

Effective from 18/11/2024 for Business Integrated Accounts, Commercial Banking

The following terms amend and/or supplement the Relationship Documents which shall apply to the provision of Services by the Bank to the Customer in Hong Kong SAR only ("**Hong Kong SAR Local Conditions**"). For the purposes of determining the applicable Relationship Documents and orders of priority of such documents in the event of any conflict, these local conditions should be construed in the same manner as Country Conditions.

1 Customer Information

Clause 12 of Schedule I (General Conditions) and Appendices I and II, of the Business Integrated Account Service Schedules, supplement, and in the event of any inconsistency, prevail over the Confidentiality and Regulatory Annex. The Customer agrees that the Bank and members of the Group may use Customer Information in accordance with the Relationship Documents.

2 US Dollar Clearing System

In connection with any banking transactions denominated in US dollars cleared or settled through the US Dollar Clearing System established in Hong Kong ("**US Dollar Transactions**"), the Customer:

- (a) acknowledges that US Dollar Transactions will be subject to the US Dollar Clearing House Rules and the US Dollar Operating Procedures referred to therein;
- (b) agrees that the Hong Kong Monetary Authority shall not owe any duty or incur any liability to the Customer or any other person in respect of any claim, loss, damage or expense (including, without limitation, loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss) (even if the Hong Kong Monetary Authority knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of:
 - (i) any act or omission by the Hong Kong Monetary Authority or by the settlement institution of the US Dollar Clearing System, Hong Kong Interbank Clearing Limited or any member of the US Dollar Clearing House in the management, operation or use (including, without limitation, the termination and/or suspension of the settlement institution, the US dollar clearing facilities or any such member) of the US Dollar Clearing House or the US dollar clearing facilities or any part of any of them; and
 - (ii) without prejudice to paragraph (i) above, the giving of any notice, advice, or approval in relation or pursuant to the US Dollar Clearing House Rules and US Dollar Operating Procedures referred to therein (as the same may be modified from time to time).

3 Statements

The Customer must notify the Bank of any alleged error in a Statement or Consolidated Statement (as defined in the Business Integrated Account ("**BIA**") Services Schedules) within 90 days following the Bank's delivery of that Statement or Consolidated Statement. If the Bank does not receive any such notice from the Customer within that period:

- (a) that Statement or Consolidated Statement will be treated as correct, conclusive and binding on the Customer; and

- (b) the Customer will be treated as having waived any right to raise an objection or pursue a remedy against the Bank in relation to that Statement or Consolidated Statement.

4 Compliance Activity

Without prejudice to any provision of the Master Services Agreement and the Confidentiality and Regulatory Annex:

- (a) Compliance Activity may include:
 - (i) screening, intercepting and investigating any instruction, communication, drawdown request, application for any Account or Services, or any payment sent to or by the Customer or on the Customer's behalf;
 - (ii) investigating the source of or intended recipient of funds;
 - (iii) combining Customer Information with other related information in the possession of the Group; and
 - (iv) making further enquiries as to the status of a person or entity, whether they are subject to a sanction regime, or confirming the Customer's (including Connected Person's) identity and status.
- (b) such Compliance Activity may lead to the Bank delaying, blocking or refusing the making or clearing of any payment, the processing of the Customer Instruction or application for any Account and/or Services, or the provision of all or part of any Account and/or Services.
- (c) where the Bank or any member of the Group has suspicions regarding Financial Crime or an associated risk, the Bank may:
 - (i) be unable to provide new Account and/or Services, or continue to provide all or part of the Account and/or Services, to the Customer;
 - (ii) suspend, block, close or terminate the Customer's Account and/or Services; and/or
 - (iii) take any other action necessary for the Bank or a member of the Group to meet Compliance Obligations.

5 Deposit Protection Scheme

The Customer acknowledges that deposits in Current Account and Savings Account and Time Deposits with a maturity not exceeding five years are deposits qualified for protection by the Deposit Protection Scheme in Hong Kong.

6 Recording and Document Microfilming or Scanning

6.1 In the course of providing the Services, the Bank (or any of the Bank's agents or nominees) may record and monitor Instructions or communications with the Customer by tape, video or other means. The Bank has the right to destroy such recordings after such period as the Bank considers appropriate. The Customer shall not record any meetings with the Bank by tape, video or other means, unless with the Bank's prior written consent.

6.2 The Bank has the right to destroy any document or record relating to the Customer, an Account or any of the Services after microfilming or scanning it. 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.

7 Applicable to Business Card or Secured Credit

The Banking (Exposure Limits) Rules (Cap. 155S) and the related regulations in Hong Kong have imposed on the Bank certain limitations on advances to persons related to the HSBC Group. The Borrower should, to the best of its knowledge, advise the Bank whether it is in any way related or connected to the HSBC Group. In the absence of such advice, the Bank will assume that the Borrower is not so related or connected. The Bank would also ask, that if the Borrower becomes aware that it becomes so related or connected in future, that the Borrower immediately advises the Bank in writing. The paragraphs below contain an explanation of when the Borrower may be considered related or connected to the HSBC Group for the purposes hereof.

The Borrower may be considered as related or connected to the HSBC Group if it is:

- (i) a director, employee, controller or minority shareholder controller, of a member of the HSBC Group;
- (ii) a relative of a director, employee, controller or minority shareholder controller, of a member of the HSBC Group;
- (iii) a firm, partnership or non-listed company in which a member of the HSBC Group or any of the following entities is interested as director, partner, manager or agent
 - (a) a controller, minority shareholder controller or director of a member of the HSBC Group;
 - (b) a relative of a controller, minority shareholder controller or director of a member of the HSBC Group; or
- (iv) a natural person, firm, partnership or non-listed company to whom a member of the HSBC Group has provided a financial facility if any of the following entities is a guarantor of the facility:
 - (a) a controller, minority shareholder controller or director of a member of the HSBC Group;
 - (b) a relative of a controller, minority shareholder controller or director of a member of the HSBC Group.

Relevant definitions

A person has "**control**" if such person is:

- (a) an indirect controller, that is, in relation to a company, any person in accordance with whose directions or instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act; or
- (b) a majority shareholder controller, that is, in relation to a company, any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of the company or of another company of which it is a subsidiary,

and "**controller**" means either an "**indirect controller**" or a "**majority shareholder controller**".

"**employee**" includes permanent full time, permanent part-time, fixed-term full time, fixed-term part-time staff and international assignees.

"**HSBC Group**" means HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches and member or office of the HSBC Group shall be construed accordingly.

"**minority shareholder controller**" in relation to a company, means any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, 10% or more, but not more than 50%, of the voting power at any general meeting of the company or of another company of which it is a subsidiary.

"**relative**" in relation to a natural person, means the following:

- a. a parent, grandparent or great grandparent;
- b. a step-parent or adoptive parent;
- c. a brother or sister
- d. the spouse;
- e. if the person is a party to a union of concubinage - the other party of the union;
- f. a cohabitee
- g. a parent, step- parent or adoptive parent of a spouse.
- h. a brother or sister of a spouse.
- i. a son, step-son, adopted son, daughter, step-daughter or adopted daughter; or
- j. a grandson, granddaughter, great grandson or great granddaughter.

The information set out above is for reference only. For further details, the Banking (Exposure Limits) Rules (Cap. 155S) may be accessed at <https://www.elegislation.gov.hk/hk/cap155S>.

8 Bank's By-law and practices

All Services and Accounts, the interest thereon, service charges and other matters relating thereto, shall be governed, in addition to the Relationship Documents, by the Rules of Hong Kong Association of Banks and the Bank's by-laws, regulations and practices, brought to the attention of the Customer by display, the Consolidated Statement or Statement, advertisement or otherwise, as the foregoing are in effect from time to time.

9 Language

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

10 Law and Jurisdiction

10.1 The Relationship Documents are governed by, and will be construed according to, Hong Kong law.

10.2 The Customer submits to the non-exclusive jurisdiction of the Hong Kong courts.

11 Definitions

Unless otherwise defined in these Hong Kong SAR Local Conditions, capitalised terms in these Conditions have the meanings set out in the BIA Service Schedules, or the MSA. In the event the meaning of a capitalized term is inconsistent between the BIA Service Schedules and the MSA, the BIA Service Schedules shall prevail unless specified otherwise.