
NOTICE OF AMENDMENTS RELATING TO THE HONG KONG COUNTRY CONDITIONS (CORPORATE CARD COUNTRY CONDITIONS)

A. Amendments relating to the Hong Kong Country Conditions (Corporate Card Country Conditions) with effect from 10 March 2020

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 in the Hong Kong Country Conditions (Corporate Card Country Conditions) will be updated with effect from 10 March 2020. The substantive amendments are summarised below:

I. A new Clause 2 (Security) will be added:

- 2 If the Bank at its sole discretion determines that a security is required from the Customer to secure the credit limit and/or to cover the outstanding balance, then upon the Bank's request, the Customer 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 Customer 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 Customer or a third party security provider by the Bank.

II. A new Clause 6 (Legal Opinion) will be added:

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

III. A new Clause 7 (Banking (Exposure Limits)) Rules will be added:

- 7 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

advise 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>

IV. A new Clause 8 (Process Agent) Rules will be added:

- 8 Without prejudice to any other mode of service allowed under any relevant law, the Customer (other than a Customer incorporated in Hong Kong) shall:
- (a) promptly upon the request of the Bank, irrevocably appoint an agent in Hong Kong 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 Service and/or the Relationship Documents; and
 - (b) agree that failure by a process agent to notify the Customer of the process will not invalidate the proceedings concerned.

V. A new Clause 9 (Code of Banking Practice) will be added:

- 9 To comply with the Code of Banking Practice, the Bank needs to obtain the Customer’s consent before it can provide a copy of summary of the Corporate Cards Services, or information on the Customer’s outstanding liabilities owed to the Bank, to any guarantor or other third party providing security in respect of the Customer’s liabilities (“**the Surety**”) or to the Surety’s advisers. In addition, if the Bank is obliged to make any formal demand for repayment because the Customer has failed to settle an 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 Customer’s outstanding liabilities owed to the Bank, whether actual or contingent. The Customer 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. The Customer understands that, if this consent is not given, the Bank will be unable to provide or continue to provide the Corporate Cards Services to the Customer.

B. 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 Global Documentation 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 Hong Kong Country Conditions (Corporate Card Country Conditions) under the Global Documentation. If there are any inconsistencies between (i) such materials or information and (ii) the amended Hong Kong Country Conditions (Corporate Card Country Conditions), the latter will prevail.

[January 2020]