

The Bank may provide deposit and remittance services in relation to the Deposit Account via the Cross-Boundary Wealth Management Connect (Northbound Scheme) from time to time. By giving the Bank instructions in relation to such deposit and remittances using funds held in the Deposit Account, I agree and will be deemed to have agreed to be bound by these WMC Terms and acknowledge that I have read and understood the Risk Disclosure Statements and Other Information set out in Section B of Appendix 1.

These WMC Terms amend and are supplemental to, and are without prejudice to, the Existing Terms, and constitute the Specific Terms and Conditions as referred to in the General Terms and Conditions. In the event of any inconsistency between these WMC Terms and the Existing Terms, the provisions of these WMC Terms shall prevail.

## 1. Definitions

Capitalized terms used herein (and where applicable, in Section B of Appendix 1) will have the meanings given below or otherwise in the Existing Terms.

**"Aggregate Quota"** has the meaning given in Section B of Appendix 1.

**"CIPS"** means the Cross-border Interbank Payment System established under the supervision and administration of the PBoC.

**"Client Information"** has the meaning given in Clause 4.13.

**"Closed-Loop Funds Flow"** has the meaning give in Clause 4.8.

**"Cross-boundary Wealth Management Connect - Northbound Service Customer Declaration"** means the customer declaration made by me to the Bank on or around the same date as the opening of the Deposit Account in connection with the Northbound Service.

**"Dedicated Investment Account"** means a dedicated investment account held under my name with the Mainland Partner Bank for the purposes of the Northbound Scheme.

**"Deposit Account"** means my designated deposit account of the Bank under the Northbound Scheme.

**"Eligible Wealth Management Products"** means all eligible wealth management products under the Northbound Scheme approved under the WMC Laws and WMC Rules from time to time distributed by the Mainland Partner Bank and **"Eligible Wealth Management Product"** shall mean any one of them.

**"Existing Terms"** means the applicable existing terms of business, client account agreements and/or other relevant notices and disclosure between me and the Bank that govern the provision of services by the Bank to me whether written or unwritten, including without limitation the General Terms and Conditions, Terms and Conditions on Remittance Service and any Specific Terms and Conditions (including any Specific Terms and Conditions for Deposit Accounts) and any Specific Terms and Conditions governing the i-banking Services).

**"GBA"** means the cities within the Guangdong, Hong Kong and Macau Greater Bay Area in the People's Republic of China.

**"Guangdong"** means the Guangdong Province of the People's Republic of China.

**"HKMA"** means the Hong Kong Monetary Authority.

**"Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China.

**"Individual Investor Quota"** has the meaning given in Section B of Appendix 1.

**"Macau"** means the Macau Special Administrative Region of the People's Republic of China.

**"Mainland China"** or **"Mainland"** means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

**"Mainland Partner Bank"** means the eligible financial institution of the Mainland China banking industry in the GBA which meets the criteria set by the WMC Authorities under Northbound Scheme where the Dedicated Investment Account will be opened.

**"Northbound Service"** means the deposit and remittance service and/ or other related services permitted under the WMC Rules (if applicable) provided by the Bank through the relevant Deposit Account, which is designated as the dedicated remittance account for and recording my remittance transfers to/from the Dedicated Investment Account under the Northbound Scheme.

**“Northbound Scheme”** means the scheme in which eligible residents in Hong Kong transacting in Eligible Wealth Management Products distributed by Mainland banks in Hong Kong via designated channels under the WMC.

**“PBoC”** means the People’s Bank of China.

**“Related Person”** means any of the Bank’s affiliates, or any director, senior officer, employee or agent of the Bank or the Bank’s affiliates.

**“RMB”** or **“Renminbi”** means the lawful currency of Mainland China, deliverable in Hong Kong.

**“SFC”** means the Securities and Futures Commission of Hong Kong.

**“SFO”** means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**“Taxes”** means all retrospective, present or future taxes, duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) Eligible Wealth Management Products, (ii) any transactions effected under these WMC Terms or (iii) me.

**“Vulnerable Customer”** has the meaning given to “VC” in Annex 1 to the circular issued by the HKMA on 25 September 2019 entitled “Investor Protection Measures in respect of Investment, Insurance and Mandatory Provident Fund Products” or any equivalent guidance issued by the HKMA from time to time.

**“Vulnerable Customer Assessment”** has the meaning given to “VC Assessment” in Section III.2 of Annex 1 to the circular issued by the HKMA on 25 September 2019 entitled “Investor Protection Measures in respect of Investment, Insurance and Mandatory Provident Fund Products” or any equivalent guidance issued by the HKMA from time to time.

**“WMC”** means the Cross-Boundary Wealth Management Connect, a programme developed or to be developed by the WMC Authorities where eligible residents in the Mainland cities in the GBA and Hong Kong, through a Closed-Loop Funds Flow channel established between the banking systems of Hong Kong and Mainland China invest in wealth management products distributed in each other’s market.

**“WMC Authorities”** means the regulators which regulate WMC and activities relating to of WMC, including without limitation, the HKMA, SFC, PBoC, Monetary Authority of Macao and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of the WMC.

**“WMC Laws”** means the laws and regulations of Hong Kong and Mainland China from time to time in respect of WMC or any activities arising from WMC.

**“WMC Rules”** means any rules, policies or guidelines published or applied or implemented by any WMC Authority from time to time in respect of WMC or any activities arising from WMC.

**“WMC Terms”** means these Cross-Boundary Wealth Management Connect (Northbound Scheme) Supplemental Terms and Conditions, as may be amended, updated and/or supplemented from time to time.

## 2. Eligible Investors

2.1 Notwithstanding any provisions in the Existing Terms, I confirm, represent and undertake on a continuing basis, including without limitation on the first date that these WMC Terms are effective and on each date that I give any instruction to the Bank under these WMC Terms, that:

- (a) I am a Hong Kong resident (whether permanent or non-permanent resident) and I hold a valid Hong Kong identity card;
- (b) I am acting in my sole personal capacity and neither acting on behalf of any other person nor in any joint capacity or on behalf of any corporate entity or body;
- (c) I have fulfilled the eligibility requirements required by the Bank as set out in the “Cross-Boundary Wealth Management Connect – Northbound Service Customer Declaration”;
- (d) I am not a Vulnerable Customer;
- (e) I have not maintained, and will not open, any other dedicated remittance accounts for the purposes of the Northbound Scheme with the Bank or any other eligible Hong Kong bank(s) which is/are financial institution(s) of the Hong Kong banking industry which meet the criteria set by the WMC Authorities under the Northbound Scheme; and
- (f) other than the Dedicated Investment Account, I have not maintained, and will not open, any other

dedicated investment accounts for the purposes of the Northbound Scheme with the Mainland Partner Bank or any other eligible Mainland bank(s) which is/are financial institution(s) of the Mainland banking industry in the GBA which meet the criteria set by the WMC Authorities under the Northbound Scheme.

- 2.2 I acknowledge and accept that I am responsible for confirming that I am not a Vulnerable Customer and the Bank will rely on my confirmation to determine my eligibility. I further acknowledge that the Deposit Account in connection with the Northbound Service cannot be opened nor can any transactions be made with the Bank under the Northbound Scheme until the Bank has received confirmation from me that I am not a Vulnerable Customer.
- 2.3 I authorize the Bank to conduct any enquiry or check on me for the purpose of ascertaining and verifying my identity, creditworthiness, ongoing eligibility and Vulnerable Customer Assessment in connection with the Northbound Service or such purpose which the Bank deems fit and other information at the time of opening of the Deposit Account in connection with the Northbound Service and at any time throughout the continuance of the Deposit Account in connection with the Northbound Service. The Bank may refuse to open the Deposit Account in connection with the Northbound Service and/or close such account which has been opened for me without giving any reason in its absolute discretion.
- 2.4 I represent and undertake on a continuing basis that I will notify the Bank forthwith upon any material changes to any information in respect of my eligibility and Vulnerable Customer Assessment as required by the WMC Laws and WMC Rules under the Northbound Scheme. Without limiting the Bank's other rights as set out in these WMC Terms including the Bank's right to close the Deposit Account in connection with the Northbound Service and terminate these WMC Terms in its absolute discretion, the Bank may allow me to continue to hold or allow me to terminate the Deposit Account in connection with the Northbound Service.
- 2.5 I acknowledge that after verifying my eligibility for participating in the Northbound Scheme, the Bank may open a new account in my name in connection with the Northbound Service and no existing bank accounts that I hold with the Bank (including any other Deposit Accounts) may be used for the purpose of the Northbound Service. I acknowledge and understand the Deposit Account in connection with the Northbound Service should be used only for deposit and remittance purposes under the Northbound Scheme and should not be used for the provision of any other services of the Bank. I further acknowledge and consent that the Bank will confirm with the Mainland Partner Bank that it has verified my eligibility for the Northbound Scheme and provide certain information to the Mainland Partner Bank as specified in Clause 4.4, including the account number of the Deposit Account in connection with the Northbound Service.
- 2.6 I acknowledge that any existing or prior relationship between myself and the Bank in respect of any account opened and/or maintained with the Bank or services provided by the Bank are independent and separate from these WMC Terms and the Northbound Service. I will be required to comply with the relevant terms and conditions (including eligibility requirements) of each separate account opened and/or maintained with the Bank or service provided by the Bank without prejudice to complying with these WMC Terms for the Northbound Service.

### **3. Compliance with WMC Laws and WMC Rules**

- 3.1 The Northbound Service will be subject to all WMC Laws and WMC Rules, certain of which are referred to in Section B of Appendix 1.
- 3.2 These WMC Terms highlight certain key features of Northbound Scheme as of the date hereof. The Bank is not liable for any inaccuracies or misstatements in the information set out in Section B of Appendix 1. These WMC Terms do not purport to cover all WMC Laws and WMC Rules. I understand that I shall be fully responsible for understanding and complying with all WMC Laws and WMC Rules and for any consequences of the Northbound Scheme. The Bank will not, and does not intend to, advise me on any WMC Laws or WMC Rules. For further information, I shall refer to the web pages on the HKMA and PBoC websites relating to the Northbound Scheme from time to time and other relevant sources.
- 3.3 The Bank shall have the right to apply any procedures or requirements in respect of the Northbound Service which it determines in its absolute discretion to be necessary or desirable for the purpose of compliance with any WMC Laws, WMC Rules or market practice. Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such procedures or requirements.
- 3.4 The Bank may, in its absolute discretion, and in certain circumstances must, refuse to execute any

instruction given by me, if (for example, and without limitation):

- 3.4.1 such instruction is not compliant with any WMC Laws or WMC Rules or if the Bank reasonably believes that such instruction may not be compliant with any WMC Laws or WMC Rules or if the Bank is required by the WMC Authorities not to accept such instruction;
- 3.4.2 in respect of any outward remittance from the Deposit Account in connection with the Northbound Service to the Dedicated Investment Account, when the Aggregate Quota or the Individual Investor Quota as set out in Section B of Appendix 1 has been exceeded; and
- 3.4.3 in respect of any outward remittance from the Deposit Account in connection with the Northbound Service to the Dedicated Investment Account, where I do not have sufficient funds in the Deposit Account in connection with the Northbound Service to settle the outward remittance.

Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such refusal.

- 3.5 Without limitation to the foregoing, the Bank may in its absolute discretion suspend, terminate or limit my ability to access the Northbound Service through the Bank without advance notice to me, including but not limited to where requested or directed by any WMC Authority.
- 3.6 In the event that the Bank is notified by any WMC Authority of any non-compliance and breaches of the WMC Laws and WMC Rules by the Bank and the Bank is restricted or suspended from engaging in the WMC or the Northbound Scheme, the Bank will handle my funds in the Deposit Account in connection with the Northbound Service in accordance with the instructions issued by the HKMA.
- 3.7 In the event that the Bank is notified by any WMC Authority that there is reasonable cause to believe that I have failed to comply with or have breached any WMC Laws and WMC Rules, I shall, upon the request of the Bank provide such information (including translations into Chinese if requested by the Bank) as the Bank may reasonably request to enable the Bank to assist the relevant WMC Authority to assess whether there is any non-compliance or breach of the WMC Laws and WMC Rules and/or the extent of any non-compliance or breach.
- 3.8 In the event that the Bank becomes aware of any non-compliance and breaches of the WMC Laws and WMC Rules conducted by me (including but not limited to becoming aware that I have possessed more than one dedicated remittance account or dedicated investment account under the Northbound Scheme), I acknowledge that, the Bank is under an obligation to file a report with the HKMA regarding such non-compliance and breach. Subject to the review by the relevant WMC Authorities, the Bank may suspend or revoke, terminate or limit my ability to access the Northbound Scheme and to perform any other actions as instructed by the relevant WMC Authorities, including but not limited to terminating my Deposit Account in connection with the Northbound Service.

#### **4. Risk Disclosure Statements and Acknowledgement**

- 4.1 I acknowledge my understanding and acceptance of the risks and statements in this Clause 4 and these WMC Terms by instructing the Bank in respect of any transactions in connection with the Northbound Service.
- 4.2 I acknowledge that I have read and understood the risk disclosure statements and other information set out in Section B of Appendix 1 and that I understand my obligations set out in such Section B including any consequences of a breach of WMC Laws or WMC Rules.
- 4.3 I acknowledge that there is a risk of prohibition from remittance of funds to/from the Deposit Account in connection with the Northbound Service and that my instructions to remit funds may not be accepted.

##### Arrangements with Mainland Partner Bank

- 4.4 I acknowledge and understand that I am required to apply for the Dedicated Investment Account with the Mainland Partner Bank in accordance with the relevant WMC Rules and WMC Laws under the Northbound Scheme. For the avoidance of doubt, in case I fail to open the Dedicated Investment Account with the Mainland Partner Bank, I am entitled to retain the Deposit Account in connection with the Northbound Service with the Bank and use such account for other purposes.

- 4.5 I acknowledge and understand that the Bank is not and does not serve or hold itself out as the representative or agent of the Mainland Partner Bank in Hong Kong for any purposes in connection with the Northbound Scheme.
- 4.6 I acknowledge and understand that the Mainland Partner Bank is not an authorized institution under the Banking Ordinance (Chapter 155 of the laws of Hong Kong) and is not subject to the supervision of the HKMA, and that the Mainland Partner Bank cannot carry on in Hong Kong any banking business or business of taking deposits. Any deposits maintained with the Mainland Partner Bank are not protected under the Deposit Protection Scheme in Hong Kong. If the Bank ceases its relationship with the Mainland Partner Bank in connection with the Northbound Service, the Bank shall notify me and handle my funds in the Deposit Account in connection with the Northbound Service in accordance with the WMC Laws or WMC Rules and/or the instructions issued by the WMC Authorities.

Closed-Loop Funds Flow under Northbound Scheme

- 4.7 I acknowledge and understand that the Deposit Account in connection with the Northbound Service and the Dedicated Investment Account with the Mainland Partner Bank will be bound to each other to form a one-to-one matching to ensure a closed-loop funds flow under the Northbound Scheme. I acknowledge the associated risks in connection with such Closed-Loop Funds Flow arrangements as described in more details in Clause 4.8 below.
- 4.8 I acknowledge and understand that the “closed-loop” funds flow arrangement under the Northbound Scheme (“**Closed-Loop Funds Flow**”) means that once the Dedicated Investment Account is opened with the Mainland Partner Bank, the Deposit Account in connection with the Northbound Service will only be used for remittance purposes under the Northbound Scheme and will not be used for any other purpose. With respect to cross-boundary remittances to/from the Mainland, the Deposit Account in connection with the Northbound Service can only accept remittances to/from the Dedicated Investment Account with the Mainland Partner Bank in RMB. For the avoidance of doubt, with respect to local remittance, I acknowledge that I can, without involving cross-boundary remittance to/from the Mainland, remit funds in the Deposit Account in connection with the Northbound Service to/from other accounts (whether in Hong Kong or otherwise) under the Northbound Scheme.
- 4.9 I acknowledge and understand that cross-boundary remittances between the Deposit Account in connection with the Northbound Service and the Dedicated Investment Account with the Mainland Partner Bank can only be conducted through the CIPS, including making use of the CIPS cross-boundary payment services offered by the RMB Clearing Bank in Hong Kong. I acknowledge that neither the Bank nor any Related Person shall be liable for any loss, liability or third party claim or demand that I may suffer directly or indirectly as a result of any delay, default or errors of the CIPS.
- 4.10 I acknowledge and accept that my transaction instructions in connection with Northbound Service shall comply with the WMC Rules, WMC Laws and all applicable laws in Mainland China and Hong Kong, including but not limited to the laws and regulations in relation to foreign exchange control and reporting. I acknowledge that neither the Bank nor any Related Person shall be liable for any loss, liability or third party claim or demand in connection to my violation of any of the WMC Rules, WMC Laws and all applicable laws in Mainland China and Hong Kong. For the avoidance of doubt, any transactions carried out by me through the Dedicated Investment Account with the Mainland Partner Bank are subject to the WMC Laws and WMC Rules in Mainland China.

Disclaimer of the Bank's liability

- 4.11 I acknowledge and agree that neither the Bank nor any Related Person shall be liable for any loss (including consequential loss), damage, expense, liability or third party claim or demand that I may suffer directly or indirectly as a result of the provision of services under the Northbound Scheme to me by the Bank including, without limitation, due to any transaction based on my instructions, the materialisation of any of the risks described in Section B of Appendix 1 or any action or inaction by the Bank or any Related Person in connection with the Northbound Service. The Bank may not be able to unwind any transaction based on my instructions, and I acknowledge that I also take note of the settlement arrangements under the Northbound Scheme, including but not limited to quota restrictions described in Section B of Appendix 1.
- 4.12 I acknowledge and accept that none of the WMC Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Bank or any Related Person, me or any other third party arising from or in connection with (i) any transactions in connection with the Northbound Service; (ii) any



amendments, making or enforcement of the WMC Rules; or (iii) any action taken by a WMC Authority in discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal remittance activities and/or other transaction activities).

#### Client information

- 4.13 I acknowledge and accept that the Bank will be subject to recordkeeping requirements under the WMC Laws and WMC Rules and may therefore retain records of (a) all transaction records recording the inflow and outflow of funds, (b) my account information in relation to the Northbound Scheme, (c) customer complaints and (d) compliance with the relevant regulatory requirements as otherwise required under the WMC Rules or the WMC Laws or the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) (the “**Client Information**”), in each case in accordance with the prevailing requirements on record keeping which the Bank is subject to from time to time.
- 4.14 For the purpose of compliance review and auditing by the WMC Authorities, I understand and consent that the Client Information may be disclosed to the WMC Authorities in accordance with WMC Laws or WMC Rules.
- 4.15 I acknowledge and accept that certain Client Information will be transferred to the Mainland Partner Bank on my behalf as part of the account opening process for the Dedicated Investment Account .

#### Complaints

- 4.16 I acknowledge that if I am dissatisfied with the Bank’s service under the Northbound Scheme, I have the right to make complaints (including complaints involving cross-boundary fund remittances) against the Bank under the Northbound Scheme. If I have any complaints in respect of any wealth management products and services under the Northbound Scheme, I acknowledge that I may make such complaint to the Mainland Partner Bank directly or that I may inform the Bank which may refer the complaint to the Mainland Partner Bank for follow-up.

### **5. Representations**

- 5.1 I make the representations set out in this Clause 5.1 to the Bank on a continuing basis:
- 5.1.1 that I am aware of and shall comply with all WMC Laws and WMC Rules to which I may be subject;
- 5.1.2 that the execution of any instruction I give to the Bank shall not result in any breach of any WMC Laws or WMC Rules; and
- 5.1.3 that I understand and have assessed the risks relating to Northbound Scheme and I am willing to undertake the risks relating to Northbound Scheme.
- 5.2 I make further representation to the Bank on each date I instruct a remittance in connection with the Northbound Service that I do not know of any fact that might impair the validity of such remittance transaction and that I have full authority to receive, deal with and give instructions, authorisations or declarations in respect of the same.

### **6. Remittance Handling**

- 6.1 The Bank will handle client orders for remittance fairly under the Northbound Scheme. The Bank may aggregate my orders for remittance with the orders of any other client or of its affiliates when the Bank processes such orders. This may sometimes operate to my disadvantage and, because of the quota restrictions described in Section B of Appendix 1, may result in my order only being partially executed or not at all.
- 6.2 In addition to these WMC Terms on remittance handling, I acknowledge and agree to also be bound by the terms in the Terms and Conditions on Remittance Service.

### **7. Cross-boundary Remittance and Currency Conversion**

I acknowledge and understand that:

- 7.1 All cross-boundary remittances between the Deposit Account in connection with the Northbound Service and the Dedicated Investment Account (including the principal and investment gains in the Dedicated Investment Account) are conducted in RMB, subject to the quota restrictions in Section B of Appendix 1.
- 7.2 Notwithstanding any provisions in the Existing Terms, where it is necessary to convert one currency to another pursuant to these WMC Terms, such conversion may be carried out automatically by the Bank in a commercially reasonable manner without prior notice to me. Any

risk, loss or cost (including fees, charges and/or commissions) in connection with or resulting from any conversion of one currency into another currency pursuant to these WMC Terms shall be borne by me.

- 7.3 Notwithstanding any provisions in the Existing Terms, where the Bank determines that there is insufficient liquidity in RMB to execute an outward remittance instruction from the Deposit Account in connection with the Northbound Service to the Dedicated Investment Account in connection with the Northbound Scheme, the Bank may, in its sole and absolute discretion, reject my instructions for outward remittance to the Dedicated Investment Account in connection with the Northbound Scheme and I shall be notified of such rejection as soon as possible.
- 7.4 The Bank will notify me within a reasonable time upon receipt of any inward remittance or information of instructions on any outward remittance, containing information on the remitted amount, the exchange rate applied to the remitted amount (where applicable), details of any commissions or charges payable and any other relevant information such as when the remittance funds will usually reach its destination (as applicable). Proceeds of an inward remittance may not be credited to the Deposit Account in connection with the Northbound Service on the same day the Bank receives the remittance if the Bank does not receive it before the relevant cut-off time set by the Bank.
- 7.5 Upon completion of the outward or inward remittance, a record of each such transaction will be shown in the regular account statements provided by the Bank.

## 8. Indemnity

- 8.1 In addition and without prejudice to any of its rights under the Existing Terms, I will indemnify the Bank and any of their directors, officers and employees (together, the “**Indemnified Parties**”) on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from the Indemnified Parties providing any services in respect of my transaction instructions in connection with the Northbound Service, including, without limitation, (a) any Taxes resulting from any transaction in connection with the Northbound Service, (b) the materialisation of any risk referred to in Section B of Appendix 1, (c) any legal costs which any of the Indemnified Parties may incur in connection with any instruction given by me, (d) any fees or expenses payable to CIPS arising from the cross-boundary remittances, (e) any violation of the applicable laws or misrepresentations made by me, or (f) any costs incurred in connection with the Northbound Scheme.

## 9. Fees and Taxation

- 9.1 I acknowledge and accept responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required under any WMC Laws or WMC Rules.
- 9.2 I shall be responsible for paying all Taxes, and I shall be required to comply with any filing or registration obligations, in each case as may be required under any WMC Laws or WMC Rules in connection with the Northbound Scheme.
- 9.3 In the event the Bank is required under WMC Laws or WMC Rules to pay any Taxes, the Bank may notify me whenever necessary and request that I provide the Bank with relevant information as the Bank may deem necessary to fulfill its obligations. I must provide to the Bank, promptly on such request, such information and documents such as but not limited to my tax status or residence. The Bank may withhold or deduct relevant Taxes from any amount due to me and I will remain liable for any shortfall.
- 9.4 In the event the Bank does not receive any requested information from me within a reasonable period of time to fulfill its obligations, the Bank shall be forthwith entitled in our absolute discretion, without further notice or demand to me, to satisfy any obligation of the Bank or me to pay or account for any amounts in respect of any Taxes by selling, realizing or otherwise dealing with, in such manner as the Bank in its absolute discretion may determine, all or part of any property held by the Bank for any purpose in any of my accounts held with the Bank, and to apply the proceeds in reduction of all or part of my liability to any tax authority or the Bank.
- 9.5 The Bank shall have no responsibility to verify the accuracy of the information provided by me and is entitled to rely on such information to fulfil the Bank's or my obligations.
- 9.6 The Bank shall have no liability whatsoever for the lack of any tax relief, or any failure to obtain the benefit of any tax credit.

## 10. Liability

- 10.1 Notwithstanding any other provision in these WMC Terms, neither the Bank nor any Related Person shall be responsible for and shall have no liability to me for any damage, liability or loss (including loss of profit) unless such damage, liability or loss is a direct result of the Bank's or a

Related Person's fraud, wilful default or gross negligence.

#### **11. Termination**

- 11.1 I agree and acknowledge that the Bank may at any time introduce and/or vary any new services or delete/terminate these WMC Terms. Clauses 3 (Compliance with WMC Laws and WMC Rules), 4 (Risk Disclosures and Acknowledgment), and 8 (Indemnity) shall survive termination of these WMC Terms.
- 11.2 On the termination of these WMC Terms, the Bank shall deliver all funds in the Deposit Account in connection with the Northbound Service in accordance with my instructions. If I fail to give instructions, the Bank shall continue to hold the funds in the Deposit Account in connection with the Northbound Service for such fee(s) as the Bank may in its sole discretion determine. The Bank shall in any event be entitled to retain such funds in the Deposit Account in connection with the Northbound Service as the Bank may in its sole discretion determine in order to complete any transaction required to be settled on my behalf.
- 11.3 If I wish to terminate the Deposit Account in connection with the Northbound Service, I shall give instructions to the Bank to deliver all funds held in the Deposit Account in connection with the Northbound Service in accordance with my instructions. Under such circumstances, I should ascertain with the Mainland Partner Bank that no Eligible Wealth Management Products or funds remain in the Dedicated Investment Account with the Mainland Partner Bank and confirm that no funds remain in the Deposit Account in connection with the Northbound Service prior to termination of the Deposit Account.

#### **12. Miscellaneous**

- 12.1 I will pay fees, charges and expenses in respect of these WMC Terms in accordance with the Bank's fee scale from time to time in force.
- 12.2 I will execute any further documents and provide any materials and/or information as the Bank may reasonably request to enable the Bank to perform its duties and obligations under these WMC Terms which may become necessary as and when the WMC Laws or the WMC Rules are amended from time to time.
- 12.3 I will provide all information (including translations into Chinese, if required) to the Bank which the Bank requests if such information is requested by any WMC Authority, or any regulatory authority or any organisation (whether within or outside Hong Kong) with which WMC Authority has entered into an information sharing arrangement or agreement. I acknowledge that, my failure to comply with this provision may, amongst other things, result in a suspension of my ability to access the Northbound Scheme through the Bank.
- 12.4 I hereby confirm that the Bank has explained to me and I have received and read the English or Chinese versions of these WMC Terms and that I understand and accept these terms. In the event of discrepancy between the Chinese version and the English version of these WMC Terms, the English version shall, insofar as the discrepancy relates to these WMC Terms, prevail. If any provision in these WMC Terms shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.
- 12.5 No failure or delay by either party in exercising any right or remedy provided under these WMC Terms shall operate as a waiver of it, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of it or the exercise of any other right or remedy. Any waiver of a breach of these WMC Terms shall not constitute a waiver of any subsequent breach.
- 12.6 The Bank may at any time vary, delete, replace, add or amend these WMC Terms upon prior written notice to me in accordance with the requirements of applicable codes, guidelines and laws including the WMC Laws and WMC Rules, as amended from time to time.

#### **13. Governing Law and Jurisdiction**

- 13.1 These WMC Terms shall be governed by Hong Kong law.
- 13.2 The parties agree to submit to the exclusive jurisdiction of the Hong Kong courts in relation to any dispute arising under or in connection with these WMC Terms.



**Appendix 1: General Risk Disclosure Statement and Disclaimer**

I acknowledge and agree that:

- (a) the Bank has advised me to read this General Risk Disclosure Statement and Disclaimer carefully. This General Risk Disclosure Statement and Disclaimer forms an integral part of these Terms and Conditions;
- (b) the Bank has explained this General Risk Disclosure Statement and Disclaimer to me and I have read and fully understood the same;
- (c) the Bank has recommended me to obtain independent legal advice before entering into these Terms and Conditions with the Bank; and
- (d) this General Risk Disclosure Statement and Disclaimer does not purport to disclose or discuss all of the general risks and other significant aspects of any transaction. I should therefore consult my own independent legal, tax and financial advisers prior to entering into any particular transaction. It is important for me to determine whether any transaction is suitable to me and I should be aware that this is my responsibility.

Unless otherwise defined, capitalized terms used in this General Risk Disclosure Statement and Disclaimer shall have the same meanings given to them in other Parts.

**Section A: Risk Disclosure Statements in connection with the Northbound Service****1. General Risks**

- 1.1 Under the Northbound Scheme, subject to satisfying relevant eligibility criteria as required under the WMC Laws and WMC Rules, I may conduct investment activities with respect to Eligible Wealth Management Products in the Dedicated Investment Account with the Mainland Partner Bank.
- 1.2 The Eligible Wealth Management Products are determined by the Mainland Partner Bank and details and implementation arrangements will be issued and government by the Mainland WMC Authorities. I should familiarize myself with all relevant terms and conditions for the opening of the Dedicated Investment Account with the Mainland Partner Bank, including the associated investment risks. The risk disclosures in this Section A are for your general information only regarding investment activities generally and any disclosures regarding risks associated with investments conducted under the Northbound Scheme should be made by the Mainland Partner Bank.
- 1.3 Investment involves risks. Past performance of investment products are no guide to future performance. The value of investments and the income from them can fluctuate and is not guaranteed. I may not get back the amount invested and the worst case will result in loss of my entire investments. Leveraged products may involve the potential to lose more than the entire amount of my investment.
- 1.4 Investments are not appropriate for me unless I am willing or able to accept the risk of adverse movements in the value of investment products and currency exchange rates.
- 1.5 Prior to entering into any investment transaction, I should familiarize myself with all relevant materials including any offering document that has been provided to me by the Mainland Partner Bank which set out material terms, associated obligations, underlying assumptions, pricing basis, product specific risk factors and other relevant information regarding transactions which I propose to enter into.
- 1.6 I should carefully study and understand the risks involved and consider whether entering into an investment transaction is suitable in the light of my financial position, experience and investments objectives.
- 1.7 I should ensure that I fully understand the terms of the investments and any risks involved, and I accept any and all risks in connection therewith. I have been fully advised to make independent assessment of the risks associated with the entering into of transactions and I shall seek independent appraisal and/or advice if I am uncertain of or have not understood the product features of any of the investments, any aspect of these risk disclosure statements or the nature of risks involved in making investments, and notwithstanding any materials or information which may be provided by the Mainland Partner Bank to me in relation to any investment product, I

shall consider whether it is a suitable investment.

## **2. Risk of Investment**

The prices of any investment may fluctuate, sometimes dramatically. The price of an investment may move up or down, and may become valueless as it is likely that losses will be incurred rather than profits made as a result of buying and selling investment products.

## **3. Risk of Online Trading**

Transactions over the Internet may be subject to interruption, transmission blackout, delayed transmission due to Internet traffic or incorrect data transmission due to the public nature of the Internet. There may also be a time lag in transmission of information, instruction and communication via the internet. This may subject instructions to non-execution, delays or error in execution or execution at prices different from those indicated on the internet.

## **4. Risk of Client Assets Received or Held Outside Hong Kong**

Client assets received or held outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from those in Hong Kong (including the SFO and the rules made thereunder). Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

## **5. Currency Risk**

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in my own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

## **6. Risk of Providing an Authority to Direct Mails to Third Parties**

If I provide the Bank or Mainland Partner Bank with an authority to direct mail to third parties, it is important for me to promptly collect in person all contract notes and statements of my account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

## **7. Transaction Costs**

Before making any transaction or investments, I should obtain a clear explanation of all commissions, fees and other charges for which I will be liable. My net returns from any transaction or investments would also be affected by the transaction costs (i.e. commission, fees and other charges) charged by the Bank or third parties and any relevant tax liabilities. These costs must be considered in any risk assessment made by me. In some cases, managed accounts may be subject to substantial charges for management and advisory fees. It may be necessary for those accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets.

## **8. Tax risks**

Before entering into any investment transaction, I should understand the tax implications (including the implications of any applicable income tax, goods and services or valued added taxes, stamp duties and other taxes) of acquiring, entering into, holding and disposing of the relevant investments or transaction. Different transactions may have different tax implications. The tax implications of any transaction are dependent upon the nature of my business activities and the transaction in question. I should, therefore, consult my independent tax adviser to understand the relevant tax considerations.

## **Section B: Risk Disclosure Statements and Other Information relating to Cross-Boundary Wealth Management Connect (Northbound Scheme)**

This Section describes some of the key risk factors and other information concerning the Northbound Scheme. This Section does not disclose all the risks and other significant aspects of Northbound Scheme through WMC. I acknowledge that I understand the nature and risks of WMC and Northbound Scheme and I should consider carefully (and consult my own advisers where necessary) whether transacting in Eligible Wealth Management Products is suitable for me in light of my circumstances. The decision to participate in the Northbound Scheme and invest in Eligible Wealth Management Products is mine, but I should not invest unless I fully understand and am willing to assume the risks associated with the Northbound Scheme and am able to comply with all relevant WMC Laws and WMC Rules. I acknowledge the risks and agree to the terms set out in this Section. I am responsible for monitoring changes in the WMC Laws and WMC Rules and complying with any new requirements.

The Bank does not represent that the information set out in this Section is up to date, and does not

undertake to update the information set out in this Section. In addition, the Bank does not provide any warranty with respect to such information and no such information is to be construed as legal, financial or tax advice of any kind by it.

## 1 Home Market Rules

A fundamental principle of WMC is that the laws and rules of the home market of the applicable to the eligible wealth management products shall apply to investors in such eligible wealth management products of the WMC. In respect of Eligible Wealth Management Products for the Northbound Scheme, Mainland China is the home market and thus the principle is that investors in Eligible Wealth Management Products for the Northbound Scheme should observe the relevant WMC Rules and other Mainland China laws and regulations. If such rules and regulations are breached, the relevant WMC Authorities in Mainland China have the power to carry out an investigation.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to remittances to and from the Deposit Account in connection with the Northbound Service.

## 2 Quota Restrictions

Remittances from the Deposit Account in connection with the Northbound Service to the Dedicated Investment Account under the Northbound Scheme are subject to certain quota controls as described below. As a result, there is no assurance that the outward remittance to the Dedicated Investment Account can be accepted through the Northbound Scheme.

### *Aggregate Quota*

There is an aggregate quota for the Northbound Scheme under the WMC Laws and WMC Rules (the “**Aggregate Quota**”) set by the WMC Authorities. The Aggregate Quota and its calculation logic may change from time to time without prior notice and investors are advised to refer to the HKMA and PBoC websites and other information published by the HKMA and PBoC for up-to-date information.

The usage of the Aggregate Quota under the Northbound Scheme is calculated on a net basis as follows:

$$\text{Usage of the Aggregate Quota under the Northbound Scheme} = A - B$$

**Where:**

**A** means the cumulative remittances to the Mainland from all eligible Hong Kong banks under the Northbound Scheme; and

**B** means the cumulative remittance from the Mainland to Hong Kong from all eligible Mainland banks under the Northbound Scheme.

When the Aggregate Quota has been exceeded, the Bank cannot proceed with outward remittance to the Dedicated Investment Account, which may result in the instructions for remittance to the Dedicated Investment Account in Mainland China to be put on hold or rejected.

### *Individual Investor Quota*

There is an individual investor quota for each eligible investor under the Northbound Scheme under the WMC Laws and WMC Rules (the “**Individual Investor Quota**”) set by the WMC Authorities. The Individual Investor Quota may change from time to time without prior notice and investors are advised to refer to the HKMA and PBoC websites and other information published by the HKMA and PBoC for up-to-date information.

The usage of the Individual Investor Quota under the Northbound Scheme is calculated on a net basis as follows:

$$\text{Usage of the Individual Investor Quota under the Northbound Scheme} = X - Y$$

**Where:**

**X** means the cumulative remittances to the Dedicated Investment Account from the Deposit Account in connection with the Northbound Service; and

**Y** means the cumulative remittances to the Deposit Account in connection with the Northbound Service from the Dedicated Investment Account.

When the Individual Investor Quota has been exceeded, the Bank cannot proceed with outward remittance to the Dedicated Investment Account, which may result in the instructions for remittance to the Dedicated Investment Account in the Mainland China to be put on hold or rejected. Taxation

The Bank assumes no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with WMC, nor will the Bank provide any service or assistance in this regard. Please refer to Clause 9 (*Fees and Taxation*) of the WMC Terms for details of the applicable legal terms.

### **3 RMB Conversion**

RMB is not freely convertible at present. The actual conversion arrangements will depend on the restrictions prevailing at the relevant time. Any conversion of any currency into RMB pursuant to Clause 7 (*Cross-boundary Remittance and Currency Conversion*) of the WMC Terms may be subject to such restrictions. Outward remittances may be delayed and/or fail if there is a delay in converting the relevant currency into RMB. Any risk, loss or cost resulting from any such delay or failure of settlement shall be borne by me.

In addition, the value of RMB against Hong Kong dollars or other foreign currencies may be affected by a wide range of factors. There is no guarantee that RMB will not depreciate.

There are also significant restrictions on the remittance of RMB into and out of Mainland China.

### **4 Other risks associated with the Cross-Boundary Wealth Management Connect (Northbound Scheme)**

#### *General Mainland China related risk*

Mainland China is an emerging market that possesses one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, liquidity/gapping risk, regulatory/legal risk, trade settlement, processing and clearing risks and bondholder/shareholder risk.

#### *General legal and regulatory risk*

I must comply with all WMC Laws and WMC Rules. Furthermore, any change in any WMC Laws or WMC Rules may have an impact on the market sentiment. Any litigation or other legal actions brought before the courts in Mainland China will be subject to Mainland China laws, rules and procedures, which are not the same as those which apply to the courts in Hong Kong.