bank's records (including address, telephone number, e-mail address and fax number) from time to time to communicate with the Customer (whether through letters, telephone calls, SMS, fax, e-mail or other means).

1.14.3 The Customer shall notify the Bank immediately (and in any event within 30 days) upon any change of particulars of the Customer previously provided to the Bank, such as names, occupations, contact and email addresses, identification documents, tax residency status, telephone, facsimile or other contact numbers and other pertinent particulars recorded with the Bank or any change of directors, shareholders, partners, controllers, legal status or constitutional documents.

1.14.4 Unless the Bank specifies otherwise, the Customer will be considered as having received any notice given by the Bank:

(a) if by letter, when delivered personally or if sent by prepaid post, 2 or 7 banking days following that on which it was so posted to an address in Hong Kong or overseas respectively; and

(b) if by fax or e-mail, when confirmed by an activity report confirming the fax number or e-mail address to which such notice was successfully sent.

1.14.5 All notices or other communications in connection with the Services, the Primary Account or any Account are to be sent at the Customer's risk. The Bank does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, SMS, fax or e-mail.

1.14.6 Communications sent by the Customer to the Bank shall be deemed to have been given only on actual receipt by the Bank.

1.14.7 This Clause 1.14 does not limit or reduce the effect of any provisions in these Terms and Conditions that apply to (i) the issuing of account statements, transaction advice or confirmation by the Bank to the Customer, or (ii) the giving of Instructions by the Customer to the Bank.

1.15 Variation

1.15.1 The Bank may, at its sole discretion and at any time, by notice to the Customer vary, amend, cancel or supplement these Terms and Conditions (including fees and charges) and any other terms and conditions governing any Services, the Primary Account or any Account and such variation, amendment, cancellation or supplement shall take effect on the date of the notice or, if later, the date specified in the notice.

1.15.2 The Bank will give the Customer notice by way of display at the Bank's premises or in any other manner the Bank considers appropriate. Any such notice shall be deemed to be received by the Customer when it has been displayed at the Bank's premises for 5 consecutive banking days in Hong Kong.

1.15.3 The Customer's utilisation of any of the Services, the Primary Account or any Account after the effective date shall also be deemed to be an acceptance of such variation, amendment, cancellation or supplement.

1.15.4 The Customer will be bound by a variation unless the Bank has received notice from the Customer to close the Primary Account or terminate the relevant Services with effect before the date on which that variation takes effect.

1.16 Fees, commissions, expenses and interest

1.16.1 The Customer is required to pay the Bank fees for providing the Services or maintaining the Accounts.

1.16.2 The Customer will be notified of the fees at the time of opening an Account, requesting a Service or effecting an Instruction from time to time.

1.16.3 The Bank may impose a fee at its discretion if:

(a) the Account is closed within such period after the account opening date as specified by the Bank from time to time; or

(b) the credit balance of the Account falls below the minimum deposit amount set by the Bank from time to time.

A list of the Bank's fees is available upon request at any of its branches.

1.16.4 The Bank may collect fees from the Customer in such manner and at such intervals as the Bank may specify. Paid fees are non-refundable unless the Bank agrees otherwise.

1.16.5 The Customer is required to pay all costs and expenses of reasonable amounts and reasonably incurred by the Bank in connection with the Services or the Accounts from time to time. These may include all applicable taxes, duties and levies payable in respect of the Customer's assets and any expenses for preserving or enforcing the Bank's rights in connection with the Services and the Accounts (including fees of any collection agent employed by the Bank and legal fees in demanding, collecting, suing or recovering any outstanding or overdue amount).

1.16.6 The Bank may use one or more members of the Zheshang Group or any other person to assist the Bank in providing services to the Customer or fulfilling the Customer's requirements. The Customer further agrees that the Bank may pay these persons remuneration of any nature (whether fees, commissions, rebates or other payments) for the services provided by them to the Bank. The Bank may also pay remuneration to members of the Zheshang Group or any other person in return for introducing the Customer to the Bank. Payment of such remuneration by the Bank does not affect the amount of fees and charges payable by the Customer to the Bank in connection with the Services or the Accounts.

1.16.7 The Bank may accept from any other person (whether or not a member of the Zheshang Group) engaged in a transaction involving the purchase or sale of any assets for the Customer any rebate or payment of brokerage, commission or discount payable in respect of that transaction. The Customer further agrees that the Bank is entitled to retain for its own account and benefit absolutely the above amounts and any interest generated on any payment made by or to the Customer pending transfer to the Cash Account (or any other account maintained by the Customer with the Bank) or to any other person to effect an Instruction.

1.16.8 Where a negative interest rate applies to any currency, the Bank has the right to impose negative interest on credit balances on any Account that are denominated in such currency. Where such interest becomes payable by the Customer to the Bank, the Bank is entitled to debit any of the Accounts for the purpose of settling such negative interest, irrespective of whether there are sufficient available funds, overdraft or other facilities in the said Accounts. If any debit causes the relevant Account to be overdrawn, the Customer is liable to repay the outstanding amount to the Bank on demand together with any fees, expenses and interest accruing on the outstanding amount at such rate as the Bank may specify.

1.17 Miscellaneous

1.17.1 Currency conversion

(a) Unless the Bank specifies otherwise in these Terms and Conditions, where conversion of one currency into another currency is required or appropriate under these Terms and Conditions, such conversion will be effected at the Exchange Rate at the time of conversion. Any exchange rate provided by the Bank at any other time may differ from the rate at which the Bank effects the conversion and is for reference only.

(b) If the Bank accepts a cheque in a currency for deposit into an Account in another currency not being the currency of the cheque and that cheque is dishonoured, the Bank will debit the Account with the amount of the cheque calculated using the exchange rates at which the Bank effected currency conversion at the time of depositing the cheque or reversing the deposit as the Bank may determine.

(c) Before carrying out a currency conversion transaction, the Bank may require the Customer to provide information or documentation to prove that such transaction is in compliance with all Applicable Regulations. The Bank has the right to refuse to carry out a currency conversion transaction if the Bank is not satisfied with the information or documentation provided by the Customer.

1.17.2 Recording

In the course of providing the Services, the Bank or its Delegates may record and monitor Instructions or communications with the Customer by tape, video or other means and any such records of the Bank are conclusive and binding evidence against the Customer of the fact and content of such Instructions or communications. The Bank has the right to destroy these recording after such period of time as the Bank consider appropriate.

1.17.3 Document retention

The Bank has the right to destroy any document or record relating to the Customer, the Primary Account or any of the Services after microfilming or scanning it or storing it by another medium. The Bank also has the right to destroy any microfilmed or scanned document or record after such period of time as the Bank considers appropriate.

1.17.4 Debt collection and recovery

The Bank has the right to employ any person to assist the Bank in collecting and recovering any outstanding or overdue amount owing by the Customer to the Bank. Such person includes any collection agent or any other service provider.

1.17.5 Partnership

Where the Customer is a partnership, these Terms and Conditions will continue in force unless revoked by notice given by any one partner, notwithstanding any change of name of the partnership, admission of new partner(s) or any partner ceasing to be a member of the partnership by reason of death or otherwise.

1.17.6 The Bank's by-laws, regulations and practices

In addition to these Terms and Conditions, the Services, the Accounts and other related matters are governed by the rules of Hong Kong Association of Banks and the Bank's by-laws, regulations and practices. The Bank may draw the Customer's attention to them by way of display at the Bank's premises, advertisement or in any manner.

1.17.7 Waivers and remedies

(a) The Bank's waiver of any provision of these Terms and Conditions will be effective only if given by the Bank in writing and any such provision is waived only to the extent that is expressly stated in the Bank's written notice. No failure or delay by the Bank in exercising any right, power or remedy will operate as a waiver of that right, power or remedy.

(b) The rights of the Bank under these Terms and Conditions:

(i) may be exercised as often as necessary;

(ii) are cumulative and not exclusive of its rights under the general law and any other agreement; and

(iii) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such rights is not a waiver of that right.

1.17.8 Severability

If any provision of these Terms and Conditions is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:

(a) the validity or enforceability in that jurisdiction of any other provision of these Terms and Conditions; or

(b) the validity or enforceability in other jurisdictions of that or any other provision of these Terms and Conditions.

1.17.9 Appointment of agent or nominee

The Bank may appoint any other person as its agent or nominee to perform any of the Services for the Bank. Such person includes any service provider or sub-contractor acting in its capacity as its agent or nominee and excludes any independent service provider or sub-contractor. For that purpose, (i) the Bank may delegate any of its powers to that person, and (ii) the Customer authorises the Bank to disclose or transfer any information relating to the Customer, the Primary Account, any Account or the Services to that person. Subject to Clause 1.12, the Bank remains liable to the Customer for the negligence or wilful default of any person appointed by the Bank under this clause as if the Bank performed the relevant Services itself.

1.17.10 Assignment

(a) The Bank may at any time assign or transfer any or all of its rights and obligations to any person without the Customer's agreement.

(b) The Customer is not allowed to assign or transfer any of the Customer's rights or obligations to any person unless with the Bank's prior written agreement.

1.17.11 Loss of seal etc.

If the Customer loses any identity document, seal or chop used for giving Instructions to the Bank in relation to the Services or the Accounts, the Customer must promptly notify the Bank in writing. The Bank is not liable to the Customer for effecting any payment or transaction before the Bank actually receives such written notice.

1.17.12 Sanctions

The Bank would refuse to process any transaction which may violate or breach any sanctions, anti-money laundering or counter-terrorist financing laws, regulations, rules, guidelines and procedures promulgated by the United Nations, the European Union, the U.S., the United Kingdom, Hong Kong, the PRC and all other jurisdictions to which it is subject. The Bank will not be liable for any claims, losses, damages, costs or expenses suffered by any party in connection with the Bank's delay or refusal to process such transactions.

1.17.13 Rights of Third parties

Unless expressly provided to the contrary of these Terms and Conditions, a person who is not a party to these Terms and Conditions may not enforce any of its terms under the Contracts (Rights of Third Parties) Ordinance (Cap. 623, Laws of Hong Kong) and notwithstanding any terms of these Terms and Conditions, the consent of any third party is not required for any variation (including any release or compromise of any liability), rescission or termination of these Terms and Conditions.

1.17.14 Language

The governing version of these Terms and Conditions is in English. The Chinese version of these Terms and Conditions is for reference only. If there is any conflict between the Chinese and English versions of these Terms and Conditions, the English version shall prevail in all circumstances.

1.17.15 Governing law and jurisdiction

These Terms and Conditions shall be governed by and construed in accordance with the laws of Hong Kong and the parties agree to submit to the non-exclusive jurisdiction of the Hong Kong courts. Notwithstanding the foregoing, the Bank shall have the right to bring legal proceedings against the Customer in any other court with jurisdiction. To the extent allowed by law, the Bank may take concurrent proceedings in any number of jurisdictions.

2 Operations of Integrated Account

2.1 Current Account

2.1.1 No interest

Unless otherwise specified by the Bank, no interest (whether at a rate above or below zero) accrues on a Current Account.

2.1.2 Handling cheques

(a) The Customer is responsible for safekeeping the Customer's cheque books and cheques from loss, theft or unauthorised use. The Customer should take appropriate security measures including lock and key.

(b) A cheque on the Customer's Current Account should be drawn in the same currency as such Current Account.

(c) The Customer may apply for a cheque book for the Customer's Current Account by any means accepted by the Bank. The Bank has the right not to issue a cheque book. The Bank will deliver a cheque book by post, registered mail or courier to the Customer's address on the Bank's records. The Bank is not responsible for any delay or loss caused by any means of delivery.

(d) After receiving a cheque book or before use, the Customer should check the cheque serial numbers, account number and the Customer's name printed on the cheques and the total number of cheques. The Customer should report any irregularity to the Bank as soon as reasonably practicable.

(e) The Customer should delete the words "OR BEARER" and cross a cheque if the Customer intends to deliver it other than in person.

(f) The Customer should be careful in drawing a cheque to ensure that it is correct. The Customer should not draw a cheque in any manner that may allow it to be altered or may facilitate fraud or forgery. In particular:

(i) the Customer should write and sign a cheque with non-erasable ink or ball-point pen in Chinese or English;

(ii) the Customer should write the amount in the spaces provided on the cheque, both in words and figures as close to each other and to the left hand margin as possible, so as to leave no space for adding other words or figures;

(iii) the Customer should add the word "only" after stating the amount in words and use only Arabic numerals to state the amount in figures;

(iv) the Customer should sign a cheque so that the Customer's signature matches the specimen signature on the Bank's record;

(v) the Customer should confirm any alteration on a cheque by the Customer's full signature. The Customer agrees that the Bank is not responsible for any loss arising from an alteration which cannot be readily detected by the Bank; and

(vi) the Customer should comply with the conditions printed on the inside cover of a cheque book.

(g) The Customer must report any loss, theft or unauthorised use of a signed cheque or a cheque book to the Bank in writing as soon as reasonably practicable.

(h) The Customer agrees and authorises the Bank to do the following:

(i) record a cheque drawn by the Customer in electronic or other form as the Bank considers appropriate;

(ii) allow the cheque after payment to be retained by the drawee bank, collecting bank or HKICL for a period specified in the rules relating to the operation of the clearing house for the related currency, and to be destroyed by the drawee bank, collecting bank or HKICL after that period; and

(iii) contract with collecting banks, HKICL and other persons in relation to the arrangements and matters set out in paragraphs (i) and (ii) above.

2.1.3 Refusal of cheques

The Bank has the right not to pay a cheque in any of the following cases:

(a) if there is an error on the cheque; or

(b) if there is any other reason that the Bank considers appropriate (including any cheque that is (i) dated over 6 months before the date of presentment or (ii) post-dated).

The Bank has the right to return that cheque and impose a service charge.

If the Customer issues a cheque (i) where there are insufficient funds in the Customer's Current Account and (ii) which, if honoured by the Bank, would cause the Customer's Current Account to go overdrawn or over an existing overdraft limit, the Bank will treat this as the Customer's informal request for an unauthorised overdraft and the Bank may:

(a) refuse the Customer's request, return that cheque and impose a service charge for considering and refusing the Customer's request; or

(b) agree to the Customer's request and provide the Customer with an overdraft or an increase to the Customer's existing overdraft. The amount of the overdraft or increase will be subject to the Bank's prevailing interest rate calculated on a daily basis. The Bank may charge an arrangement fee for the overdraft or the increase.

2.1.4 Stop payment order

(a) The Customer should give the Bank clear Instruction if the Customer wishes to stop payment of a cheque. The Bank has no obligation to act on the Customer's Instruction if the Bank does not receive it in time to enable the Bank to stop payment.

(b) The Customer should clearly identify the cheque in the Customer's Instruction by quoting the cheque number.

(c) If the Customer does not quote the cheque number but quotes any other detail, the Bank has no obligation to but may act on the Customer's Instruction at its discretion without being liable.

(d) If the Customer quotes any other detail in addition to the cheque number, the Bank is not responsible for checking whether that detail conforms with the corresponding detail on the cheque in question.

(e) The Bank has no obligation to act on an Instruction to stop payment if the Bank is unable to verify its authenticity. However, that does not restrict the Bank from acting on an Instruction at its discretion if the Bank believes in good faith that it is given or authorised by the Customer. The Bank may also act on an Instruction under special arrangement with the Customer. In any case, the Bank is not liable

and the Customer will be bound by that Instruction if the Bank acts on it even if it is incorrect, false or unclear or was not given or authorised by the Customer. The Customer should confirm an Instruction as soon as reasonably practicable in a manner accepted by the Bank.

2.1.5 Unauthorised overdraft

If the Customer gives the Bank an Instruction to pay or withdraw from the Customer's Current Account (i) where there are insufficient funds in the Customer's Current Account and (ii) which, if executed by the Bank, would cause the Customer's Current Account to go overdrawn or over an existing overdraft limit, the Bank will treat this as the Customer's informal request for an unauthorised overdraft and the Bank may:

(a) refuse the Customer's request and that Instruction and impose a service charge for considering and refusing the Customer's request; or

(b) agree to the Customer's request and provide the Customer with an overdraft or an increase to the Customer's existing overdraft. The amount of the overdraft or increase will be subject to the Bank's prevailing interest rate calculated on a daily basis. The Bank may charge an arrangement fee for the overdraft or the increase.

2.2 Savings Account

2.2.1 Savings interest

(a) Interest on a Savings Account accrues:

(i) on a daily basis;

(ii) on the credit balance in the Savings Account; and

(iii) at the interest rate specified by the Bank at its discretion.

Interest rates applicable from time to time will be displayed at the Bank's premises.

Interest at a rate above zero is payable by the Bank to the Customer and will become a credit entry to a Savings Account on the first day of each subsequent calendar month (or on any such day or at such other interval as the Bank may set from time to time). Interest at a rate below zero is payable by the Customer to the Bank and will become a debit entry to a Savings Account at the end of each calendar month (or on any such day or at such other interval as the Bank may set from time to time).

(b) The Bank has the right to set or vary without prior notice from time to time any minimum amount of credit balance for interest to accrue. No such interest will accrue if the credit balance in the Savings Account falls below the minimum amount set by the Bank.

(c) Where a Savings Account is closed during an interest period whether by the Customer or by the Bank for any reason, interest accrues only up to the last calendar day before the day of closure.

2.2.2 Withdrawals and Deposits of Savings Account

(a) The Customer may make withdrawals from the Customer's Savings Account and deposits to the Customer's Savings Account by such means as acceptable to the Bank.

(b) Before a withdrawal, the Customer has to produce satisfactory evidence of:

(i) the Customer's identity; and

(ii) if requested by the Bank, the Customer's authority.

(c) The Bank requires prior notice from the Customer to allow the Bank sufficient time to process a foreign currency withdrawal request.

2.2.3 Payment to third party

Payment by the Bank to a person has the same effect as if payment to the Customer personally if that person produces:

(a) satisfactory evidence of his identity; and

(b) if requested by the Bank, a withdrawal form appears to be signed, sealed or chopped by the Customer (as applicable) or according to the Customer's authorisation.

By making payment to that person, the Bank discharges all its liabilities to the Customer or any other person with respect to the amount paid.

2.2.4 No overdraft

If the Customer gives the Bank an Instruction to pay or withdraw from the Customer's Savings Account (i) where there are insufficient funds in the Customer's Savings Account and (ii) which, if executed by the Bank, would cause the Customer's Savings Account to go overdrawn, the Bank will not process the Customer's Instruction.

2.3 Time Deposit

2.3.1 Interest on time deposit

(a) Interest on a time deposit accrues:

(i) on a daily basis;

(ii) on the principal amount; and

(iii) at the interest rate specified by the Bank at its discretion.

Interest rates applicable from time to time will be displayed at the Bank's premises, which will serve as notice to the Customer. The Bank will advise the details of the accrued interest and the amount of tax deducted or withheld (if applicable) in respect of a time deposit each time the Customer withdraws or renews the time deposit.

(b) (i) Interest on a time deposit accrues up to the day prior to its maturity date and is payable on the maturity date. Interest at a rate above zero is payable by the Bank to the Customer and may be withdrawn or added to the principal amount of the time deposit on a banking day. Interest at a rate below zero is payable by the Customer to the Bank and will be deducted from the principal amount of the time deposit or debited from any other accounts maintained by the Customer with the Bank on a banking day.

(ii) Notwithstanding paragraph (i) above, accrued interest on a time deposit for a term of 18 months or more is payable by the Bank or by the Customer at the end of each calendar half-year. The Bank has the right to set or vary from time to time the minimum amount or term of deposit to which this paragraph (ii) applies and the date for paying interest.

(c) Interest accrues on a time deposit that is a call deposit on a daily basis at the Bank's prevailing interest rate at the end of each day except that interest for the

day on which the call deposit is made with the Bank accrues at the interest rate set out in the deposit confirmation.

2.3.2 Making a time deposit

The Bank has the right to set or vary from time to time the terms available for making time deposits. These terms may include the currencies, any minimum or maximum amount of deposit, the range of periods and maturity dates.

2.3.3 Renewal and withdrawal of time deposits

(a) The Bank has the right to set or vary from time to time the dates and hours when the Customer may make, renew or withdraw a time deposit.

(b) The Customer may give an Instruction to renew automatically a time deposit. The Bank has the right to accept or refuse the Customer's Instruction to renew automatically.

(c) If the Bank accepts the Customer's Instruction to renew automatically, the Bank's prevailing interest rate on the maturity date (whether above or below zero) will be the interest rate for the renewed term. Even if the Bank has accepted the Customer's Instruction to renew automatically, the Bank has the right unilaterally to cease to act on the Instruction at any time without giving reason.

(d) Where the maturity date of a time deposit falls on a day other than a banking day in Hong Kong or in the jurisdiction of the foreign currency in which the time deposit is denominated, the time deposit is payable on:

(i) the next banking day; or

(ii) the previous banking day if the next banking day would extend the term of the time deposit beyond the maximum deposit term acceptable to the Bank or permitted by Applicable Regulations.

(e) The Bank has no obligation to but may at its discretion repay any part of a time deposit before its maturity date at the Customer's request. In that case, the following provisions apply:

(i) interest on the time deposit is not required to be paid to the Customer or to the Bank;

(ii) the Bank may deduct the following amounts from the time deposit and repay the balance (if any) to the Customer:

(A) applicable fees and charges (e.g. handling charges);

(B) additional cost (if any) incurred by the Bank in obtaining funds in the market for the remaining term of the time deposit; and

(C) any amount the Bank already paid to the Customer by way of interest or to any Authority by way of taxation (if applicable); and

(iii) the Bank may cancel the time deposit and charge handling fees if its amount is insufficient to pay the amounts set out in paragraph (ii) above.

(f) The Customer should give Instruction (including any amending Instruction) on how to handle the principal amount and interest of a time deposit at maturity at least 1 banking day before its maturity date. The Customer may give the Bank Instruction directly or through local bankers in writing or any other means as may be accepted by the Bank.

(g) If the Bank does not receive the Customer's Instruction on how to handle the principal amount and interest of a time deposit by its maturity date, from the maturity date onwards interest will accrue only (i) on the principal amount of the time deposit; and (ii) at the interest rate (whether above or below zero) specified by the Bank for the Savings Account in the same currency. The Customer has to give Instruction on how to handle any accrued interest payable by the Bank. Accrued interest payable by the Customer will be deducted from the principal amount of the time deposit.

2.3.4 The Customer acknowledges and agrees that any time deposit with a term of over 5 years is not a protected deposit under the Deposit Protection Scheme in Hong Kong.

2.4 Risk disclosure statements on Accounts denominated in RMB

2.4.1 The Customer acknowledges and agrees that:

(a) RMB business in Hong Kong is evolving and subject to constant and continuous changes required by the relevant laws and regulations of PRC (including such rules and regulations as from time to time be prescribed, amended or supplemented by the People's Bank of China) and applicable operational arrangements from time to time between the Bank and other applicable participating banks and clearing house or system whether in PRC or Hong Kong;

(b) RMB is not a freely convertible currency whether inside or outside PRC and is subject to PRC exchange controls thereby resulting in uncertainty on RMB remittance into or out of PRC or conversion between RMB and other currencies; and

(c) the operation of RMB business by the Bank is therefore affected and restricted by and subject to the relevant laws and regulations of PRC and above restrictive operational environment and limitations prevailing in the Hong Kong market.

2.4.2 Remittance into and out of PRC

Cross-border flows of RMB into and out of PRC are subject to the relevant laws and regulations of PRC with which the Customer shall be responsible for ensuring compliance before issuing any remittance Instruction to the Bank.

2.5 Fund transfers (telegraphic transfer, interbank transfer and overseas remittance)

2.5.1 The Customer may instruct the Bank to effect a fund transfer by such means accepted by the Bank from time to time. The following terms apply unless the Bank specify otherwise:

(a) The Bank has the right to refuse an Instruction to effect a fund transfer without giving reason. If the Bank accepts an Instruction, the Bank has the right to effect the Instruction according to its routing arrangement.

(b) The Bank has the right to send the fund transfer Instruction either in words or in code. The Bank is not responsible for (i) any loss, delay, error, omission or alteration of the message which may occur in its transmission, and (ii) any misinterpretation of the message by the recipient (or any of the above).

(c) When a fund transfer is being effected, there may be a currency conversion if the beneficiary account is in a currency that is different from the remitting currency.

(d) The Bank will communicate to the correspondent or beneficiary bank the Customer's request to pay the Bank's charges or overseas charges. That bank decides whether the beneficiary receives the full amount of the fund transfer. The Bank has no control and takes no responsibility in that matter.

(e) The Bank has the right to effect the fund transfer through a correspondent or beneficiary bank other than that specified by the Customer if operational circumstances or Applicable Regulations so require.

(f) Where the Bank is unable to provide a firm exchange rate quotation for any reason, the Bank has the right to effect the fund transfer on the basis of a provisional exchange rate. The provisional exchange rate is subject to adjustment when the actual exchange rate is ascertained. The Customer authorises the Bank to debit or credit any difference between the provisional rate and the actual rate to the Customer's Account.

(g) If the Customer wishes a fund transfer to be effected on a particular date, the Customer should clearly specify that date in the Customer's Instruction.

(h) A fund transfer Instruction may not be processed on the same day if the Bank's remittances department does not receive it before the relevant cut-off time set by the Bank.

(i) A fund transfer Instruction is subject to the following:

(i) the cut-off time of the place where payment is to be received;

(ii) the funding arrangement requirements of the settlement banks; and

(iii) the availability of the relevant services. This may include the availability of the clearing system of the applicable currency or the location of the correspondent or beneficiary bank.

This may mean that the Customer's Account is debited before the day the payment is received. The Bank is not responsible for any interest expense or loss incurred or suffered by the Customer or any other person as a result in that case.

(j) The Bank does not have to inform the Customer of any of the following matters. The Customer should make the Customer's own enquiries about them:

(i) any charges which may be imposed by a correspondent or beneficiary bank or any other bank; and

(ii) any exchange control or restriction which may be imposed by Applicable Regulations. The Bank is not liable for any loss or delay to the Customer arising from or in connection with such control or restriction.

(k) Where the beneficiary of payment does not maintain an account with any member of Zheshang Group or its agents, without giving the Customer notice, the Bank and its agents have the right to make payment in accordance with the accepted banking practice in the place where the payment is to be received.

(l) Even if the Bank has accepted a fund transfer Instruction, the Bank has the right to refuse to process or effect payment without giving the Customer notice, if the Bank is of the reasonable opinion that any of the following occurs:

(i) there is insufficient available funds in the Account specified in the Customer's Instruction from which payment is to be made;

(ii) any information given about the Instruction is incorrect, incomplete or unclear;

(iii) the Instruction or processing of the Instruction would be a breach of any Applicable Regulations; and

(iv) the Customer has specified additional Instructions or requests which are not acceptable to the Bank.

(m) In processing a fund transfer Instruction, the Bank may be required by Applicable Regulations concerning anti-money laundering and anti-terrorist financing activities to disclose Personal Data or other information about the Customer. This may include the originating account number, the Customer's name, address, date of birth, personal identity document number and other unique references. The Customer expressly authorises (i) the Bank to make the required disclosure to any correspondent or beneficiary bank, the payee or any Authority as the Bank may consider appropriate, and (ii) each correspondent or beneficiary bank to make the required disclosure to any other correspondent or beneficiary bank, the payee or any Authority as that correspondent or beneficiary bank considers appropriate.

(n) The Bank does not have to process any stop payment Instruction received by the Bank even if the Customer's Account has not been debited when the Bank receives the Instruction. The Bank may at its discretion process a stop payment Instruction using commercially reasonable efforts. In that case, the Bank will notify the Customer whether the Bank has successfully executed the stop payment Instruction as soon as reasonably practicable.

(o) The Bank has the right to deduct any charges imposed by a correspondent or beneficiary bank from the payment amount or any of the Customer's accounts with the Bank including an Account.

(p) Whilst the Bank will endeavour to communicate to the beneficiary bank any payment condition the Customer specify in a fund transfer Instruction, the Bank has no obligation to check or verify the satisfaction of such condition before effecting payment. The Customer irrevocably authorises the Bank to effect payment at the Customer's own risk.

(q) The Bank is unable to verify beneficiary account information. The verification procedures adopted by the beneficiary bank may vary in different countries. For example, some banks may process inward remittances by verifying both the account number and account name while other banks may require only the account number or account name. The Customer should ensure that the beneficiary account information provided to the Bank is correct and complete.

(r) Whilst the Bank will endeavour to communicate to the correspondent or beneficiary bank any message to the beneficiary or beneficiary bank the Customer specifies in a fund transfer Instruction, whether the correspondent or beneficiary bank will communicate or act on such message is beyond the Bank's control. The Bank is 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.

2.6 Direct debit authorisation

Where the Customer has set up a direct debit authorisation on an Account but no debit is made pursuant to that authorisation for a continuous period of at least 12 months, the Bank has the right to cancel the direct debit authorisation without prior notice to the Customer even if that authorisation has not expired or is not subject to an expiry or termination date.

2.7 Depositing Items or inward remittances

2.7.1 The Customer may deposit any Item to the Customer's Account using any means accepted by the Bank from time to time. Before depositing an Item, the Customer will ensure that the Item is on its face in order. This includes ensuring that an Item is appropriately dated and signed, with the amounts in words and figures matched.

2.7.2 The Bank has the right to require the Customer to provide details of an Item when depositing it. The Customer will provide accurate and complete details. The Bank is entitled to rely on the details provided by the Customer in issuing a receipt and processing the Item. The Bank also has the right to verify any details provided by the Customer after

issuing a receipt for the Item. If there is any discrepancy between a receipt and the outcome of the Bank's verification, the outcome of its verification is final and binding on the Customer. The Bank is entitled to adjust the applicable Account accordingly.

2.7.3 An inward remittance or Item may be in Hong Kong dollar or any other currency and may include a payment pursuant to the standing instruction of another person. The Bank accepts each inward remittance or Item for deposit into an Account subject to final payment or clearing. The Bank may not make the proceeds available for use until receipt of unconditional payment. If unconditional payment of an inward remittance or Item is not actually received by the Bank for any reason (including insufficient funds for effecting payment), the Bank has the right to debit the relevant Account with the appropriate amount plus any charges.

2.7.4 The proceeds of an inward remittance or Item may not be credited to the Customer's Account on the same day the Bank receives the remittance or Item if the Bank does not receive it before the relevant cut-off time set by the Bank. No interest (whether at a rate above or below zero) will accrue before the proceeds are actually credited to the Customer's Account.

2.7.5 There may be risks involved in accepting foreign currency cheques as payment or settlement of transactions. Some jurisdictions has Applicable Regulations dealing with the handling of cheques sent for clearing or collection that require return of a cheque and the amount paid even after clearing and payment. The Bank has the right to seek repayment from the Customer of any cheque paid to the Customer that is required to be refunded, whether the cheque is sent for collection or accepted for deposit by the Bank. The Bank's right remains throughout the period in which the Applicable Regulations may require refund of the cheque. The Bank accepts the deposit of any foreign currency cheques on the following terms:

(a) In accepting cheques drawn on other banks, the Bank has the right to decide which cheques to accept for deposit and which cheques to send for collection.

(b) Where the Bank sends a cheque for collection, this will be done subject to the rules set out in International Chamber of Commerce (ICC) Publication No. 522 (Uniform Rules for Collections), or any up-to-date equivalent in force. The proceeds of the cheque will only be credited to the Customer's Account after the Bank actually receives payment from the other banks.

(c) If a cheque accepted for deposit is dishonoured or if a cheque collected by the Bank is subsequently required to be refunded by Applicable Regulations, the Bank will debit the Customer's account with the value of the cheque as calculated using the Bank's prevailing selling rate or the original buying rate (whichever is higher) plus any charges.

(d) Charges of other banks (if any) will be debited to the Customer's account with notice to the Customer.

2.8 Withdrawals by cheque or other means

The Bank has the right to pay any amount the Customer withdraws from an Account by any of the following methods:

(a) by issuing to the Customer a cheque drawn by the Bank on any bank payable in the currency of the Account; and

(b) by such other means acceptable to the Bank (including Society for Worldwide Interbank Financial Telecommunication (SWIFT)).

2.9 Inactive Account

2.9.1 The Bank has the right to restrict or impose conditions for accessing an Account if it has been inactive for a period of time set by the Bank.

2.9.2 Unless the Bank has received specific contrary instructions from the Customer, the Bank has the right to close an Account if it (i) has zero balance for a period of time set by the Bank from time to time or (ii) remains inactive for a period of time set by the Bank from time to time. The applicable periods may vary depending on the Account types and the Bank will provide further information upon request.

3 Other Services

3.1 FX Service

3.1.1 Risk disclosure statements on foreign currency

(a) The Customer acknowledges that the foreign currency exchange market is volatile and fraught with unlimited downside risks.

(b) For delivery of any deposit or transaction in appropriate foreign currency, the Bank may require multiple conversion thereby resulting in multiple conversion costs to the Customer.

(c) Further, bank charges, adverse exchange rate movements or losses incurred as a result of depreciation in the value of the deposit or transaction currency due to fluctuation of currency rate may offset the interest accrued or income earned thereon or reduce the original principal amount of deposit or transaction.

3.1.2 Scope of FX Service

(a) The Customer authorises the Bank (but the Bank is under no obligation) to provide the FX Service to the Customer. The Customer has to designate the Customer's Current Account or Savings Account (or both) for using the FX Service. The Current Account or Savings Account may be in Hong Kong dollar or any other currency and may be in multiple currencies. Under the FX Service the Bank is authorised to do any of the following without further notice to or consent from the Customer:

(i) debit any available credit balance in any Current Account or Savings Account designated by the Customer in accordance with Clause 3.1.3(d) (in this Clause 3.1, the "**Available Balance**") at the intervals designated by the Customer;

(ii) apply the amount of Available Balance to purchase the currencies in accordance with the Exchange Rate Criteria chosen by the Customer; and

(iii) credit the amount of each purchased currency to any account maintained by the Customer under the Primary Account in that currency.

(b) Without being limited by any other provisions of these Terms and Conditions, the Bank has the right to set or vary any of the following by reference to such factors or standards (or a combination of factors and standards) at its discretion from time to time:

(i) the currencies and any minimum or maximum amount of each currency which may be converted by the Customer under the FX Service;

(ii) any minimum or maximum amount which the Customer may transfer, and the timing or frequencies of transfer under the FX Service;

(iii) any minimum or maximum number of transfer Instruction which the Customer may set up under the FX Service, whether by reference to an account, a currency or any other criteria;

(iv) the criteria for determining the availability and amount of Available Balance (in this Clause 3.1, "**Balance Criteria**") from which the Customer may choose to set a transfer amount (in this Clause 3.1, "**Chosen Transfer Amount**");

(v) the criteria which the Customer may choose for determining whether an actual transfer will be made to purchase currencies (in this Clause 3.1, "**Exchange Rate Criteria**");

(vi) the timing at which the Bank applies the Balance Criteria chosen by the Customer to the relevant account to determine the Available Balance and the Chosen Transfer Amount; and

(vii) the timing and frequencies at which the Bank checks the Exchange Rate Criteria chosen by the Customer against the Bank's prevailing buying rate or selling rate applicable to the relevant currencies to determine whether an actual transfer will be made to purchase currencies.

(c) The Bank has the right not to act on any transfer Instruction set up by the Customer if any of the following occurs:

(i) if the Available Balance in the debit account is insufficient, at the time of actual transfer, to pay the Chosen Transfer Amount determined in accordance with Clause 3.1.3(d); and

(ii) there is any irregularity concerning the relevant account or any other technical or operational reason not to act on the transfer Instruction.

3.1.3 Balance Criteria and Exchange Rate Criteria

(a) The Customer has to choose the Customer's Balance Criteria and Exchange Rate Criteria and notify the Bank in such manner or form accepted by the Bank from time to time.

(b) The Customer may give Instruction to vary the Customer's Balance Criteria and Exchange Rate Criteria or cancel a transfer Instruction. However, that Instruction will not be effective until the Bank has been given reasonable time to process and decide to accept it. The Customer authorises the Bank to continue to act on the existing Balance Criteria, Exchange Rate Criteria or transfer Instruction until the Customer's Instruction to vary or cancel them becomes effective.

(c) The Customer may set a fixed transfer amount subject to the Bank's agreement. If the Customer does not set or if the Bank does not agree to a fixed transfer amount, the Bank will determine the Chosen Transfer Amount in accordance with Clause 3.1.3(d). The Customer authorises the Bank to debit the Chosen Transfer Amount from the debit account if there is sufficient Available Balance in that account at the time of actual transfer. The Bank has no obligation to ensure that any minimum credit balance remains in the debit account after debiting a Chosen Transfer Amount.

(d) The Bank will determine the Available Balance and the Chosen Transfer Amount in the debit account by applying the Balance Criteria chosen by the Customer against the day-end balance in the account as reflected in the Bank's records on the banking day before the transfer date. If the Customer sets a fixed transfer amount, and the Available Balance in the debit account on the banking day before the transfer date exceeds the fixed transfer amount set by the Customer, the fixed transfer amount set by the Customer will be marked as the Chosen Transfer Amount.

(e) If the day on which the Bank is to (i) apply the Exchange Rate Criteria to determine whether a transfer and purchase will be made or (ii) make a transfer or purchase is not a banking day, the Bank will perform the relevant act on the next banking day. However if the next banking day falls into the next calendar month, the Bank will perform the relevant act on the previous banking day.

3.1.4 Transactions

(a) The Bank will check the Exchange Rate Criteria chosen by the Customer against the Bank's prevailing buying rate or selling rate applicable to the relevant currency at the time of checking. Unless the Bank has made other arrangements with the Customer, the Bank is entitled to effect a currency transaction for the Customer at that prevailing rate if it falls within the Exchange Rate Criteria chosen by the Customer. The Bank has no obligation to check the Exchange Rate Criteria chosen by the Customer against the rates in the relevant foreign exchange market on a real time basis or to effect a currency transaction at such rates.

(b) The Customer agrees that the Bank has no obligation to effect any transaction for the Customer pursuant to the FX Service at any particular time or at all. The Bank may be unable to check the Exchange Rate Criteria chosen by the Customer against the prevailing rates quoted by the Bank or unable to effect a transaction even if the Customer's Exchange Rate Criteria has been met. This may be due to the volume of transactions, market conditions or other circumstances beyond the Bank's reasonable control. The Bank is not liable for any loss or damage which the Customer may suffer or incur in these cases.

3.1.5 Fees

The Bank has the right to charge or vary the fees relating to the use or termination of the FX Service and the intervals at which they are payable. The Bank will notify the Customer of the rate of a fee and the Customer has to pay it if the Customer continues to maintain or use the FX Service after the effective date for imposing a fee or a revised fee. Paid fees are not refundable unless the Bank agrees otherwise.

3.2 e-Cheques

3.2.1 e-Cheques Deposit Services provisions - applicability and definitions

(a) The provisions in this Clause 3.2 apply to the Bank's services relating to e-Cheques. The other provisions of these Terms and Conditions which apply to paper cheques or generally to the Bank's services continue to apply to e-Cheques and the Bank's e-Cheques Deposit Services to the extent that they are relevant and not inconsistent with the provisions in this Clause 3.2. The provisions of this Clause 3.2 prevail if there is any inconsistency between them and the other provisions of these Terms and Conditions with respect to the e-Cheques Deposit Services.

(b) For the purpose of the e-Cheques Deposit Services, terms used in this Clause 3.2 shall have the meanings set out below. If any term used in this Clause 3.2 is not defined below, that term shall have the meaning set out in Clause 1.1.

"**Bills of Exchange Ordinance**" means the Bills of Exchange Ordinance (Cap. 19, Laws of Hong Kong), as may be amended from time to time.

"**Clearing House**" means Hong Kong Interbank Clearing Limited and its successors and assigns.

"**Deposit Channel**" means any channel offered by the Bank from time to time for presentment of e-Cheques for deposit.

"**e-Cheque**" means a cheque (including a cashier's order), issued in the form of an electronic record (as such term is defined in the Electronic Transactions Ordinance (Cap. 553, Laws of Hong Kong)) with an image of the front and back of the e-Cheque or e-cashier's order (as the case may be).

"**e-Cheques Deposit Services**" mean the services offered by the Bank from time to time for depositing e-Cheques.

"**e-Cheque Drop Box**" or "**e-Cheque Drop Box Service**" means an electronic drop box

provided by the Clearing House that accepts presentment of e-Cheques in respect of which an e-Cheque Drop Box user must register an e-Cheque Drop Box Account with the Clearing House before presenting e-Cheques to a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.

"**e-Cheque Drop Box Account**" means a user account for the e-Cheque Drop Box Service, and for which each user must register with the Clearing House before using the e-Cheque Drop Box for presenting e-Cheques for deposit into a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.

"**e-Cheque Drop Box Terms**" means all the terms and conditions prescribed by the Clearing House from time to time for governing the e-Cheque Drop Box Service provided by the Clearing House and the use of the e-Cheque Drop Box Service.

"**Industry Rules and Procedures**" means the rules and operating procedures governing the handling of e-Cheques adopted by the Clearing House and the banking industry from time to time.

"**Payee Bank**" means the bank at which a Payee Bank Account is held.

"**Payee Bank Account**" means, in respect of each e-Cheque presented for deposit using the e-Cheques Deposit Services, the bank account of the payee of the e-Cheque maintained with the Bank into which the e-Cheque is to be deposited, which may be a sole name or a joint name account of the payee acceptable by the Bank from time to time for the purposes of e-Cheque Deposit Services.

"**Payer Bank**" means the bank which digitally signed an e-Cheque created by its customer.

3.2.2 Nature and scope of e-Cheques Deposit Services

(a) The Bank may provide e-Cheques Deposit Services at the Bank's discretion. If the Bank provides e-Cheques Deposit Services to the Customer, the Customer may deposit e-Cheques. In order to use the e-Cheques Deposit Services, the Customer has to provide such information and documents and accepts such terms and conditions which may be required or prescribed by the Bank and the Clearing House respectively from time to time. The Customer may also be required to sign forms and documents prescribed by the Bank from time to time.

(b) e-Cheques Deposit Services allow the Customer and other persons to present e-Cheques (whether payable to the Customer or any other holder of the Payee Bank Account) for deposit with the Bank (as Payee Bank), using the e-Cheque Drop Box Service offered by the Clearing House or using the Bank's Deposit Channels, in accordance with Clause 3.2.3 below.

(c) The Bank may provide e-Cheques Deposit Services relating to e-Cheques that are issued in any currency specified by the Bank from time to time.

(d) The Bank has the right to set or vary from time to time the conditions for using the e-Cheques Deposit Services. These conditions may include the following (or any of them):

(i) the service hours of the e-Cheques Deposit Services (including cut-off times for presenting e-Cheques); and

(ii) any fees and charges payable by the Customer for the e-Cheques Deposit Services.

3.2.3 e-Cheques Deposit Services

(a) The e-Cheques Deposit Services may allow presentment of e-Cheques for deposit with the Bank (as Payee Bank) using the e-Cheque Drop Box Service provided by the Clearing House or using the Bank's Deposit Channels.

(b) e-Cheque Drop Box Service

(i) The e-Cheque Drop Box Service is provided by the Clearing House. The Customer is bound by the e-Cheque Drop Box Terms in relation to the Customer's use of the e-Cheque Drop Box Service. The Customer is solely responsible for performing the Customer's obligations under the e-Cheque Drop Box Terms.

(ii) In order to use the e-Cheque Drop Box Service, the Customer is required by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with one or more Payee Bank Account for presenting e-Cheques. The Customer is allowed by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with a Payee Bank Account that is the Customer's same-name account or an account other than the Customer's same-name account. The Customer is responsible for the presentment of all e-Cheques by the Customer or any other person using the Customer's e-Cheque Drop Box Account (including presentment of any e-Cheques to a Payee Bank Account other than the Customer's same-name account).

(iii) Any issue relating to the use of the e-Cheque Drop Box Service should be handled in accordance with the e-Cheque Drop Box Terms. The Bank may (but have no obligation to) provide reasonable assistance to the Customer. In particular, the Bank does not have the electronic record or image of any e-Cheque deposited using the e-Cheque Drop Box Service. On the Customer's request, the Bank may (but have no obligation to) provide the date, e-Cheque amount, e-Cheque number, payee name and any other information agreed by the Bank relating to an e-Cheque deposited using the Customer's e-Cheque Drop Box Account.

(iv) The Bank gives no representation or guarantee, whether express or implied, relating to the availability, quality, timeliness or any other aspect of the e-Cheque Drop Box Service provided by the Clearing House. Unless otherwise stated in the e-Cheque Drop Box Terms, the Customer bears the responsibilities and risks relating to the use of the e-Cheque Drop Box Service. The Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the e-Cheque Drop Box Service.

(c) The Bank's Deposit Channels

The Bank may specify or vary from time to time (i) the available Deposit Channels without notice; and (ii) the terms governing the use of any Deposit Channel.

3.2.4 Handling of e-Cheques, associated risks and the Bank's liabilities

(a) Handling of e-Cheques

The Customer understands that the Bank and other banks have to follow the Industry Rules and Procedures in the handling, processing, presentment, payment, collection, clearance and settlement of e-Cheques payable to the Customer. Accordingly, the Bank is entitled to collect any e-Cheque payable to the Customer by presenting that e-Cheque to the Payer Bank in accordance with the Industry Rules and Procedures even if the Bills of Exchange Ordinance may not expressly provide for presentment of e-Cheques or may specify other manner for presentment of cheques.

(b) Limitation of the Bank's liability

(i) Without limiting or reducing the effect of Clause 1.12.4, except as set out in paragraph (ii) below, the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the e-Cheques Deposit Services or the handling, processing, presentment, payment, collection, clearance or settlement of e-Cheques presented by the Customer or any other person using the Deposit Channels provided by the Bank to the Customer.

(ii) If it is proved that the events in paragraph (i) above was caused by negligence or wilful default of the Bank or any of its Delegates, the Bank will be liable for any loss, damage and expense the Customer incurs or suffers that is direct and reasonably foreseeable arising directly and solely from such negligence or wilful default.

(iii) For clarity, the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with any of the following:

(A) use of the e-Cheque Drop Box Service by the Customer or any other person, or the e-Cheque Drop Box Terms;

(B) the Customer's failure to comply with the Customer's obligations relating to the e-Cheques Deposit Services;

(C) presentment of any e-Cheque payable to the Customer in accordance with the Industry Rules and Procedures despite the provisions of the Bills of Exchange Ordinance; and

(D) any failure or delay in providing the e-Cheques Deposit Services, or any error or disruption relating to the e-Cheques Deposit Services, caused by or attributed to any circumstance beyond the Bank's reasonable control; and

in no event will the Bank be liable to the Customer or any other person for any loss of profit or any special, indirect, consequential or punitive loss or damages.

(c) The Customer's confirmation and indemnity

(i) The Customer accepts the restriction of liabilities and disclaimers imposed by the Bank and the Clearing House in relation to the e-Cheques Deposit Services and the services provided by the Clearing House respectively. The Customer accepts and agrees to bear the risks and the liabilities for depositing e-Cheques.

(ii) Without reducing the effect of any indemnity given by the Customer under these Terms and Conditions or any other rights or remedies that the Bank may have, the Customer will indemnify the Bank and the Bank's Delegates and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by the Bank or any of them and all actions or proceedings which may be brought by or against the Bank or any of them as a result of or in connection with the Bank's provision of the e-Cheques Deposit Services or the Customer's use of the e-Cheques Deposit Services.

(iii) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from negligence or wilful default of the

Bank or that of the Bank's Delegates.

(iv) The above indemnity shall continue to have effect after the termination of the e-Cheques Deposit Services.

4 Customer Suggestion and Complaint

4.1 The Bank is committed to providing quality services to the Customer. The Customer's feedback and suggestions are valuable for the Bank to serve better. If the Customer has any comments, suggestions or complaint on the Bank's services and products, the Customer may write to the Bank at the Bank's principal place of business in Hong Kong, fax the Bank at 2320 3089 or telephone the Bank at 2801 8364.

4.2 Please be assured that all customer complaints are handled confidentially and according to the Bank's internal Complaint Handling Procedure Manual which complies with the guidelines issued by the Hong Kong Monetary Authority. All complaints are logged and will be investigated by the Bank's independent Complaint Officer. Where issues are identified, the Bank shall take all necessary steps to address them.

4.3 Upon receipt of the Customer's feedback or opinion, the Bank will provide an acknowledgment letter to the Customer advising the Customer of the contact details of the person following up on the case. The Bank will aim to resolve the complaint within 30 days. However, if the Bank is unable to do so, the Customer will be informed in writing when the investigation into the complaint will be expected to be completed, normally not exceeding 60 days from the original receipt of the complaint.