

NOTICE OF AMENDMENTS RELATING TO THE CORPORATE CARD PROGRAMME – EMPLOYER'S PARTICIPATION AGREEMENT AND CONDITIONS OF USE, UPDATE ON CORPORATE CREDIT CARD ACTIVATION AND UPDATE OF THE AIRPORT LIMOUSINE SERVICE TERMS AND CONDITIONS

HSBC is committed to promoting changes and improvements in its provision of banking services. In order to streamline the credit approval process and as part of the ongoing review of our service terms and conditions, please be advised that the terms and conditions relating to the Corporate Card Programme – Employer's Participation Agreement and Conditions of Use, the Corporate Credit Card Activation and the Airport Limousine Service Terms and Conditions will be updated.

A. Amendments relating to the HKD Corporate Card Programme – Employer's Participation Agreement and the USD Corporate Card Programme – Employer's Participation Agreement with effect from 10 March 2020

With effect from **10 March 2020**, various amendments, including some minor touch-ups, will be incorporated into the Corporate Card Programme – Employer's Participation Agreement. The substantive amendments are summarised below:

I. Cash Advances – Clauses 5 will be revised to state the following:

5 (Applicable to Corporate Cards Only)

The Cardholder shall be entitled on presentation of a valid Corporate Card at selected branches of the Bank (or office of a member of MasterCard) to receive in the domestic currency of the country in which such advances are made, cash advances in such amounts as shall be specified by the Bank or such member from time to time. The Bank shall not, however, be liable for any refusal by a member of MasterCard to permit a cash advance. Where an ATM function has been incorporated in the Corporate Card, the Cardholder may use the Corporate Card to obtain cash advances (which shall be debited to the relevant Card Account) at any automated teller machine ("ATM"). Use of the ATM function shall be subject to the Bank's ATM card terms and conditions in addition to these terms and conditions. Cash advances will be subject to a handling charge and a cash advance fee at the rate set out in the Bank's An easy guide to commercial tariffs, which may be varied, amended and supplemented from time to time. The Bank reserves the right to decline a request for cash advances.

II. Credit Limits – Clauses 6.1 and 6.2 will be revised to state the following:

6.1 The Bank shall assign to the Employer a credit limit which (subject as provided below) may be varied, reduced, cancelled or suspended by the Bank from time to time by notice to the Employer. The Employer shall allocate the credit limit, at its discretion, amongst the Cardholders. The Employer undertakes to ensure that the aggregate of the individual credit limits assigned by it to the Cardholders shall not exceed the Programme credit limit. Subject to agreement by the Bank, the Employer may request to set up within the Programme separate Groupings (each a "Grouping") of Card Accounts, in which case each Grouping shall have a separate "Grouping Account Limit" (being the aggregate sum of the Credit limits for all Card Accounts

within the relevant Grouping). The Bank may at its sole discretion (but shall not be obliged to), without prior notice to the Employer or Cardholder, permit Card Transactions to be effected in excess of the credit limit. The Employer or any Cardholder may choose to opt out of the over-the-limit facility for the relevant Card Account using the Bank's prescribed form. After the opt-out has taken effect, Card Transaction which results in the current balance exceeding the assigned credit limit of the Card Account will not be effected, whilst the Card Account may still be subject to an over-the-limit scenario under certain circumstances (including but not limited to the posting of transactions which do not require authorisation for effecting payments and transaction approved before the opt-out has taken effect yet late posted). If the relevant Card Account is not settled in full by the Settlement Date in relation to any statement, the Bank may at any time thereafter reduce the credit limit to such amount as it thinks fit without prior notice to the Employer or the Cardholder.

6.2 When asked to authorise a transaction the Bank will take into account any restrictions (with regard to credit limits, industry categories, countries or otherwise) on the use of the Card in question as agreed between the Bank and the Employer as well as any other transaction already debited to the relevant or any other Card Account within the Programme or Grouping (if any) or for which authorisation has been given. The Bank reserves the right to decline a transaction.

III. General Rights of the Bank – Clauses 10.1 and 10.3 will be revised to state the following and a new clause 10.4 will be added:

10.1 The Employer must continue to pay the Bank any money outstanding under this Agreement without any set-off, deduction, or withholding. If the Employer is required by any applicable laws or regulations to make any deduction or withholding from any sum payable by the Employer to the Bank hereunder, then the liability in respect of that deduction or withholding shall be the liability of the Employer such that after the making of such deduction or withholding the net payment shall be equal to the amount which the Bank would have received had no such deduction or withholding been made. It shall be the full responsibility of the Employer to effect payment of such deduction or withholding to the relevant authority within the applicable time limit and the Employer shall indemnify the Bank for all consequences of the Employer's failure to do so.

10.3 If the Bank at its sole discretion determines that a security is required from the Employer to secure the credit limit and/or to cover the outstanding balance, then upon the Bank's request, the Employer shall furnish to the Bank, within the period reasonably designated by the Bank, such security or additional security as shall be acceptable to the Bank. Where a security is required, the Employer shall promptly, on demand, pay to, or reimburse, the Bank the amount of all costs and expenses (including any legal fees) incurred by the Bank including without limitation, as a result of obtaining a legal opinion in support of security or registration, release, reassign or discharge (as appropriate) of security of the Employer or a third party security provider by the Bank.

10.4 The Bank shall be entitled to have solicitors of its choice appointed to prepare the necessary documentation relating to this Agreement and/or the security to be provided. All their charges and disbursements incurred in this respect will be for the Employer's account. Any filing fees and fees incurred in obtaining a legal opinion will also be for Employer's account.

IV. General – Clauses 15.9 to 15.11 will be revised to state the following:

15.9 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 HSBC Group. The

Employer 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 Employer is not so related or connected. The Bank would also ask, that if the Employer becomes aware that it becomes so related or connected in future, that the Employer immediately advises the Bank in writing. The paragraphs below contain an explanation of when the Employer may be considered related or connected to the HSBC Group for the purposes hereof.

The Employer 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

- 1) 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**".
- 2) "**employee**" includes permanent full time, permanent part-time, fixed-term full time, fixed-term part-time staff and international assignees.
- 3) "**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.
- 4) "**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.

- 5) “**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>

- 15.10 To comply with the Code of Banking Practice, the Bank needs to obtain the Employer’s consent before it can provide a copy of the summary of the Programme, or information on the Employer’s outstanding liabilities owed to the Bank, to any guarantor or other third party providing security in respect of the Employer’s liability (“the Surety”) or to the Surety’s advisers. In addition, if the Bank is obliged to make any formal demand for repayment because the Employer has failed to settle any amount due following a customary reminder, the Bank will also need to provide the Surety with a copy of the latest statement of account and/or to give the Surety details of the Employer’s outstanding liabilities owed to the Bank, whether actual or contingent. The Employer agrees to the Bank providing any of the aforesaid documents or information to the Surety (including any potential Surety), to the Surety’s solicitors and other professional advisers and understand that, if this consent is not given, the Bank will be unable to provide or continue to provide the Programme to the Employer.
- 15.11 Without prejudice to any other mode of service allowed under any relevant law, the Employer (other than an Employer incorporated in Hong Kong SAR) shall:
- (a) promptly upon the request of the Bank, irrevocably appoint an agent in Hong Kong SAR acceptable to the Bank in order to accept service of process in relation to any proceedings before the Hong Kong courts in connection with the Programme and/ or this Agreement; and
 - (b) agree that failure by a process agent to notify the Employer of the process will not invalidate the proceedings concerned.

B. Amendments relating to the Corporate Card Programme – Conditions of Use with effect from 10 March 2020

With effect from **10 March 2020**, various amendments, including some minor touch-ups, will be incorporated into the Corporate Card Programme – Conditions of Use. The substantive amendments are summarised below:

I. Billing and Accounting – Clauses 2.1 and 2.3 will be revised to state the following:

- 2.1 The Bank will maintain a separate account in respect of each Card issued to the Employer (the “Card Account”) to which the value of all purchases of goods or services and of all cash advances (in the case of Corporate Cards) effected by use of the Card (“Card Transactions”) will be debited and to which the value of credit vouchers issued in

respect of the Card will be credited. The Cardholder’s failure to sign any sales or cash advance voucher will not relieve the Employer from liability to the Bank.

- 2.3 The Bank shall not be liable for any act or omission of any merchant including without limitation any merchant’s refusal to honour the Card or any defect or deficiency in any goods or services provided. Any claim or dispute which the Cardholder may have against or with a merchant shall not relieve the Employer of the obligation to pay the amount incurred hereunder to the Bank without deduction. Any request by mail or telephone made by the Cardholder to a merchant for the supply of goods or services to be charged to the Card Account shall constitute authority for the merchant to issue a sales voucher for the amount to be charged and an acknowledgement that the sales voucher, if endorsed “mail order” or “telephone order” as the case may be, shall be treated as having been duly signed by the Cardholder.

II. Fees and Charges – Clauses 8.2 will be revised to state the following:

- 8.2 If the Bank has incurred any legal or collection fees or other expenses which are of reasonable amount for the purpose of demanding, collecting or suing, to recover any sum payable hereunder from the Cardholder and/or the Employer or for other remedies resulting from the breach or non-compliance of any terms of this Conditions of Use, the Employer will fully reimburse the Bank for all such legal fees, and any other fees and expenses incurred in that connection. Pending such repayment, the Bank will be entitled to charge finance charges at its prevailing rate(s).

III. Termination – Clauses 10 will be revised to state the following:

- 10 The Employer may terminate the use of the Card at any time by written notice to the Bank, and the Cardholder and/or the Employer shall return the Card to the Bank immediately. The Bank may terminate, suspend or withdraw its Card services at any time without prior notice and without showing cause and by cancelling or not renewing the Card. On being notified that the Bank has terminated the Card, the Cardholder and/or the Employer shall return the Card to the Bank. Any cancellation of the Card (whether at the Cardholder’s request or otherwise) shall be without prejudice to the liability of the Cardholder and/or the Employer in respect of the use of the Card pending settlement of the outstanding balance on the relevant Card Account.

IV. General – Clauses 12.4 and 12.7 will be revised to state the following:

- 12.4 The Bank may from time to time introduce new products/services to be made available to the Cardholder and/or the Employer, which shall be governed by specific terms of such products/services and, in case of any conflict between these specific terms and the terms herein, the former shall prevail.
- 12.7 The terms and conditions set out in these Conditions of Use may, at the Bank’s sole discretion, be changed from time to time upon giving the Employer and/or Cardholder prior notice by way of display in the Bank’s premises or in the Card statement or by such other method as the Bank may decide. The Cardholder and/or the Employer will be subject to such changes unless the Card is returned to the Bank for cancellation before the date upon which any changes is to have effect.

C. Corporate credit card activation via the Business Express app taking effective from 31 January 2020

With effect from **31 January 2020**, in addition to calling to our card activation hotline (852) 2748 8237, you can also logon to the HSBC HK Business Express mobile app to activate your new, renewed, or replacement credit cards. With this enhanced feature on HSBC HK Business Express mobile app, you hereby acknowledge that the appointed person(s) (Primary User) who can operate and administer HSBC HK Business Express is/are authorised by the company to activate on behalf of the company and/or the relevant cardholders any new, renewed, or replacement corporate credit cards issued to the company via HSBC HK Business Express Mobile app. If you have any concerns or questions on this enhanced feature, please contact HSBC Contact Centre at (852) 2748 4343.

D. Update of the Airport Limousine Service Terms and Conditions with effect from 10 February 2020

Cardholders of HSBC Corporate MasterCard can enjoy the airport limousine service at an exclusive rate of HK\$300 per ride to or from the airport in Hong Kong SAR or designated overseas areas upon conducting a single transaction of HK\$500 or above with the HSBC Corporate MasterCard. For details and Terms and Conditions of this airport limousine service, please visit the dedicated online booking portal at <https://hcc-limo.aspirelifestyles.com> or refer to the booking form provided by Aspire Lifestyles.

The full version of the Terms and Conditions of Airport Limousine Service can be found at <https://hcc-limo.aspirelifestyles.com>.

E. Customer notice

Please note that:

- (a) the amendments as notified under this notice of amendments shall be binding on you if you continue to use or retain your card(s) after the effective date(s) as specified above. If you decline to accept the amendments, you have the right to terminate your card(s) according to the relevant provision(s) under the respective Corporate Card Programme – Employer’s Participation Agreement before the relevant amendment comes into effect. If you wish to make any such arrangements or have any queries, please contact us at one of our branches or call our customer service hotline (852) 2748 4343; and
- (b) with effect from 10 March 2020, any materials or information (including information contained in forms, factsheets, product information, customer communications, marketing and promotional materials) made available to you in any manner or published by us which relate to the Corporate Card Programme – Employer’s Participation Agreement and Conditions of Use should be read with reference to the amendments under Part A and Part B. If there are any inconsistencies between (i) such materials or information and (ii) the amended Corporate Card Programme – Employer’s Participation Agreement and Conditions of Use, the latter will prevail.

Copies of the full version of the updated Corporate Card Programme Agreement can be found at <https://www.business.hsbc.com.hk/en-gb/form-download-centre/financing-and-credit-cards-forms> after 29 February 2020.

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